
The Effect of Online Advertising and Electronic Word-Of-Mouth (eWOM) On Online Purchasing Decision Process of Nike Brand Mediated By Brand Awareness among Teenagers in Banda Aceh City

*Mauna Roza Sahputra, Jasman J and Sorayanti Utami.

Department of Management, Universitas Syiah Kuala, Indonesia

Abstract

This study aims to test the effect of online advertising and electronic word-of-mouth (ewom) on online purchasing decision process of Nike brand mediated by brand awareness among teenagers in banda aceh city. The population is all adolescents in Banda Aceh who are between 18 and 27 years old and made online purchase transactions. The number of samples is 150 teenagers. Sample is determined by purposive sampling technique, where sample is taken with specific criteria, namely among adolescents aged between 20-25 years. SEM analysis techniques is used with the help of the AMOS program. The result shows that online advertising affects brand awareness significantly, eWOM affects brand awareness significantly, online advertising affects online purchasing decision process significantly, eWOM affects purchasing decision significantly, brand awareness effects online purchasing decision process significantly, online Advertising affects online purchasing decision process mediated by brand awareness, and eWOM affects online purchasing decision process mediated by brand awareness. These all findings complete the existence of the research model. It contributes to the realm of science that enrich the theories as an upgrade ones. The originality is located in the combilation of the previous causality models, and use a new object that is the Nike products. The limitation resides in the amount of variables only. This research result also can be a reference for the practical managers especially who are related to the selling of the Nike products for teenagers in Banda Aceh.

Keywords: Online Aadvertising, Electronic Word-Of-Mouth (EWOM), Online Purchasing Decision Process, Brand Awareness.

1. Introduction

Marketing activities have developed rapidly along with the development of human civilization and technology. The internet for example, its existence does not only increase unlimited human interaction but also offers new reality in the marketing activities of products and services known as online businesses.

Online business is a promising new market for communicating and selling products and services practically without the need for large capital. In addition to providing convenience for business people, online businesses also influence the process of consumer purchasing decisions, especially for teenagers who are in daily contact with internet technology.

Compared with adults, teenager purchasing decisions tend to be simpler given the dominant things which are not objective in their thought. This condition tends to make them not

have a high involvement in choosing and buying online products, most of which are fashion products. Nike shoes are one of the fashion products that are in demand by teenagers.

Subjective considerations also make teenagers have the decision to buy Nike shoes fast, so online businesses are very resistant to improve the process of their purchasing decisions. This tendency has occurred in various regions in Indonesia, including in the Banda Aceh city.

The Banda Aceh city as a center for trade and government in Aceh Province has developed as an education center. The existence of State and Private Universities makes activities among teenagers increasingly apparent in various locations. The mobile digital technology devices (android phones) that are generally owned by teenagers have made teenagers connected online every time and these conditions often increase attention and their response to various products offered by online stores.

The decision to purchase Nike shoes by online among teenagers is a dynamic related to various factors including advertising (E. B. Lee, Lee, & Yang, 2017). Besides advertising, online purchasing decision processes are also related to Electronic Word-of-Mouth (e-WOM) (Cheung, Lee, & Thadani, 2009). Online advertising is the main attribute that dominates online business activities throughout the world and influences the decision of teenagers in Banda Aceh to buy Nike shoes. When exploring the virtual space teens are exposed to various types and forms of Nike shoes advertising. Advertising wants to shape the perceptions of adolescents on Nike shoes products as desired by online stores, by providing information, persuading and remembering consumers at all times (M. Lee & Johnson, 2011).

The infinite number of Nike advertisement messages in virtual media will improve understanding and shape the perceptions of teenagers in Banda Aceh City. From understanding then widened in changing the attitudes (attitudes) of adolescents, and finally directed the intentions of teenagers to buy Nike shoes. Advertisements will directly influence attitude and purchase intentions (E. B. Lee et al., 2017).

In addition to advertising, *electronic word-of-mouth* (eWOM) is also one of the factors that influence the purchasing decision process among teenagers in Banda Aceh City. *Electronic word-of-mouth* (eWOM) is increasingly developed into the habits of teenagers in line with the increase in their interaction relationships. EWOM can be considered as oral communication, person to person among adolescents about brands, products or services without any motive for seeking profit (Pham, 2016).

