The Effect of E-WOM, Brand Trust, and Brand Ambassador on Purchase Decisions at Tokopedia Online Shopping Site

Nurhasanah¹*, Febrina Mahliza¹, Lucky Nugroho¹ and Yananto Mihadi Putra¹
¹Faculty of Economics and Business, Universitas Mercu Buana, Meruya Selatan Street, No 1, Kembangan, Jakarta Barat, Indonesia

E-mail: nurhasanah1619@gmail.com

Abstract. Online shopping sites are places for buying and selling transactions that are favored by many people. Tokopedia is currently the market leader in the world of e-commerce in Indonesia. The purpose of this study was to analyze the influence of electronic word of mouth (E-WOM), brand trust, and brand ambassador toward purchase decisions at the Tokopedia online shopping site. This study uses a quantitative approach by collecting data through the survey method. The population in this study were Tokopedia users from Mercu Buana University students. The data of 100 respondents were collected using an online questionnaire and were analyzed using Partial Least Square (PLS). This study shows that e-WOM has a positive and significant effect on purchase decisions. Brand trust has a positive and significant effect on purchase decisions, and brand ambassador has a positive and significant effect on purchase decisions.

1. Introduction

Internet users in Indonesia in 2017 were 143.26 million (54%) from a total of 264 million people [1]. The number of internet users has positive implications for the increasing intensity of online shopping in Indonesia. As many as 2.43 million people from the total internet users use the internet to shop online, while 2.72 million people also use the internet to sell online. This shows that 5.15 million people in Indonesia use the internet as a medium for buying and selling online. Technology, especially information technology, has a significant impact on various aspects, including economic and cultural life [2]. The rapid development of information technology influences the speed and convenience of services to customers [3]. In this condition, competition in the world of online sales is getting tougher. The development of buying and selling transactions in the digital world is also multiplying, which shows that people's purchasing decisions for shopping at online stores are also increasing every year. These online transactions are from big cities and small and rural towns in Indonesia. According to 2018, Tokopedia's transaction value was the US $ 5.9 billion [4]. This data shows that Tokopedia is currently the market leader in the world of e-commerce in Indonesia. Various factors can influence purchasing decisions at online shopping sites. Online purchases are strongly affected by E-WOM compared to other traditional communication media such as advertisements and the purchase of editorial recommendations. Reviews of a product made by consumers on the internet are a basic form of E-WOM. Consumers tend to look for product reviews online to obtain specific product information in the purchasing decision process. E-WOM has a positive and significant influence on purchasing decisions. As a review of a product or service in cyberspace, E-WOM is an important thing that can be used to increase someone's decision to buy a product or service. Online shopping sites that consumers
see as a trustworthy brand can potentially determine consumer purchasing decisions. Consumers' feelings in trusting brand consumers can be remembered in consumers' minds, so consumers tend to choose the brand and will not switch to others. Brand trust has a positive and significant effect on purchase decisions [5]. The brand trust will determine consumer purchases of brands, and trust will potentially create high-value relationships. Besides, online shopping sites that use a brand ambassador can have the potential to influence consumers. It is intended that consumers are interested in making purchases, mostly since the selection of a brand ambassador is usually based on the image of a well-known celebrity. The brand ambassador has a positive and significant effect on purchasing decisions. This study is focused on providing empirical findings on online purchase decisions on an online shopping site in Indonesia that supports Micro, Small, and Medium Enterprises (MSMEs) and individuals to develop their businesses by marketing products online. Micro, Small, and Medium Enterprises (MSMEs) need to use information technology that plays a crucial role in improving their business performance.

2. Conceptual framework and hypothesis development
Consumer behavior is the study of how individuals, groups, and organizations select, buy, use, and dispose of goods, services, ideas, or experiences to satisfy their needs and wants [6]. It means that purchasing decisions show how individuals, groups, and organizations choose, buy, use, and how goods, services, ideas, or experiences satisfy their needs and wants. Purchasing decisions are preceded by the desire to buy, which arises because there are varying influencing factors such as family, the price desired, the information provided, and the benefits or benefits obtained from the product or service. When consumers make a purchase, many situational factors can influence their purchase decision. Consumers will undoubtedly look for information about the product or service they purchased before consumers purchase a product or service. Consumers' information about product quality and service quality needs crucial through E-WOM messages [7]. E-WOM is word of mouth through electronic media. E-WOM is a positive or negative statement made by potential consumers, real consumers, or consumers who have previously used a product about a product or company that can be accessed by many people or institutions via the internet. Consumers will undoubtedly look for information about the product or service they purchased before consumers purchase a product or service. E-WOM is the ability to drive the marketing of products issued by the company. E-WOM has a positive and significant influence on purchasing decisions [8]. The more positive the message conveyed via E-WOM, the higher the consumer's purchasing decision. This showed that E-WOM as a review of a product or service in cyberspace is an important thing that can increase someone's decision to buy a product or service. Therefore, the hypothesize that: H1: E-WOM has a positive and significant effect on purchase decisions at Tokopedia online shopping site.

