
ELECTRONIC WORD OF MOUTH (EWOM) AND IMPULSE BUYING AFFECT PURCHASING DECISIONS ON GAME ITEMS

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KEYWORDS

electronic word of mouth; impulse buying; purchase decision; SEM

ABSTRACT

This study aims to explain whether there is an influence from Electronic Word of Mouth (EWOM) and impulse buying on purchasing decisions, and knowing whether income will affect impulse buying or not. This study uses an analytical descriptive basic method, in other words, the data collected in accordance with the actual state. This research was conducted through an application called Discord. The sample in this study used probability sampling techniques with sample sampling techniques. The sample that had been obtained in this study was 326 respondents. The data collection technique chosen is through the interview method using a questionnaire. Questionnaire testing through its validity and reliability test. Analysis of the data used in this study is the Structural Equation Model (SEM) method with an alternative method of Partial Least Square (PLS). The results showed that: (1) Ewom has a positive effect on purchasing decisions. (2) Impulse buying has no positive effect on purchasing decisions. (3) Purchasing ability has a positive effect on impulse purchasing decision. (4) purchasing ability has a positive effect on impulse buying. (5) Ewom has a positive effect on impulse buying.

INTRODUCTION

Along with economic development, the level of the people's economy is increasing, thus triggering an increase in people's purchasing power (Guslina, 2023). This condition encourages changes in consumer behavior and fulfillment of continuously evolving needs. This development has also influenced human needs, including the human need to play video games. In this modern era, there are more and more platforms for playing video games. There are several platforms for playing video games, starting with consoles such as the Playstation with its PS5, Xbox with Xbox series X and Nintendo with Nintendo Switch (Wicaksono & Raul, 2022). Apart from consoles, gamers can play on PC and mobile platforms such as Android and iOS (Hutauruk, 2020). With the many choices of platforms and the many video games that have been circulating, gamers in Indonesia.

Development of video game industry is the reasons to research this industry. For now there are not too many studies that touch on the subject of video games in Indonesia (Suwandi, 2019). Therefore researchers want to examine this object.

EWOM defined by Henning-Thurau et al (2004) are positive or negative statements made by potential, actual, and former customers about a company or product on the Internet. Gruen et al(2006) defines e-WOM as a means of communication used to exchange information about a product or service that has been consumed between known and unknown consumers who have never met before. E-WOM is very different from traditional word of mouth communication. The difference between the two is very clear, namely in the media used to convey the message. In traditional oral communication, messages are conveyed face to face, or offline. However, E-WOM communication takes place online, of course through cyber media or cyberspace. It can be concluded that EWOM is an activity to convey a message that is carried

out online via the internet. The message conveyed is in the form of information about an item or service to other people.

Impulse buying is a tendency experienced by someone to respond to certain stimuli without any planning or intention before buying, and without any careful consideration. This happens when a consumer buys a product. Mowen and Minor (2012) explains impulse buying is a purchasing activity that was previously not realized as a result of consideration or intention to buy that was formed before entering the store.

Impulse buying is an act of buying something that was not planned to be bought, because suddenly wanted it when he saw it. It usually occurs when someone suddenly feels an urgency that they normally couldn't resist. Prasetyo, Yulianto and Kumadji (2016) found that impulse buying is buying behavior without prior planning, and purchase decisions are made quickly and without thinking. It can be concluded that impulse buying is a desire to buy an item without any prior planning just because you want an item.

Purchasing power is the ability of a person or business to buy goods or services. Usually, this purchasing power is assessed by calculating the amount of goods a consumer can buy with a fixed amount of currency. Purchasing power is the ability of consumers to buy the number of goods demanded in a certain market, at a certain income level and in a certain period (Putong, 2003).

Purchasing decision is a thought process that assists consumers in identifying needs, making decisions, and choosing certain products and brands. Purchasing decisions are thoughts in which a person will evaluate different options and decide on a product from the selected options. According to Kotler and Armstrong (2014) purchasing decisions are the steps in the buyer's decision-making process where consumers actually buy.