The development of digital technology nowadays has made teenagers in Banda Aceh City connected to one another through their mobile devices. The development of Android technology in such a way and supported by the availability of internet networks that are increasingly opened to form new trends among teenagers to share information about online products and they freely express about resentment, joy and various other forms of expression on blogs, social networks and social media (Social "Chat") especially many of the teenagers who tend to leave messages on their official website after they buy any product. This condition has provided an understanding and motivation for purchasing products by online.

eWOM is very important for online purchasing decisions because of the amount of the risk involved. Information obtained by adolescents will change various unbalanced situations to be balanced, including trust. Many potential internet buyers tend to wait and observe other people's experiences (Cheung et al., 2009).

Nike brand shoes are one of the most attractive and trendy online product categories among teenagers. As for some online stores those sell Nike shoes, www.zalora.co.id, www.lazada.co.id, www.tokopedia.com, www.blibli.com, www.bukalapak.com and a number of

other trusted online stores. The online store presents Nike brand shoe products clearer through graphic design and is supported by a number of quality and price information. This condition makes the awareness of the Nike shoe brand among teenagers in Banda Aceh City better.

Brand awareness is the ability of adolescents to recognize, recall a brand as part of a particular product category (Durianto, 2010). Brand awareness relates to the power of consumers to remember a particular brand and can be shown in consumer behavior regarding the brand in various situations (Wang and Yang, 2010). Brand awareness has a positive relationship and has a direct effect on consumer purchasing decisions (Wang & Yang, 2010).

2. Literature Review

The Effect of Online Advertising on Brand Awareness

Media advertising is useful in introducing and providing understanding of the product. Then change consumer knowledge, where consumers will know the existence of a product brand. (Yuniarti, 2015). The ability of consumers to understand the contents of advertising messages can foster awareness in their minds (Megandanu & Rahardjo, 2012). Advertising has a significant effect on brand awareness (Yuniar, Ma'ruf, & Sulaiman, 2012).

The Effect of e-WOM on Brand Awareness

E-WOM can increase brand awareness through brand knowledge and easy recognition. E-WOM can inform what people know, feel, and do other people about brands. This makes e WOM information as the most reliable source of information (Murray, 1991) in (Eze, Nnabuko, & Etuk, 2014). E-WOM communication can have a positive impact on the brand (Putri & Amalia, 2018). e-WOM will create awareness of a brand (Eze et al., 2014).

The Effect of Online Advertising on online purchasing decision process

Advertisements besides functioning to inform products can also influence and persuade consumers to buy products. Advertising can change consumer attitudes and behavior. With the existence of advertisements consumer have a feeling towards the product because they already know it. This condition will make consumers tend to buy products (Yuniarti, 2015).

The Effect of e-WOM on online purchasing decision process

Purchasing decisions can be influenced by family and friends' recommendations through online word of mouth communication (Riegner, 2007) in (Themba & Mulala, 2013).

Recommendations from other people become valuable and trusted sources of information that influence their purchasing decisions (Worldwide, 2008) in (Themba & Mulala, 2013). E WOM has a significant influence on purchasing decisions (Adeliasari, Ivana, and Thio (2013) in Diansyah (2017).

The Effect of Brand Awareness on online purchasing decision process

Brands play a role in forming positive perceptions to buy (Utami, Ma'ruf, & Utami, 2017) Brand awareness plays an important role in the purchasing decision process because

consumers tend to buy famous products. Brand awareness can help consumers to recognize brands and make purchasing decisions. Brand awareness has a significant influence on purchase interest variables. (Chi, Yeh, & Yang, 2009) in (Indayani, 2016).

The Effect of Online Advertising on online purchasing decision process mediated by Brand awareness

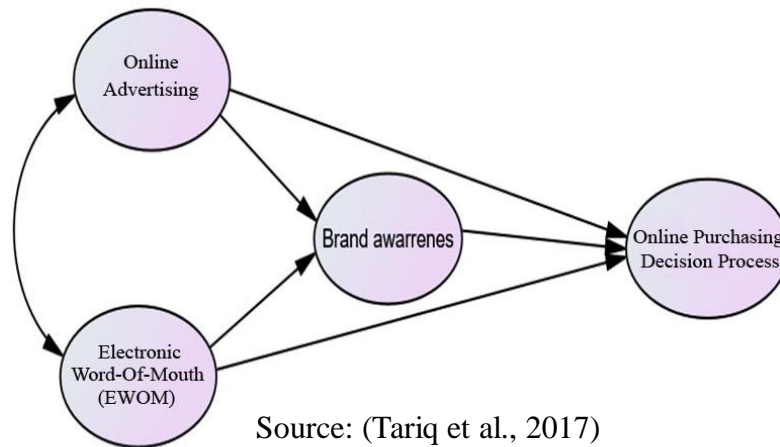
Advertising is one of the factors that determine consumer purchases. No matter how high a product is, if consumers have never heard and know it will make consumers unsure of the product so consumers never intend to buy it (Alma, 2005).

