

Measurement Tool For Analyzing The Influence Of E-WOM And Brand Image On Purchase Decision At Make Over Brands

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Abstract

In March 2023, 42% of 1,050 respondents in Indonesia selected cosmetic and body care products as their most sought-after category, making it the third most popular for online purchases. This study aims to develop a measurement tool to analyze the influence of Electronic Word of Mouth (e-WOM) and brand image on purchase decisions, focusing on Halal brands. Using Smart PLS for structural equation modeling, a purposive sampling method targeted 30 respondents who purchased Make Over products. The pilot test confirmed the tool's validity and reliability, comprising 7 variables and 34 items, making it suitable for further research.

Keywords: E-WOM, Purchase Decision

1. Introduction

Over the past two decades, the Indonesian way of life has been significantly impacted by the internet. Meanwhile, in recent years, there has been a significant increase in the makeup industry, which can be attributed to various factors such as changing consumer preferences, technological advancements, and cultural influences. The cosmetics market in Indonesia is experiencing impressive growth, with a projected revenue of US\$ 1.85 billion in 2023 and an anticipated annual growth rate of 5.26 (Statista, 2023). In figure 1 below, the graph of the top cosmetic products sales' revenue.

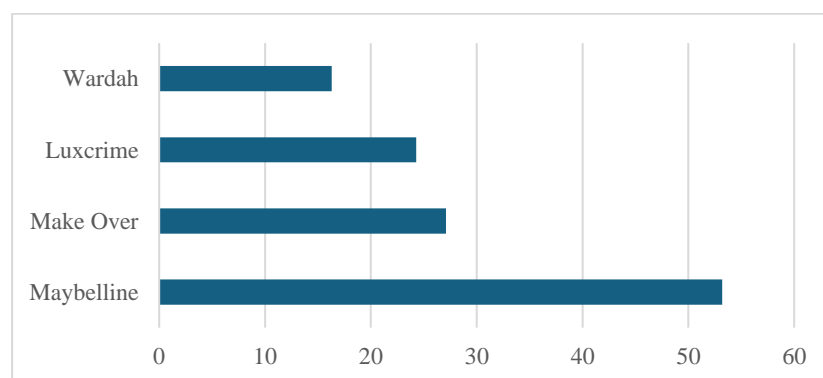


Figure 1. Revenue Cosmetic in Indonesia 2023

In the figure above, Make Over have emerged as formidable players among other local brands. with the cumulative sales as of March 2022 stand at IDR 27.1 billion. These statistics underscore the substantial market potential and achievable market share for brands in the health and beauty sector. In table 1 below, the state of the market share of Make Over brand over the past three years can be shown.

Table 1. Market Share of Make Over from 2021-2023

Year	Market Share
2021	10.3%
2022	6.83%
2023	10.24%

Based on the table above, it can be seen the market share of Make Over brand which analyzed using an online crawling method for official stores on Shopee and Tokopedia. Make Over's market share showed notable fluctuations. In 2021, Make Over achieved significant market share due to effective marketing and consumer loyalty. However, in 2022, their market share declined due to new and aggressive competitors. By 2023, Make Over's market share rebounded to 10.24%, indicating successful adaptation to previous challenges. With the rise of e-commerce, Electronic Word of Mouth (e-WOM) has become crucial, and very important for consumers when making decisions about what to buy, and companies are aware of this (Yang, Cheng, & Tong, 2015). Purchasing decisions are also influenced by brand image which has a real influence, consumers' perceptions and trust in a brand which is embedded in their memories (Lisnawati, Wibowo, & Suhendro, 2021). e-WOM in how it works can produce positive and negative reviews that can affect brand image. The importance of customer online reviews in determining business performance, customer's tendency to recommend products, and forecasting purchase intention highlights the influence of e-WOM on consumer behavior (Indrawati, Yones, & Muthaiyah, 2022).