Brand trust is a brand's ability to be trusted (brand reliability), which comes from consumer confidence that the product can fulfill the promised value and brand intention (brand intention), which is based on consumer confidence that the brand can prioritize. When a brand provides interaction to consumers, the brand can meet consumer needs and give responsibility for consumers' interests and safety. The impact is that consumers can feel very safe feeling towards the brand. Brand trust is consumers' feeling that consumers have trusted the product through product quality that can be remembered in consumers' minds. Furthermore, consumers tend to choose the product so that consumers will not switch to other products. The brand trust will determine consumer purchases of brands, and trust will potentially create high-value relationships [5] showed that brand trust has a positive and significant effect on purchasing decisions. The higher a person's perception of brand trust, the higher the purchase decision. Therefore, the hypothesize that H2: Brand trust has a positive and significant effect on purchase decisions at Tokopedia online shopping site.

A brand ambassador is a person who supports a brand from various famous public figures, apart from popular society can also be supported by ordinary people. Brand Ambassadors are cultural icons or identities, where they act as marketing tools that represent the achievement of human individualism and the commodification and commercialization of a product. The characteristics of the Brand
Ambassador are visibility, credibility, attraction, and power. Companies use Brand Ambassador to influence or engage consumers. It is intended that consumers are interested in making purchases, mainly because of the selection of a Brand Ambassador. Brand Ambassador has a positive and significant effect on purchasing decisions [9]. The higher a person's perception of a brand ambassador, the higher the purchase decision. Therefore, the hypothesize that: H3: Brand Ambassador has a positive and significant effect on purchase decisions at Tokopedia online shopping site.

3. Method
The type of study is causal research using a quantitative approach. This study's independent variables are E-WOM, brand ambassador, and brand trust. The dependent variable is the purchase decision, and the variables used as latent variables, which consist of indicators. The indicators of E-WOM are frequency of access to information from social networking sites, the number of reviews written by users of social networking sites, positive comments from users of social networking sites, recommendations from users of social networking sites, information on food and beverage variations, information on the quality (taste, texture, and temperature) of food and beverages and information regarding the price offered [10]. The population of this study was students of Mercu Buana University who had shopped at Tokopedia. The samples were determined by using the purposive sampling technique. The sample criteria are the students aged 20-32 years and had shopped at Tokopedia once (Table 1). The number of samples was 100 respondents, determined from 5 times ten indicators used in this study. SEM analysis relies on the number of parameters estimated where the sample is obtained from 5-10 times the number of parameters estimated [11].

| Table 1. Profile of respondents. |
|-------------------------------|----------------|---------------|
| Characteristics     | Number | Percentage  |
| Gender              |        |              |
| • Female           | 40     | 40%          |
| • Male             | 60     | 60%          |
| Age                |        |              |
| • 17-22            | 54     | 54%          |
| • 23-27            | 34     | 34%          |
| • 28-32            | 12     | 12%          |
| Total              | 100    | 100%         |

This study was started from August 2019 to May 2020. The data collected using the distribution of online questionnaires to respondents. The data collection technique used in this research is distributing online questionnaires to respondents. The questionnaire has been tested for validity and reliability. The questionnaire is distributed using a Likert scale of 1 (strongly disagree) to 5 (strongly agree). Data were analyzed using partial least square (PLS). PLS consists of testing the measurement model used to test validity and reliability, while the structural model is used for the causality test [12]. PLS is an analysis method that is soft modeling because it does not assume data with a specific scale measurement, which means that the number of samples can be small.