The effect of eWOM on online purchasing decision process mediated by Brand awareness

eWOM through social media networks has a strong impact on brand equity and influences consumer buying intentions (Jalilvand & Samiei, 2012). Word of mouth plays an important role in influencing the attitudes and knowledge of others and then their buying behavior (Chevalier & Mayzlin, 2006) in (Tariq, Abbas, Abrar, & Iqbal, 2017).

Research Framework and Hypothesis

Based on the above discussion about the relationship between the variables, it builds the design of the research paradigm as shown in Figure 1.



Source: (Tariq et al., 2017)
Figure 1. Research Paradigm

- H1:** online advertising affects brand awareness significantly
- H2:** eWOM affects brand awareness significantly
- H3:** online advertising affects online purchasing decision process significantly
- H4:** eWOM affects purchasing decision significantly
- H5:** brand awareness effects online purchasing decision process significantly
- H6:** online Advertising affects online purchasing decision process mediated by Brand awareness
- H7:** eWOM affects online purchasing decision process mediated by Brand awareness

3. Method

Population and Sampling

The study population is all adolescents in Banda Aceh who are between 18 to 27 years old and made online purchase transactions. The number of samples is set as much as 150 teenagers. Determination of the sample is done in a non-probability based on the opinion of (Birn, 2002) which stated “in quantitative studies allowed to use the amount of data 100 to 200”. Sampling was done by purposive sampling technique with special criteria, namely among adolescents aged between 20-25 years.

Data Collection Techniques

Advertising, eWOM, brand awareness and the online purchasing decision process are data related to behavior that can be collected with a list of questions. The list of questions (questionnaires) used in this study is closed with a number of rows and columns of choice.

Data Analysis Tools

The direct and indirect effects of Advertising, eWOM on brand awareness and online purchasing decisions process can be proven through Structural Equation Modeling (SEM) analysis techniques with the help of the AMOS program.

Constructs developed

The author's builds constructs to measure the research model based on previous theories and facts, as follows:

1. Online advertising variable uses indicators; attract attention, attract interest and arouse desires with likert scale sizes from 1 to 5.
2. e-WOM variable uses indicators : Intensity (intensity), Valence of Opinion (opinion) and Content with a Likert scale size from 1 to 5.
3. Brand awareness uses the Top of Mind, Brand Recall, Brand Recognition, Unaware Brand indicators with a Likert scale size from 1 to 5.
4. Online purchasing decision process process uses indicators: there is an alternative evaluation, the intention to make a purchase, the influence of other people attitudes, the influence of unwanted situations, preference choice of products with a Likert scale size from 1 to 5.

5. Result

Measurement Model Test

The Measurement Model Test is an initial test to ensure that all indicators that support or are used in this research variable can actually reveal the truth or valid. This analysis was done by using a loading factor at the limit of 0.5.