As a reputable Halal marketer, Make Over can adopt a communication strategy that aims to establish a strong halal brand image, thereby encouraging Muslim consumers to prefer their brands over those of their competitors (Fachrurazi, Silalahi, Hariyadi, & Fahham, 2023). The perception of halal certification adds complexity in markets where it is crucial. Considering demographic factors like gender and income can significantly influence how consumers perceive the halal image of Make Over products, affecting their purchase intentions and decisions. Gender differences shape purchasing behaviors, with males prioritizing social media content quality and source credibility for information gathering and risk-taking, while females conduct detailed searches and consider multiple sources before deciding (Dedeoglu, 2018). Income levels also impact consumer behavior; higher-income individuals prioritize brand image and product quality, while lower-income consumers are more influenced by positive e-WOM (Dangi, Saini, Singh, & Hooda, 2021). This research aims to explore how e-WOM and brand image influence purchase decisions for Make Over products, focusing on the moderating effects of gender and income. The findings will help businesses leverage e-WOM and develop a strong brand image to enhance purchasing decisions.

2. Literature Review

2.1 Marketing

According to (Kotler & Armstrong, 2018), marketing is a managerial process where individuals and organizations acquire what they need and want by creating and exchanging value with others. According to (Wijayanti, 2021), marketing is a courteous system of business activities that strategically plans, sets fair prices, promotes effectively, and distributes goods efficiently to fulfill desires and reach target markets, aligning with the company's business goals.

2.2 Digital Marketing

As stated by (Chaffey & Smith, 2017) that digital marketing, formerly known as e-marketing or internet marketing, is essential in digital business. It enhances customer relationships, adds value to products,

expands distribution channels, and drives sales through campaigns on platforms such as search marketing, online advertising, and affiliate marketing.

2.3 Media in Digital Marketing

In digital marketing, "media" refers to channels used to communicate with target audiences. Social media are crucial, enhancing communication between customers and marketers and sharing brand information due to their seamless interaction capabilities (Jamil, et al., 2022).

2.4 Marketing Communication

In his book, (Egan, 2014) defines marketing communication as how a business presents itself to its audience to stimulate conversation and enhance relationships.

2.5 Electronic Word of Mouth

According to (Ismagilova, Dwivedi, Slade, & Williams, 2017) describe e-WOM as dynamic digital consumer communication, surpassing face-to-face interactions and occurring on platforms like websites, blogs, forums, and social media.

2.6 Brand Image

According to (Heding, Knudtzen, & Bjerre, 2020), suggest that "brand image" extends beyond surface-level perceptions, encompassing a wide range of beliefs, ideas, and impressions that people associate with a brand.

2.7 Halal Product Image

In Indonesia, the halal brand image pertains to products certified as halal by the Indonesian Council of Ulama (MUI), as mandated by law. This certification is compulsory for food and beverage items, as well as cosmetics, medications, and other consumer goods sold in Indonesia (Wardi, Trinanda, & Abror, 2022).

2.8 Purchase Intention

According to a study by (Morwitz, 2014), purchase intentions are a crucial measure that marketing managers use to make decisions about new and existing products.

2.9 Purchase Decision

According to (Solomon, 2017), it goes beyond a single event and encompasses a comprehensive process where consumers carefully consider their needs and preferences.

2.10 Research Framework

The theoretical framework employed by (Camilien & Indrawati, 2023) which focus on the interplay between Brand Image, Halal Product Image, and Purchase Decision, highlighting the influence of a brand's overall image, especially its halal association, on consumer choices. The research aims to enrich this framework by investigating how age and income influence these variables, acknowledging potential differences in information adoption among different demographic groups.

