

# Electronic Word Of Mouth As A Moderating Variable Of The Influence Of User-Generated Content On Purchasing Decisions

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## ABSTRACT

*This research is a quantitative study with an approach, namely the approach of several previous studies, as the main fuel to grow or create a hypothesis similar to prior research, modify it by adding several new variations, and prove it. The data that the researcher uses in this study is primary data that the researcher obtained from two hundred and fifty-five Eiger Customers in Indonesia who purchased goods through user-generated content intermediaries. The data used in this study is primary data that the researcher analysed using the smart PLS 4.0 analysis tool. The result in this article shows that the two hypotheses used in this study can be accepted and proven. In the first hypothesis, the User Generated Content variable is stated to have a positive relationship direction and a significant influence on Purchasing Decisions. This is because the P-value is positive and is below the significance level of 0.05, namely 0.016. These results are in line with previous studies that have been mentioned above. These results indicate that user-generated content can widen the market, make marketing more attractive, and ultimately influence purchasing decisions. In the next hypothesis, the Electronic-Word of Mouth variable can also moderate the influence of the User Generated Content variable on Purchasing Decisions. This is because the same thing is that the P-value is positive and below the significance tariff of 0.000. These results show that the Electronic Word Of Mouth variable can make attractive marketing even more attractive, so that after moderation, its influence is more substantial than before, 0.016*

**Keywords:** *Electronic Word Of Mouth, User Generated Content, Purchasing Decision*

## Introduction

User-generated content is a service that provides content from users, containing information and consumer experiences with existing brands. User-generated content is often used in the form of text, photos, images, or videos. This content is generally created by users directly as a form of information for subsequent users. [1]User-generated content (UGC) contains information created by users, often referred to as users in communication media. [2].

Menurut klasifikasi konten yang diperkenalkan oleh [3]user-generated content (UGC) berfokus pada dimensi konsumen yang dibuat oleh masyarakat umum daripada oleh para profesional pemasaran dan didistribusikan di Internet [4]. Konten UGC yang dihasilkan oleh konten creator media sosial yang berupa dokumentasikan pengalaman penggunaan produk mereka sendiri, dimana konten yang dibuat terkesan objektif dan dapat dipercaya konsumen, sehingga menjadi pertimbangan terhadap produk yang akan dibeli [5]. Berikut 4 indikator menurut Cahyono (2017) dalam [6] dari user generated content (UGC) : 1. Lebih percaya kepada review yang ditulis oleh pelanggan yang sudah membeli produk dari brand tersebut. 2. Lebih percaya kepada review karena ditulis berdasarkan pengalaman pelanggan yang sudah membeli produk dari brand tersebut. 3. Lebih berkesan kepada ulasan asli yang ditulis langsung berdasarkan pengalaman pelanggan yang sudah membeli produk dari brand tersebut. 4. Konten yang dibuat dapat menambah wawasan.

According to [7]Purchasing decisions are part of consumer behaviour. Consumer behaviour studies how individuals, groups, and organisations choose, buy, use, and how goods, services, ideas or experiences satisfy their needs and desires. From several definitions above, the author concludes that purchasing decisions are one of the concepts of consumer behaviour, for both individuals, groups, and organisations, in assessing and selecting from various existing alternatives and determining a choice that is considered the most profitable.

Purchasing is a final decision made by a consumer to buy a good/service with various specific considerations. According to [8]The purchasing decision will occur if the consumer's desire to buy an item is firm, which includes what item will be purchased, whether to buy or not, when to buy, where to buy, how to pay for it, and so on. According to Sumawarman, the definition can provide a view or understanding that the purchasing decision will occur if the consumer has determined an item according to the criteria set from the beginning and is influenced by several factors that support the decision-making process. [9].