4. Results and discussion

4.1. Results

4.1.1. Results of testing the outer model.
The convergent validity testing results on all indicators have met the convergent validity because of all loading factor values above 0.60. So, it reflects that all indicators are valid. Besides, the values of AVE must be above 0.5. From the results, all variables are valid (Table 2).
Table 2. Outer loading test results.

| Variable        | Indicators | Outer Loading | AVE  | Composite Reliability | Cronbach's Alpha |
|-----------------|------------|---------------|------|-----------------------|------------------|
| Purchase Decisions | KP1        | 0.868         |      |                       |                  |
|                  | KP2        | 0.923         |      |                       |                  |
|                  | KP3        | 0.873         | 0.705| 0.934                 | 0.901            |
|                  | KP4        | 0.824         |      |                       |                  |
|                  | KP5        | 0.815         |      |                       |                  |
|                  | KP6        | 0.720         |      |                       |                  |
|                  | EW1        | 0.891         |      |                       |                  |
|                  | EW2        | 0.790         |      |                       |                  |
|                  | EW3        | 0.871         |      |                       |                  |
|                  | EW4        | 0.906         | 0.942| 0.988                 | 0.842            |
|                  | EW5        | 0.807         |      |                       |                  |
|                  | EW6        | 0.668         |      |                       |                  |
|                  | BT1        | 0.879         |      |                       |                  |
| E-WOM            | BT2        | 0.936         | 0.769| 0.909                 | 0.847            |
|                  | BT3        | 0.813         |      |                       |                  |
|                  | BA1        | 0.964         |      |                       |                  |
|                  | BA2        | 0.966         |      |                       |                  |
|                  | BA3        | 0.985         | 0.579| 0.892                 | 0.985            |
|                  | BA4        | 0.968         |      |                       |                  |
|                  | BA5        | 0.970         |      |                       |                  |

The next examination is discriminant validity. A construct with good discriminant validity if each loading factor value of each indicator of a latent variable has the most significant loading factor value with other loading values against other latent variables (Table 3).

Table 3. Results of discriminant validity test (cross-loading).

| Indicators | Brand Ambassador | Brand Trust | E-WOM | Purchase Decision |
|------------|------------------|-------------|-------|-------------------|
| BA1        | 0.964            | 0.480       | 0.609 | 0.647             |
| BA2        | 0.966            | 0.545       | 0.681 | 0.720             |
| BA3        | 0.985            | 0.524       | 0.664 | 0.681             |
| BA4        | 0.968            | 0.532       | 0.714 | 0.733             |
| BA5        | 0.970            | 0.516       | 0.668 | 0.671             |
| BT1        | 0.537            | **0.879**   | 0.636 | 0.758             |
| BT2        | 0.492            | **0.936**   | 0.749 | 0.815             |
| BT3        | 0.364            | **0.813**   | 0.575 | 0.601             |
| EW1        | 0.248            | 0.509       | **0.750** | 0.465       |
| EW2        | 0.488            | 0.596       | **0.801** | 0.666       |
| EW3        | 0.292            | 0.469       | **0.752** | 0.474       |
| EW4        | 0.284            | 0.537       | **0.780** | 0.498       |
| EW5        | 0.619            | 0.699       | **0.807** | 0.923       |
| EW6        | 0.970            | 0.516       | **0.668** | 0.671       |
| KP1        | 0.545            | 0.665       | 0.701 | **0.868**        |
| KP2        | 0.619            | 0.699       | 0.807 | **0.923**        |
| KP3        | 0.485            | 0.695       | 0.744 | **0.873**        |
| KP4        | 0.465            | 0.609       | 0.637 | **0.824**        |
| KP5        | 0.492            | 0.936       | 0.749 | **0.815**        |
| KP6        | 0.966            | 0.545       | 0.681 | **0.720**        |
This can be seen in the indicators of E-WOM, brand trust, brand ambassador, and purchase decisions that latent constructs predict indicators in their block better than indicators in other blocks. Thus, it can be concluded that from the results of the cross-loading analysis, it appears that there is no discriminant validity problem. The results of testing for composite reliability and Cronbach alpha also show a fair value, that is, all latent variables are reliable because all latent variable values have a composite reliability value and Cronbach's alpha ≥ 0.70 (Table 2). So it can be concluded that the variables used have been consistent.