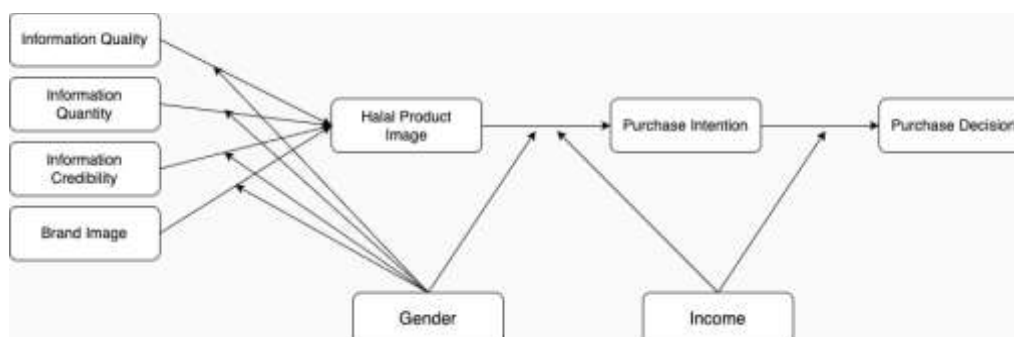


Figure 2. Research Framework

3. Research Methodology

This research utilized a quantitative methodology, collecting data via questionnaires distributed through Google Forms. A non-probability purposive sampling method, as defined by (Indrawati, 2015), was employed, where specific sample members were deliberately selected based on set criteria, rather than giving every member of the population an equal chance of selection. The study emphasized the importance of data validity and reliability. To ensure validity, which measures how accurately a tool targets its intended measure, the researcher conducted content validity checks. Reliability, focusing on the consistency and stability of measurement results, was also assessed to eliminate measurement errors and ensure trustworthy results (Indrawati, 2015).

The authors have appropriated and revised the survey question from a prior investigation conducted (Indrawati, Yones, & Muthaiyah, 2022), (Hoang & Tung, 2023), (Irawan & Suprapti, 2020), (Fachrurazi, Silalahi, Hariyadi, & Fahham, 2023), (Camilien & Indrawati, 2023). The purpose of this assessment is for the writers to acquire expert feedback in order to enhance the questionnaire items to align with the research requirements. Following this, in order to confirm the clarity of each questionnaire item, the researcher must perform a readability assessment with the participants. The items for each factor are outlined in the table below.

Table 2. Questionnaire Item

Variable	Items
Information Quality (X1)	IQ1: I understand the information about Make Over product on social media
	IQ2: I think the information about Make Over product on social media is really important
	IQ3: I feel the Make Over product information on social media is based on facts
	IQ4: The information about Make Over product on social media is detailed
	IQ5: I think the information on social media regarding Make Over explains well the product attributes
	IQ6: In conclusion, I think the information about Make Over products on social media is really good
Information Quantity (X2)	IQn1: There are lots of different opinions about the Make Over product I'm interested in
	IQn2: I believe in the product more when I see many online reviews about Make Over
	IQn3: I trust the information on social media because there is a lot about Make Over
	IQn4: If many people say Make Over is great, it means the product is well-regarded
Information Credibility (X3)	IC1: I trust the Make Over information on social media because it is reliable
	IC2: I trust the Make Over information on social media because it is accurate
	IC3: The social media information about Make Over makes me think their products are good
	IC4: The information on social media about Make Over can convince me
Brand Image (X4)	BI1: I have a clear impression of the type of people who use Make Over
	BI2: I agree that Make Over is a popular product that many people know

	BI3: I agree that Make Over is a well-known product in the market
	BI4: I agree that Make Over gives a good impression to people who use it
	BI5: I agree that Make Over is easy to recognize
Halal Product Image (X5)	HPI1: I believe Make Over keeps its promise about being halal
	HPI2: I think Make Over has a good reputation compared to other halal brands
	HPI3: I consider Make Over as the top choice for keeping halal commitments
	HPI4: I think Make Over is highly regarded among other halal makeup brands
Purchase Intention (X6)	PI1: I like the idea of buying Make Over products
	PI2: I plan to buy Make Over products soon
	PI3: I want to give Make Over products a try
	PI4: I would think about getting Make Over when I need make up
Purchase Decision (Y)	PD1: I buy Make Over products because the brand is really good
	PD2: I buy Make Over products because the quality is good
	PD3: I would buy Make Over products because they give good value for money
	PD4: I feel sure about choosing Make Over products
	PD5: I am glad I decided to get Make Over products
	PD6: I always pick Make Over product
	PD7: Overall, I am happy with my choice to buy Make Over products