The purchase decision is to buy the most preferred brand, but two factors can influence the purchase intention and decision. The first factor is other people, namely, if someone important to you thinks you should buy a cheap car, then your chances of buying an expensive car will decrease. The second factor is an unexpected situational factor. Meanwhile, the opinion expressed by [10] The purchase decision process consists of 5 (five) stages that a consumer carries out before a purchase decision. The first stage is where consumers have needs and desires for a product or service. In the second stage, consumers seek information to meet their needs and desires through various media services or word of mouth. In the third stage, consumers will evaluate the selection of various products or services on the market. At this time, the purchase interest plays a role in making a purchase decision for a product or service. A product with a strong purchase interest will win in the evaluation stage. The next stage is consumer behaviour after making a purchase. If consumers feel satisfied and have a good experience when consuming the product/service, then they will make repeat purchases after the purchase. From the definition of the experts, it can be concluded from the purchasing decision that consumers have found an item according to the criteria that have been set from the beginning, which is influenced by several factors that can support the purchase [11].

Buying a product, either goods or services, arises from emotional drives from within or external influences. The purchasing decision process is a basic psychological process that plays an important role in understanding consumers' purchasing decisions. The five-stage purchasing decision process model, according to [12] It is as follows: 1. Problem recognition: The purchasing process begins when the buyer recognises a problem or need triggered by internal or external stimuli. 2. Information search: The main source of information where consumers are divided into four groups: a. Personal: Family, friends, neighbours, colleagues. b. Commercial: Advertising, websites, salespeople, distributors, packaging, displays. c. Public: Mass media, consumer rating organisations. Experimental: Handling, examining, and using the product. 3. Evaluation: alternatives. Some basic concepts will help us understand the evaluation process: first, consumers seek to satisfy a need. Second, consumers seek certain benefits from product solutions. Third, consumers view each product as a group of attributes with varying abilities to deliver the benefits needed to satisfy this need. 4. Purchase decision: In the evaluation stage, the consumer forms preferences among brands in the choice set. The consumer may also form an intention to buy the most preferred brand. In executing the purchase intention, the consumer may form five sub-decisions: brand, dealer, quantity, timing, and payment method. 5. Behaviour: Post-purchase. After making the purchase, the consumer may experience dissonance from noticing certain disquieting features or hearing favourable things about other brands and is alert to information that supports his or her decision.

According to [13] Stated that purchasing decisions have the following indicators: a) Product choice: A consumer always chooses the product's brand name and where the product is made before making a purchase decision. b) Distributor choice: Before determining a purchasing decision, consumers will usually also assess the distributor of the goods or products. c) Purchase time: A consumer will determine the time of purchase if the goods needed or desired are to be purchased by the consumer. d) The consumer will decide if the consumer has made a purchase decision for a product or goods from a company. e) Payment method: Every consumer's purchase decision involves using money to exchange for the product.

There are several previous studies. [1] The User-Generated Content variable can have a positive relationship direction and significant influence on Purchasing Decisions. Unlike the research mentioned above, this article adds the Electronic Word Of Mouth variable as a moderating variable that can strengthen the impact of the User-Generated Content variable on Purchasing Decisions.

## Research Methods

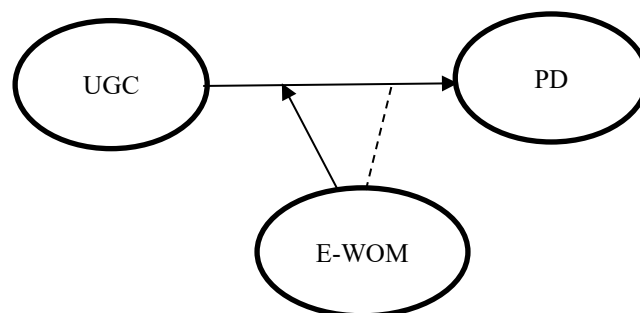


Figure 1. Model

### Noted:

UGC: User Generated Content

PD: Purchasing Decision

E-WOM: Electronic Word of Mouth

The exposure of the first image above shows that the research currently being worked on has a similar main objective to the research [1], namely, analysing the influence of User Generated Content on Purchasing Decisions. The difference between the two studies lies in adding a moderating variable from the research being conducted, namely the Electronic-Word Of Mouth variable, which the researcher believes can strengthen the influence of the User Generated Content variable on the Purchasing Decision variable.[14] & [15]. This research is a quantitative study with an approach, namely the approach of several previous studies, as the main fuel to grow or create a hypothesis similar to prior research, modify it by adding several new variations, and prove it. [16]& [17]. The data that the researcher uses in this study is primary data that the researcher obtained from two hundred and fifty-five Eiger Customers in Indonesia who purchased goods through user-generated content intermediaries. [18] & [19]The data used in this study are primary data that the researcher analysed using the innovative PLS 4.0 analysis tool, using the hypothesis below.