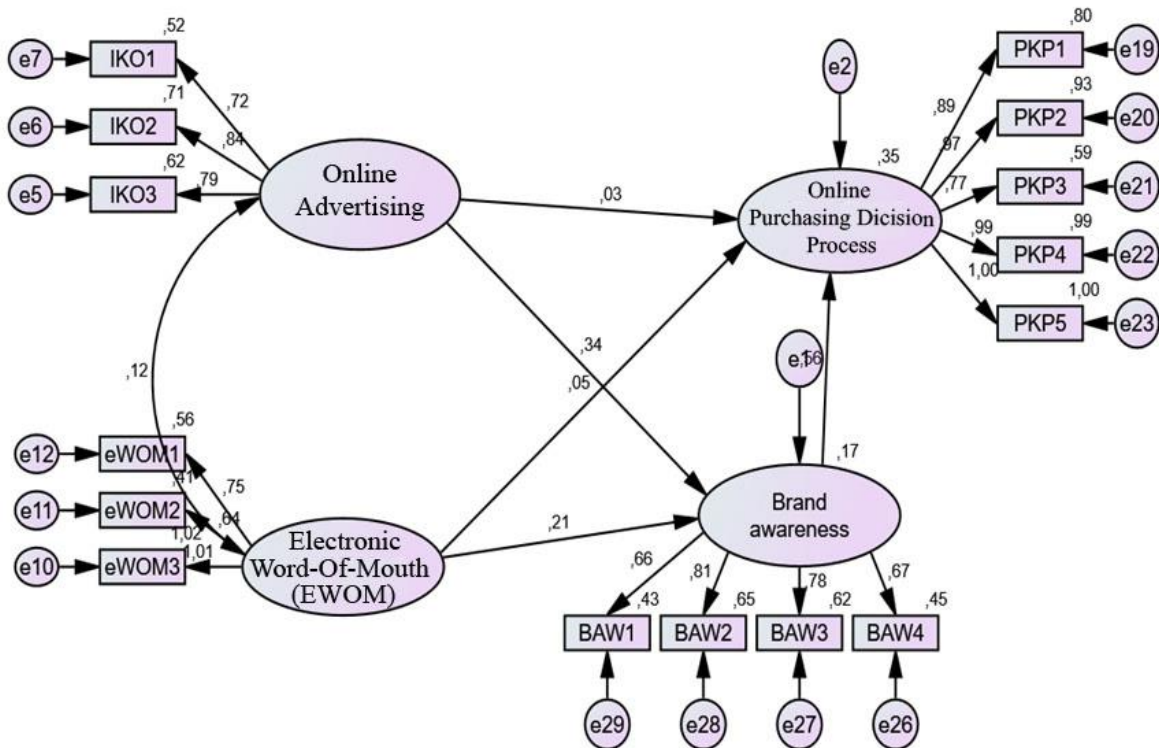


Figure 2. Measurement Model Test Result

The results of the loading factors analysis can be explained as follow:

1. Online advertising variables with a number of indicators of 3 (three) all have a loading value above 0.5 with a significance value of regression weight below 0.05.
2. The eWOM variable with a total of 3 (three) indicators has a loading value above 0.5 with a significance value of regression weight below 0.05.
3. Brand awareness variables with the number of indicators as many as 4 (four) all have a loading value above 0.5 with a significance value of regression weight below 0.05.
4. Variable online purchasing decision process with a number of indicators of 5 (five) all have a loading value above 0.5 with a significance value of regression weight below 0.05.

Criteria Evaluation of Goodness of Fit

Criteria Evaluation of Goodness of Fit is one of the requirements in SEM analysis to test whether the model that has been analyzed is feasible for analysis decision making. The evaluation results of Criteria Evaluation of Goodness of Fit can be seen in the table as follows:

Table 1. Goodness Criteria of Fit Models.

Size Index Criteria	Cut-off Value	Result Analysis	Evaluation Model
CMIN	Default Model between Saturated & Independence model	CMIN/DF=1.34 6 CMIN=111.735 between 0- 2173.386	Good
GFI, AGFI	Closed to 1	GFI = 0.910 AGFI= 0.870	Good
Baseline Comparisons	Closed to 1	NFI =0.949 RFI= 0.935 IFI= 0.986 TLI= 0.982 CFI=0.986	Relatively Good
Parsimony Adjusted Measures	between value range 0-1	Pratio=0.790 PNFI=0.750 PCFI=0.779	Good
RMSEA	0,05-0,8	0.054	Good
AIC	Default Model between Saturated & Independence model	185.735 between 240.000- 2203.386	Good
ECVI	Default Model between Saturated & Independence	1.247 between 1.611- 14.788	Good

All criteria specified in the feasibility of the model in this study are relatively good with CMIN values greater than 2, GFI, AGFI, PNFI and PCFI all have approached 1. Each of NFI, RFI, IFI, TLI, CFI is above 0.8 or closed to 1, and RMSEA is between 0.05-0.08, so the model is considered fit.

Structural Equation Modeling (SEM) Analysis Direct Effect

Tabel 2. Estimate Regression Weight of Direct Effects between Variables

			Estimate	S.E.	C.R.	P
Brand_awareness	<--	eWOM	.256	.106	2.412	.016
Brand_awareness	<--	Advertising	.303	.087	3.483	***
Online Purchasing Decisions Process	<--	Brand_awareness	.591	.099	5.989	***
Online Purchasing Decisions Process	<--	Advertising	.232	.079	2.937	.012
Online Purchasing Decisions Process	<--	eWOM	.263	.092	2.859	.014

H1: The Effect of online advertising on brand awareness

Nike shoes online advertising can positively and significantly increase the brand awareness of adolescents in Banda Aceh in buying Nike shoes by online with an estimated value of 0.337, meaning that if the online advertisement of Nike brand shoes increases by 1 unit, then brand awareness among teenagers towards shoe brands Nike will also increase by 0.337 units. The influence of online advertising is significant with a probability value of 0.000 or less than 0.05. This value is equivalent to the value of C.R of 3.483, or greater than 1.96.