4. Research Method and Analysis

The authors initially conducted a pilot study to test the questionnaire's validity for further research. This pilot study included 30 respondents who were Make Over consumers. The collected data were used for validity and reliability tests. The importance of validity is emphasized as it measures how accurately a tool assesses its intended target. A higher validity level indicates a stronger correlation between what the tool measures and its intended purpose (Indrawati, 2015). In this study, the validity of the questionnaire was tested using the Pearson Product Moment (r-count) correlation with a significance level (α) of 0.05 and a sample size (n) of 30, yielding a correlation rate (r-table) of 0.361.

Table 3. Validity Test Results

Variables	Items	r-Statistic	Test
Information Quality (X1)	IQ1	0,710	Valid
	IQ2	0,797	Valid
	IQ3	0,787	Valid
	IQ4	0,691	Valid
	IQ5	0,830	Valid
	IQ6	0,829	Valid
Information Quantity (X2)	IQn1	0,703	Valid
	IQn2	0,878	Valid
	IQn3	0,729	Valid
	IQn4	0,751	Valid
Information Credibility (X3)	IC1	0,873	Valid
	IC2	0,860	Valid
	IC3	0,868	Valid
	IC4	0,901	Valid
Brand Image (X4)	BI1	0,637	Valid
	BI2	0,835	Valid
	BI3	0,877	Valid

	BI4	0,831	Valid
	BI5	0,556	Valid
Halal Product Image (X5)	HPI1	0,686	Valid
	HPI2	0,825	Valid
	HPI3	0,938	Valid
	HPI4	0,888	Valid
	HPI5	0,888	Valid
Purchase Intention (X6)	PI1	0,841	Valid
	PI2	0,850	Valid
	PI3	0,798	Valid
	PI4	0,562	Valid
Purchase Decision (Y)	PD1	0,860	Valid
	PD2	0,718	Valid
	PD3	0,758	Valid
	PD4	0,808	Valid
	PD5	0,695	Valid
	PD6	0,826	Valid
	PD7	0,819	Valid

Based on the data in the table, it can be concluded that the validity test using SPSS is deemed valid. This means that the questionnaire items have passed the validity test.

The importance of reliability in research cannot be overstated, as it ensures the confidence, consistency, and stability of measurement results, thereby establishing their trustworthiness and minimizing measurement errors (Indrawati, 2015). Reliability is typically assessed using Cronbach's Alpha for questionnaires with multiple items. The results are considered reliable if the Cronbach's Alpha value exceeds 0.70. This measure is commonly used to evaluate the reliability of questionnaires with many items, and indicators are deemed reliable if they achieve a Cronbach's Alpha score above 0.70.

Table 4. Reliability Test Results

Variable	Cronbach's Alpha	Test
Information Quality (X1)	0,864	Reliable
Information Quantity (X2)	0,759	Reliable
Information Credibility (X3)	0,897	Reliable
Brand Image (X4)	0,789	Reliable
Halal Product Image (X5)	0,854	Reliable
Purchase Intention (X6)	0,752	Reliable
Purchase Decision (Y)	0,882	Reliable

Based on the table data, it can be concluded that each variable in this research is reliable and suitable for use.

5. Conclusions

The measurement instruments were assessed using data from 30 Make Over consumers who had purchased the product. The findings confirm that all variables and items are valid and reliable,

indicating that the proposed measurements are ready for subsequent research. The validity test results show that all items have correlation values above the r-table threshold, affirming their validity. Moreover, the reliability test results demonstrate that the Cronbach's Alpha values exceed 0.70, ensuring the reliability of all variables.

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