4.1.2. Results of testing the inner model.
In hypothesis testing, the E-WOM variable has a positive and significant effect on purchasing decisions (t-statistics 5.116 is greater than the t-table value of 1.6581, and the coefficient value is 0.406). Brand Trust has a positive and significant effect on purchasing decisions (t-statistics 4.616 is greater than the t-table value of 1.6581, and the coefficient value is 0.417). Brand Ambassador has a positive and significant effect on purchasing decisions (t-statistics 3.244 greater than the t-table value of 1.6581 and the coefficient value of 0.209). Thus the three hypotheses are accepted.

| Path                          | Original Sample | T-Statistics | Results |
|-------------------------------|-----------------|--------------|---------|
| E-WOM → Purchase Decisions    | 0.406           | 5.116        | Accepted|
| Brand Trust → Purchase Decisions | 0.417         | 4.616        | Accepted|
| Brand Ambassador → Purchase Decisions | 0.209       | 3.244        | Accepted|

The R-square value in this study was 0.848. This means that the three variables can explain the variability of purchasing decisions in the model, namely E-WOM, brand trust, and the brand ambassador is 84.8%. Meanwhile, 15.2% is explained by other variables not examined in this model.

4.2. Discussion

4.2.1. The effect of E-WOM on purchase decisions.
Based on the results, E-WOM has a positive and significant effect on purchase decisions, where the better product reviews are, the more people decide to buy products at Tokopedia. These results show similarities with research conducted by [13], which reveal that electronic word of mouth has a positive effect on purchase decisions. The E-WOM variable in this study is reflected through the frequency of access to information from social networking sites, the number of reviews written by users of social networking sites, positive comments from users of social networking sites, recommendations from users of social networking sites, information on food and beverage variations, information on the quality (taste, texture, and temperature) of food and beverages and information regarding the price offered. Social networking sites' recommendations become the most dominant contributing indicator in reflecting the E-WOM variable. Respondents considered that there are recommendations from users of social networking sites to shop at Tokopedia. It is essential as an indicator of electronic word of mouth, which in turn has an impact on influencing consumers to buy at Tokopedia. Many companies rely on information nowadays. E-WOM is useful because communication between people is related to excellence or experience when buying or using a product or service to make purchase decisions.

4.2.2. The effect of brand trust on purchase decisions.
Based on the results, brand trust has a positive and significant effect on purchase decisions. The higher the trust in the Tokopedia Brand (brand trust), the higher the people will decide to buy products at Tokopedia. These results are supported by research conducted by [14] that brand trust positively affects purchasing decisions. The belief that brands provide a sense of security becomes the most dominant contributing indicator in reflecting the brand trust variable. Respondents considered that
Tokopedia always fulfills its promises to consumers, such as improving security on Tokopedia. Before a consumer makes online purchasing, they trust brands that provide security [15]. It is essential as an indicator of trusting Tokopedia, which in turn has an impact on influencing consumers to buy at Tokopedia. Brand Trust is the variable that has the most significant influence on purchasing decisions. Brand Trust is built because of the trust and hope that Tokopedia will act according to consumers' needs and desires. A company (brand) with satisfactory performance will be considered to have good value [16]. When someone has trusted the other party, they believe that expectations will be fulfilled and will not be disappointed. This must be considered so that consumers can more determine the right purchase decision.

4.2.3. The effect of brand ambassador on purchasing decisions.
Based on the results, the brand ambassador has a positive and significant effect on purchase decisions. The more attractive the brand ambassador is, the more people decide to buy products at Tokopedia. This result is supported by research conducted by [17], which revealed that brand ambassadors positively affect purchase decisions. This study's brand ambassador variable is reflected through transference, congruence, credibility, attractiveness, and power. Credibility has become the most dominant contributing indicator in reflecting the brand ambassador variable. Respondents considered that Tokopedia uses a brand ambassador that has high credibility and can increase sales on Tokopedia. This is also proven by using BTS to become Tokopedia's Brand Ambassador. It is essential as an indicator of brand ambassador, which in turn has an impact on influencing consumers to buy at Tokopedia. All business actions must change to follow the market and environmental developments [18]. Brand ambassadors drive brand awareness and attract new customers to make purchasing decisions.

5. Conclusion
This study is intended to analyze whether E-WOM, brand trust, and brand ambassador affect purchasing decisions on Tokopedia. E-WOM has a positive and significant effect on purchasing decisions, which means that more and better product reviews will make people decide to buy products on Tokopedia. Brand trust has a positive and significant effect on purchase decisions, which means that online shopping site providers with high brand trust will influence someone to make online purchasing. The brand ambassador has a positive and significant effect on purchase decisions, which means that the more credible a brand ambassador is, the higher the purchase decision of a consumer on an online shopping site.

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