

Effect of the use of Internet Marketing and eWOM on Brand Awareness as Intervening Variables

by Bob Foster

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Facultad Experimental de Ciencias
Departamento de Ciencias Humanas
Maracaibo - Venezuela

1 Effect of the use of internet marketing and e-WOM on brand awareness

Bob Foster^{1*}

¹The University of Business and Informatics Indonesia
Jl. Soekarno-Hatta No.643, Sukapura, Kiaracondong, Bandung City,
West Java 40285, Indonesia
bobriset@unibi.ac.id

1 **Muhammad Deni Johansyah²**

¹Department of Mathematics, Faculty of Mathematics and
Natural Sciences, Universitas Padjajaran
Jl. Raya Bandung-Sumedang Km 21, Jatinangor 45363,
Sumedang, West Java, Indonesia
muhamad.deni@unpad.ac.id

Abstract

1 This study aims to determine the effect of using internet marketing and WOM electronics on buying interest with brand awareness as an intervening variable at Starbucks Coffee Company. This research was conducted using quantitative methods, using path analysis, and using SPSS version 24 software. As a result, internet marketing and e-WOM had a significant influence on brand awareness. In conclusion, it is expected that Starbucks Coffee Company can increase internet marketing and e-WOM so that people become aware of the presence of Starbucks Coffee Company as one of the cafes/hangouts that can be used as a hangout.

Keywords: Internet marketing, Brand, Starbucks coffee.

Efecto del uso de Internet Marketing y e-WOM en el conocimiento de la marca

Resumen

Este estudio tiene como objetivo determinar el efecto del uso de marketing en Internet y productos electrónicos WOM en la compra de

intereses con el conocimiento de la marca como una variable interviniente en Starbucks Coffee Company. Esta investigación se realizó utilizando métodos cuantitativos, análisis de ruta y software SPSS versión 24. Como resultado, el marketing en Internet y e-WOM tuvieron una influencia significativa en el conocimiento de la marca. En conclusión, se espera que Starbucks Coffee Company pueda aumentar el marketing en Internet y e-WOM para que las personas se den cuenta de la presencia de Starbucks Coffee Company como uno de los cafés / lugares de reunión que se pueden usar como lugar de reunión.

Palabras clave: Marketing en Internet, Marca, Café Starbucks.

1. INTRODUCTION

Indonesia with the fourth most populous country in the world and as a consumptive country is certainly a potential market for the marketing of products both locally and non-locally. Various industry players are present to provide services to the needs of the community; the retail industry is one of them. The Indonesian retail industry is currently in poor condition based on performance. The condition of the retail industry has decreased in 2015 and 2016. The general chairman of Aprindo said that the growth of the retail industry in 2017 will follow the downward trend for the past 2 years. This is due to several factors including changes in shopping behavior that prefer to shop online, in addition to weakening because of the weakening purchasing power of the people because many productive age groups are not fully absorbed by the labor market so they do not have decent income for consumption. Other factors are also caused by changes in community behavior where many people tend to hold back consumption because they are waiting for the right time to shop. A retail development index

2017 research institute issued by AT Kearney stated that the condition of Indonesia's retail industry is at number 8 in the world, this position has decreased 3 levels compared to the achievement in 2016, at which time Indonesia was in the top 5 in the world. Meanwhile, based on data released by Bank Indonesia, the growth of the retail sector is very slim, which is 0.1%.

As one of the retail industry players with the cafe/hangout sub-sector is Starbucks coffee company. Starbucks coffee Indonesia opened its first store in plaza Indonesia in 2002. January 2018 Starbucks coffee Indonesia has 326 stores in different locations in around 22 cities. In running its business Starbucks coffee has a vision that is we are in the people business serving coffee, not in the coffee business serving people. While the mission is establishing Starbucks as the premier purveyor of the finest coffee in the world while maintaining our uncompromising principles while we grow.