Purchase decision is defined as choosing between two or more alternatives (Schiffman et al., 2013). Purchasing decision is a process by which consumers identify a problem, seek information about a particular product or brand, and properly evaluate each of these options to solve the problem, which then leads to a purchase decision.

This study is designed to see what influences the purchasing decisions made by gamers. Basically many variables that determine the purchase decision. electronic word of mouth (EWOM) and selected impulse buying are the variables in this study. Electronic word of mouth (EWOM) was chosen because gamers weigh their decisions in buying an item, so they need help in the form of other people's experiences that will tell what experiences have been gained from using the item. On the other hand, impulse buying is used as a variable because gamers have a high level of purchase, especially if the gamer sees review items on the internet. Make the desire to get the item becomes higher.

Purchasing power is used as a variable in this study, the purchasing power variable was chosen because gamers have a high level of purchase interest. Does the high purchasing power of gamers affect purchasing decisions or not? Moreover, this study aims to explain whether there is an influence from Electronic Word of Mouth (EWOM) and impulse buying on purchasing decisions, and knowing whether income will affect impulse buying or not.

RESEARCH METHOD

Data Type

The type of data used in this study is primary data (Creswell & Creswell, 2017). The primary data used in this study were obtained using a questionnaire. This research is a quantitative research.

Data Collection and Analysis Techniques

The data collection technique in this study used a questionnaire by providing written questions to obtain information from respondents regarding personal experiences and all the things they knew.

The sample in this study used a probability sampling technique with a random sampling technique. A good sample size should be at least 100 or greater (Hair et al., 2014). As a general rule, the minimum sample size should be five times the number of question items to be analyzed. In this study there are 36 indicators, so the required sample size is at least $36 \times 5 = 180$ samples. However, the sample used in this study was 326 samples.

Data from survey results via questionnaires were processed using the PLS-SEM model using SmartPLS 3 software.

Research Model Framework and Hypotheses

An overview of the research model framework that shows the influence between each variable including EWOM, impulse buying, income and purchasing decisions is shown in Figure 1.

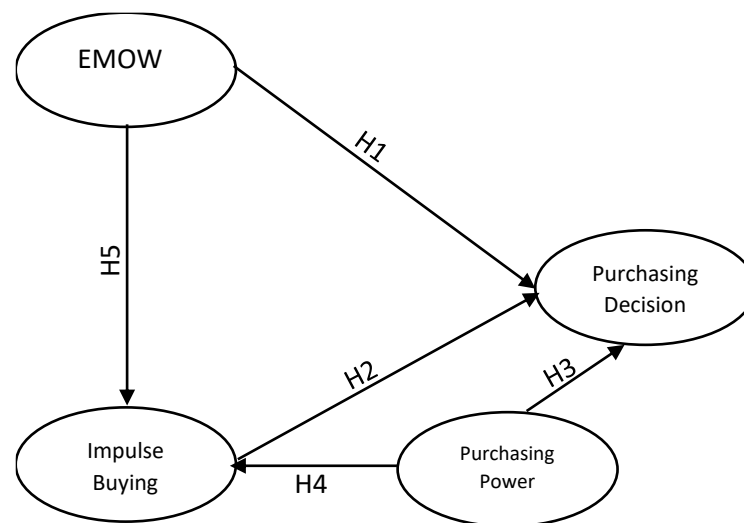


Figure 1. Research Model Framework

Based on the frame of mind, in this study the hypothesis of the influence of ewom and impulse buying on purchasing decisions can be proposed. The influence of income on impulse buying, as well as the influence of EWOM on impulse buying. The following hypotheses are made:

Hypothesis 1: EWOM has a positive effect on purchasing decisions.

Hypothesis 2: Impulse buying has a positive effect on purchasing decisions.

Hypothesis 3: Purchasing power has a positive effect on purchasing decisions.

Hypothesis 4: Purchasing power has a positive effect on impulse buying.

Hypothesis 5: EWOM has a positive effect on impulse buying.

RESULTS AND DISCUSSION

This section displays the results of data processing as an illustration of each variable resulting from SmartPLS data processing with a questionnaire source.