H2 : The Effect of eWOM on brand awareness

eWOM among adolescents can increase their brand awareness of Nike brand shoes with an estimated value of 0.208, meaning that if eWOM among adolescents increases by 1 unit, then brand awareness among adolescents towards Nike brand shoes sold online will also increase by 0.208 units.

The eWOM effect is significant with a significant probability value of 0.016 or smaller than 0.05. This value is equivalent to the value C.R of 2.412, or smaller than 1.96, so the H_{a2} hypothesis can be rejected and accepted H_{o2} .

H3: The effect of online advertising on online purchasing decision process

Nike shoes online advertisement can encourage teenagers in Banda Aceh to make online purchasing decision process with an estimated value of 0.234, meaning that if Nike brand shoes online ads increase by 1 unit, then the decision process for purchasing Nike shoes online among teenagers in Banda Aceh City will also increase by 0.234 units. The effect of online advertising is significant with a probability value of 0.014 or less than 0.05. This value is equivalent to the value C.R of 2.937, or greater than 1.96, so the H_{a3} hypothesis is acceptable and rejects H_{o3} .

H4: The effect of eWOM on online purchasing decision process

eWOM among adolescents in Banda City can encourage teenagers to make online purchasing decision process with an estimated value of 0.249, meaning that if eWOM among adolescents increases by 1 unit, then the process of purchasing Nike brand shoes online by teenagers in Banda Aceh will also increase by 0.249 unit. The effect is significance with a significant probability value of 0.012 or smaller than 0.05. This value is equivalent to the value of C.R of 2.859, or greater than 1.96, so that the H_{a4} hypothesis is acceptable and rejects H_{o4} .

H5: The effect of Brand awareness on online purchasing decision process

Brand awareness among adolescents towards Nike brand shoes has a positive impact in encouraging them to make online online purchasing decision process with an estimated value of

0.563, meaning that if brand awareness increases by 1 unit, the process of purchasing Nike shoes by online among teenagers in Banda Aceh will also increase amounting to 0.563 units. The effect is significant with a significant probability value of 0,000 or less than 0.05. This value is equivalent to the value of C.R of 5.989, or greater than 1.96, so the H_{a5} hypothesis is acceptable and rejects H_{o5} .

Indirect Effect

Table 3. Indirect Effect Test Result

				Estimate
Online Purchasing Decisions Process	<--	Brand awareness	<-- Online advertising	(0.563x0.208) = 0.117
Online Purchasing Decisions Process	<--	Brand awareness	<-- eWOM	(0.563x0.337) = 0.190

Based on several models of influence between the variables above, it can be manually analyzed the estimation model of indirect effects. These estimates can be explained as follow:

H6: online Advertising affects online purchasing decision process mediated by Brand awareness
Online advertising affects the process of purchasing Nike shoes by online through brand awareness with an estimated value of 0.117. This means that the role of brand awareness in improving online advertising relations with the process of purchasing Nike brand shoes by online is 0.117.

H7: eWOM affects online purchasing decision process mediated by Brand awareness
eWOM among teenagers influenced the process of purchasing Nike brand shoes online through brand awareness with an estimated value of 0.190. This means that the role of brand awareness in improving eWOM's behavioral relationship among the people with the process of purchasing Nike brand shoes by online is 0.190.

5. Conclusion

From the discussion above the result shows that online advertising affects brand awareness significantly, eWOM affects brand awareness significantly, online advertising affects online purchasing decision process significantly, eWOM affects online purchasing decision process significantly, brand awareness effects online purchasing decision process significantly, online Advertising affects online purchasing decision process mediated by brand awareness, and eWOM affects online purchasing decision process mediated by brand awareness. These all findings complete the existence of the research model. It contributes to the realm of science that enrich the theories as an upgrade ones. The originality is located in the combination of the previous causality models, and use a new object that is the Nike products. The limitation resides in the amount of variables only. This research result also can be a reference for the practical managers especially who are related to the selling of the Nike products for teenagers in Banda Aceh.

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