As part of the retail industry, Starbucks Coffee Company is also included in the assessment by the Top Brand Award. Top Brand Award is an award given to brands that won the award given based on the assessment obtained from the results of a national survey under the organization of Frontier Consulting Group. Table 1 following is the assessment of Top Brand Index for the retail category with sub-sectors cafe/hangout:

Table 1: Top Brand Index of Hangout Cafes/Places Sub-Sector

BRAND	2016	BRAND	2017
7-Eleven	32.3%	7-Eleven	29.0%
Starbuck	14.8%	Starbuck	9.8%
Indomaret Point	5.7%	Lawson	5.6%
Lawson	5.1%	Indomaret Point	3.5%
Circle-K	3.6%	Circle-K	2.4%

Based on the information in Table 1, it can be seen that there was a decline in the top brand index of Starbucks from 2016 to 2017. In 2016 Starbucks ranked second as the best cafe/hangout place in Indonesia with an index value of 11.8 %. Then in 2017, it became 9.8%. The amount of decline is 5%, so this has indicated that there is a problem with Starbuck coffee Indonesia.

While the news reported by Wartaekonomi.co.id states that the stock price of PT. MAP Boga Adiperkasa Tbk. (MABP) which is a Starbucks license holder in Indonesia. Shares of a subsidiary of PT. Mitra Adiperkasa Tbk (MAPI) experienced a stock price decline of 170 points or 5.5% to IDR 2,500 per share from IDR 3,120 per share in July 2017. While the news reported by CNN Indonesia stated that the decrease in net profit during the first half of 2017 was 20.53 billion or decreased by 53% compared to the same period last year which was 43.81%. Other problems experienced were the decline in sales of one of Starbuck Coffee Indonesia's products, Frappucino, by 3% compared to last year.

Besides that, the widespread use of social media applications is currently being used by the market to attract consumers to make purchases. Based on research conducted by Nielsen, the 2015 Global Trust in Advertising Report shows that among online advertisements shown in search engine results, the highest credibility of 61% of Indonesians shows that they believe in the advertisements offered. While the credibility of advertisements on social networks and video ads 54% of Indonesians also said they trusted advertisements delivered through these social networks.

2

Therefore, based on the background of the problems that have been described previously, the authors are interested in researching with the title 'The Effects of the Use of Internet Marketing and E-WOM on Buying Interest and Brand Awareness as Intervening Variables'. The purpose of this test is to find out how the influence of the use of WOM internet marketing and electronics on buying interest with brand awareness as an intervening variable on Starbucks Coffee Company products, both partially and simultaneously.

1

2. LITERATURE REVIEW

2.1 Marketing Management

3

Marketing is one of the main activities that need to be carried out by a company, whether it is a goods or service company to earn profits and to maintain business survival. (AHMAD & AHMAD,

2018; KOTLER & KELLER, 2016), argue that marketing is an opportunity for partners and society at large. In the meantime, marketing management as the art and science of selecting target markets and getting, keeping and growing customers through creating, delivering, and communicating superior customer value (Viktorin et al, 2019).

2.2 Internet Marketing

Nowadays internet marketing has become a business necessity because the internet is an irrevocable trend that cannot be stopped. Even if the business does not have online marketing, the customer is likely to choose another company's product. Internet marketing has a big and huge role in the development of information technology to open new challenges and new options for more efficient marketing applications including the development of internet marketing VIDRUSKA, BIRUTA, & INARA (2016) state that the aspect of internet marketing is on the research agenda in many countries because the internet is taking an increasingly significant place in everyday life throughout the world. Online marketing is also known as online advertising & internet advertising. Organizations contact customers to deliver promotional messages using internet marketing. Internet marketing - often called online marketing or e-marketing, basically, there is marketing activity carried out online through the use of internet technology.

2.3 Electronic WOM

The new online form of WOM communication is now known as electronic word-of-mouth or eWOM. This form of communication is very important with the emergence of online platforms, which makes it one of the most influential sources of information on the Web (ABUBAKAR & ILKAN, 2012). As a result of technological advancements, this new means of communication has led to changes in consumer behavior (CANTALLOPS & SALVI, 2014; AHMAD & AHMAD, 2019), by enabling them to obtain or share information about companies, products, or brands. EWOM is currently in line with the most potential fields for research in marketing currently separating studies from traditional WOM and it is proposed that WOM will also have a unique definition which is the simplest is WOM transmitted through the internet. HUSNAIN, QURESHI, FATIMA, & AKHTAR (2016) state that WOM has evolved through changes in communication technology where currently WOM is directly asked to be more active than virtual consumer networks. with the advent of social media, online electronic word of mouth or e-WOM has become a pervasive and influential source of product information. Word of mouth (WOM) has been defined as the transfer of information from one customer (or group of customers) to another customer (or group of customers) in a way that has the potential to change their preferences, actual buying behavior, or the way they interact further with others.