Outer Model Analysis

Outer model analysis or external measurement model aims to define the relationship between latent variables and indicators. Ghozali and Latan (2015) and Sukwika and Fransisca (2021) states test includes measurement of reflective and formative models. The reflective

measurement model is evaluated by reliability and validity tests as well as formative measurement by factor loading.

Outer model analysis was carried out by examining the effect of loading factor, AVE and discriminant validity and composite reliability. The loading factor validity test requires a value greater than 0.60 so that the indicator is declared valid. AVE must be greater than 0.50. The model has good reliability if the combined reliability score is greater than 0.70. The results of data processing with the steps that have been completed provide the final research model in Figure 2 as follows:

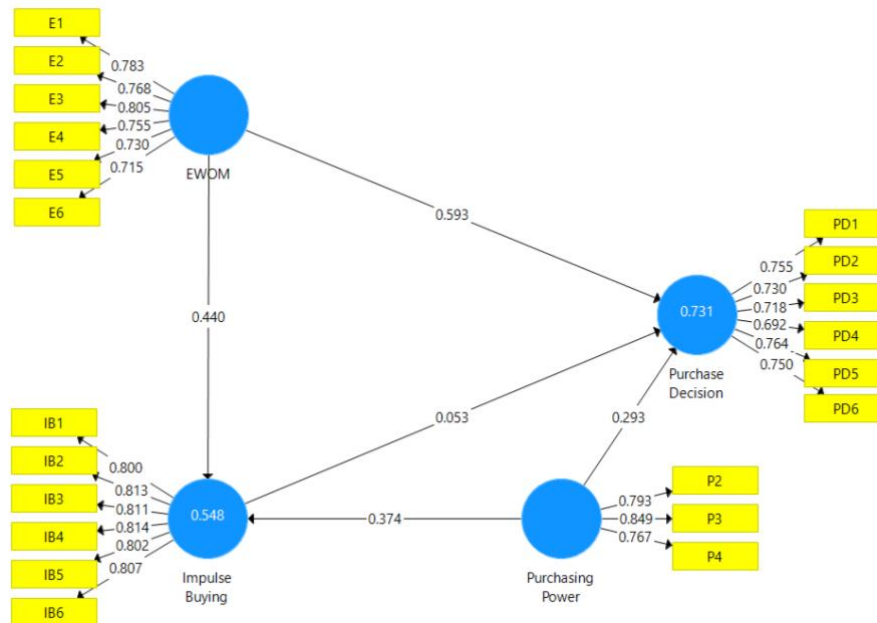


Figure 2. Outer models

Figure 2 shows a model that has a loading indicator greater than 0.6 so that it can carry out further analysis by looking at the Cronbach's alpha, AVE and composite reliability values as shown in Table 1.

Table 1. Validity and reliability

Variable	Cronbach's Alpha	Amount	Percentage
EWOM	0.853	0.578	0.891
Impulse Buying	0.894	0.653	0.918
Purchasing power	0.726	0.646	0.845
Purchase decision	0.830	0.541	0.876

It can be seen as a whole that the measurement model shows that the AVE value is greater than 0.50 and the Cronbach's alpha and composite reliability values are greater than 0.7. In other words, the measurement model has good validity and reliability so that analysis can be continued at the next stage.

Inner Model Analysis

After all variables are declared valid and reliable, the next stage is the evaluation of the structural model or inner model. The purpose of evaluating the inner model is to examine the relationship between variables. There are several criteria for evaluating the inner model, namely the R-Square value, the path coefficient value, and testing the significance of the

variables in the model. R Square or the coefficient of determination is used to evaluate the structural model to measure the effect of exogenous latent variables on endogenous latent variables. The R Square value ranges from 0 to 1, the higher the value indicates the higher the level of prediction accuracy (Hair Jr et al., 2017). The R-Square results for this study can be seen in Table 2.