### **Hypothesis:**

H1: The Influence of User-Generated Content on Purchasing Decision

H2: Electronic- Word of Mouth Can Moderate the Influence of User-Generated Content on Purchasing Decision

## **Result and Discussion**

User-generated content is a service that provides content from users, containing information and consumer experiences with existing brands. User-generated content is often used in the form of text, photos, images, or videos. This content is generally created by users directly as a form of information for subsequent users. [1]User-generated content (UGC) contains information created by users, who are often referred to as users in communication media. [2].

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### Validity Test

At the same time, it differs from previous research; this research uses the smart PLS 4.0 analysis tool, which requires validity test results as the first stage to ensure whether the data from the two hundred and fifty-five Eiger consumers is valid. To find out the results, here are the results of the validity test in this article [20]&[21].

**Table 1.** Validity Test

Variable	Question Item	Loading Factor
User Generated Content (X)	User-generated content can make the market reach wider	0.859
	User-generated content can make potential buyers more interested	0.896
	User-generated content can make Purchasing Decisions faster	0.911
	User-generated content can make Purchasing Decisions more	0.908
	User-generated content can influence purchasing Decisions	0.922
Purchasing Decision (Y)	Purchasing Decisions can be influenced by how attractive the marketing of a product is	0.935
	Electronic can influence purchasing Decisions- Word of Mouth	0.944
	Purchasing Decisions can be influenced by how large the marketing reach of a product is	0.928
Electronic- Word of Mouth (Z)	Electronic Word of Mouth can make the Influence of user-generated content on Purchasing Decisions stronger	0.967
	User-generated content can influence Purchasing Decisions	0.988

**Valid** > 0.70

### Reliability Test

After ensuring the data from two hundred and fifty-five Eiger consumers is valid through validity testing with innovative PLS 4.0 analysis tools, the next stage is to determine whether the variables used in this article are reliable. To find out, here are the results of the reliability test that can be found in this article [22] & [23].

**Table 2.** Reliability Test

Variable	Composite Reliability	Cronbach Alfa	Noted
User Generated Content	0.891	0.852	Reliable
Purchasing Decision	0.935	0.895	Reliable
Electronic- Word of Mouth	0.956	0.915	Reliable

**Reliable** > 0.70

## Path Coefficient

The last stage, which is the stage of proof of whether the hypothesis formulated in this research can be proven, is the Path Coefficient stage. This stage is the determining stage and the answer to the previous stages. To find out whether the hypothesis in this article can be proven or not, here are the results of the Path Coefficient in this article [24] & [25].

**Table 3**  
Path Coefficient

Direct Influence	Variable	P-Values	Noted
	UGC->PD	0.016	Accepted
Indirect Influence	E-WOM* UGC->PD	0.000	Accepted

Significant Level < 0.05

Based on the results of the third table above, it can be concluded that the two hypotheses used in this study can be accepted and proven. In the first hypothesis, the User Generated Content variable is stated to have a positive relationship direction and a significant influence on Purchasing Decisions. This is because the P-value is positive and is below the significance level of 0.05, namely 0.016. These results are in line with previous studies that have been mentioned above. These results indicate that user-generated content can widen the market, make marketing more attractive, and ultimately influence purchasing decisions. In the following hypothesis, the Electronic-Word of Mouth variable can also moderate the influence of the User Generated Content variable on Purchasing Decisions. This is because the same thing is that the P-value is positive and below the significance tariff of 0.000. These results show that the Electronic Word Of Mouth variable can make attractive marketing even more beautiful, so that after moderation, its influence is more substantial than before, 0.016

## Conclusion

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