2.4 Buying Interest

One form of consumer behavior is the interest or desire to buy a product or service. The form of the consumer from buying interest is a potential consumer that is a consumer who has not made a purchase action at present and is likely to make a purchase action in the future or can be referred to as a potential buyer. Buying interest is something obtained from the learning process and thought processes that form a perception. In 2015, AQSA & KARTINI stated that consumers' buying interest is also biased because of consumer confidence in this which is done for example by sending timely and accurate information. In 2016, KOTLER & KELLER, said that buying interest in a product arises because of the basic trust in the product accompanied by the ability to buy the product. Therefore, it can be concluded that buying interest will arise whenever there is an interest by an individual towards a product that has been observed and accompanied by the ability of the individual to decide to buy the product (AHMAD & SAHAR, 2019).

2.5 Brand Awareness

Brand awareness is an element of equity that is very important for companies because brand awareness can directly affect brand equity. When consumer awareness of the brand is low, it will be ensured that brand equity will also be low. The ability of consumers to recognize or remember a brand of a product is different depending on the level of brand communication or consumer perception of the product brand offered.

Brand awareness acts as a strong signal of product quality and supplier commitment while KOTLER & KELLER (2016), define brand awareness as the ability of consumers to recognize or remember brands and sufficient details to make them make purchases. Brand awareness is closely related to brand strength or people's knowledge of the brand that can be measured as the ability of consumers to identify brands in different conditions.

3. METHODS

This section will discuss matters relating to research design such as population, sample size, sampling method, research hypothesis, questionnaire design, analytical methods, and reliability results. The population in this study was people who had transactions at Starbucks Coffee Company. The sample used in this study was 150 people. The research method used in this study is to use quantitative methods. The analysis was carried out by testing the validity, reliability test and normality test for data sourced from primary data (questionnaire) that had been distributed. Then the results of this questionnaire will produce data that will be analyzed with regression analysis methods, and also path analysis methods (path analysis). Data processing is done using SPSS 24.00.

4. RESULTS

The description of the respondents who became the sample in this study was classified based on their characteristics, namely age,

gender, respondent, and occupation. The following is a descriptive analysis of the profile of respondents from this study, from a total of 147 respondents can be grouped in Table 2.

Table 2: Research Respondents

RESPONDENTS		AMOUNT
Age	15-25 years old	95 people
	26-35 years old	52 people
Gender	Male	80 people
	Female	67 people
Occupation	Student	115 people
	Private employees	32 people

From Table 2 it is known that respondents with ages 15-25 years amounted to 95 people and the rest were aged 26-35 years, while in terms of gender the dominant sex in this study was male as many as 80 people and the remaining 67 people were manifold females. Of the 147 respondents who answered the questionnaire divided into 115 people were students and 32 were private employees.

Regression analysis is used to determine the effect of the independent variable on the dependent variable. In this study, two regression equations will be carried out, namely first to find out the effect of internet marketing and E-WOM on the dependent variable namely brand awareness. Second, regression analysis is used to determine the effect of independent variables which consist of internet marketing, E-WOM, and brand awareness of buying interest as the dependent variable.

Based on the parameter coefficient estimator presented in Table 3, column B, the following linear regression equations can be formed:

$$Y_1 = 0.657 + 0.119 X_1 + 0.908 X_2$$

Table 3: Hypothesis Test Results t Equation (1) Influence of Internet Marketing and E-WOM Brand Awareness