Table 2. R Square Results

Variable	RSquare
Impulse Buying	0.548
Purchase decision	0.731

Testing on the structural model is carried out by looking at the R-Square value. The coefficient of determination on the consumer purchasing decision variable is 0.731, which means that the accuracy of the exogenous variables towards the endogenous variables is strong. This shows that 73.1% of purchasing decisions can be explained by the variables EWOM, Impulse Buying and Income. Meanwhile, the remaining 26.9% is explained by other variables not examined in this study.

The next step in evaluating the inner model is testing the hypothesis through the bootstrapping process. This stage is carried out in order to see the path coefficient values which include the original sample, T statistics, and P Values. The original sample value is between -1 to 1, this value indicates a positive or negative relationship between variables. T Statistics values and P-Values were used to assess the level of significance (Hair Jr et al., 2017). The requirement to be declared significant is that the T statistics value must be greater than the t-table, in this study the t-table value used is 1.96 with a significance level of 5%. If the P values are less than 0.05, the variable relationship can be stated as significant at the 5% level. The results of the bootstrapping process for this study are presented in Table 3.

Table 3. Path coefficient values

Influence	Original Sample (O)	T- Statistics (O/STDEV)	P Values	hypothesis
E→ IB	0.440	7,356	0.000	Accepted
E→ PD	0.593	10,828	0.000	Accepted
IB→ PD	0.053	0.796	0.427	Rejected
P→ IB	0.374	7,381	0.000	Accepted
P→ PD	0.293	5,724	0.000	Accepted

Description: E: EWOM, IB: Impulse Buying, P: Purchasing Power, PD: Purchase Decision

Based on the results of the bootstrapping test in Table 3, it can be concluded that the hypothesis is as follows:

H1: Ewom has a positive effect on Impulse Buying

The results of the hypothesis test show that H1 is accepted (pvalue <0.05). EWOM has a role in Impulse Buying, because EWOM can create a desire to buy an item. Therefore EWOM has a role in Impulse Buying

H2: Ewom has a positive effect on Purchase Decision

The results of the hypothesis test show that H2 is accepted (pvalue <0.05). EWOM has a role in purchasing decisions, due to the emergence of conversations about product preferences in a digital place. Therefore EMOW has an influence on purchasing decisions.

H3: Impulse buying has a positive effect on purchase decisions

The results of the hypothesis test show that H3 is rejected (pvalue > 0.05). Impulse Buying has no role in the Purchase Decision.

H4: Purchasing power has a positive effect on Impulse Buying.

The results of the hypothesis test show that H4 is accepted (pvalue <0.05). The community can directly influence purchasing decisions, with interaction in the community regarding product or game reviews that can influence someone to buy the item or game.

H5: Purchasing power has a positive effect on purchasing decisions.

The results of the hypothesis test show that H5 is accepted (pvalue <0.05). Purchasing power is a factor that influences purchasing decisions. With the high purchasing power of a gamer, it becomes easier to decide whether to buy an item or a game.

CONCLUSION

It can be concluded that Hypothesis 1 "Ewom has a positive effect on Impulse Buying" and Hypothesis 2, namely "Ewom has a positive effect on Purchase Decisions" can be explained that the presence of electronic word of mouth (EWOM) which is heard via the internet can affect the desire to buy the item being discussed (impulse buying) and can influence the final purchase decision. For hypothesis 4, namely "Purchasing power has a positive effect on Impulse Buying" and hypothesis 5, namely "Purchasing power has a positive effect on Purchase Decisions" it can be said that purchasing power has a role on impulse buying and purchasing decisions. With high purchasing power, the decision to buy goods will be easily carried out, even influencing impulse buying as well.

When viewed from the results of the hypothesis above, EWOM has a positive influence, in other words, with electronic word of mouth (EWOM) delivered via the internet, gamers who want to buy items or games can see references from other people who have purchased these items or games. EWOM also affects impulse buying by seeing people who talk about an item on the internet continuously making the desire to buy that item increase even though they previously had no interest in buying that item.

Seeing the hypothesis above, purchasing power has a positive influence on impulse buying and purchasing decisions. The higher the purchasing power, the higher the desire to buy an item. With high purchasing power, it will be easy to make decisions in making a purchase.

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