Model		Coefficients ^a				
		Unstandardized Coefficients		Standardized Coefficients	T	Sig.
		B	Std. Error	Beta		
1	(Constant)	0.657	0.347		1.894	0.000
	Internet Marketing	0.119	0.065	0.515	9.839	0.048
	EWOM	0.908	0.085	0.668	10.665	0.000

a. Dependent Variable: Brand Awareness

From these equations (1) and Table 3, it can be explained as follows: (i) Constant value states that if the internet marketing and e-WOM variables are equal to zero (0) and are permanent, the brand awareness is 0.657. (ii) The regression coefficient value of the internet marketing variable has a positive sign of 0.119 which means that every increase of 1 internet marketing variable unit will increase brand awareness by 0.119 units. (iii) The value of the regression coefficient of the e-WOM variable is also positive with a value of 0.908 which means that every increase of 1 unit of the e-WOM variable will increase brand awareness by 0.908 units. It is known that the t-count / t-stat values for internet marketing and e-WOM variables are equal to

(9.839) and (10.665) > t-table (1.97658), thus it can be concluded that there is a significant influence between the influence of the internet marketing and e-WOM with brand awareness.

Table 4: Hypothesis Test Results t Equation (2) The influence of Internet Marketing, e-WOM, and Brand Awareness against buying interest as a tied variable

Coefficients ^a						
Model	Unstandardized Coefficients		Standardized Coefficients	T	Sig.	
	B	Std. Error	Beta			
1	(Constant)	3.034	0.239		12.673	0.000
	Internet Marketing	0.050	0.045	0.091	3.109	0.009
	EWOM	0.234	0.078	0.328	3.013	0.003
	Brand Awareness	0.104	0.057	0.198	4.827	0.030

a. Dependent Variable: Buying Interest

Based on the parameter coefficient estimator presented in Table 4, column B, the following linear regression equations can be formed:

$$Y_2 = 3.034 + 0.050 X_1 + 0.234 X_2 + 0.104 Y_1$$

From these equations (2) and Table 4, it can be explained as follows: (i) Constant value states that if the variables of internet marketing, e-WOM, and brand awareness are equal to zero (0) and are fixed, the buying interest is 3.034. (ii) The regression coefficient value of the internet marketing variable is positively marked by 0.050 which

means that every increase of 1 internet marketing variable unit will increase buying interest by 0.050 units. (iii) The value of the regression coefficient of the e-WOM variable is also positive with a value of 0.234 which means that every increase of 1 unit of the e-WOM variable will increase buying interest by 0.234 units. (iv) The regression coefficient value of the brand awareness variable is also positively marked by 0.104, which means that every increase of 1 unit of brand awareness will increase buying interest by 0.104 units. It is known that the t-count / t-stat values for the variables of internet marketing, e-WOM, and brand awareness respectively are (3.109), (3.013) and (4.827) > t-table (1.97669), thus it can be concluded that there is a significant influence between the influence of internet marketing, e-WOM and brand awareness with buying interest.

Table 5: Hypothesis Test Results F Equation (1) The Influence of Internet Marketing and e-WOM on Brand Awareness

ANOVA ^a						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	5.836	2	2.918	57.096	0.000 ^b
	Residual	7.360	144	0.051		
2	Total	13.196	146			

a. Dependent Variable: Brand Awareness
b. Predictors: (Constant), EWOM, Internet Marketing

From the F test presented in Table 5, it is known that F statistic is 57.096 while F table with a significance level of 5% is obtained F table of 3.06 in this case the F-statistic is greater than F-table, meaning

that there is a significant influence between internet marketing variables and e-WOM on brand awareness.

Table 6: Hypothesis F Test Results Equation (2) Influence of Internet Marketing, e-WOM, and Brand Awareness Towards Buying Interest as A Dependent Variable

ANOVA ^a						
Model	Sum of Squares	df	Mean Square	F	Sig.	
1	Regression	0.225	3	0.075	3.156	0.007 ^b
	Residual	3.400	143	0.024		
2	Total	3.625	146			
a. Dependent Variable: Buying Interest						
b. Predictors: (Constant), Brand Awareness, EWOM, Internet Marketing						

From the F test presented in Table 6, it is known that F statistic is equal to 3.156 while F table with a significance level of 5% is obtained F table of 2.67, in this case, the F-statistic / stat is greater than F-table, meaning that there is a significant influence between internet marketing variables, e-WOM, and brand awareness of brand awareness.

Table 7: Test Results of the Determination Equation (1) Influence of Internet Marketing and e-WOM Brand Awareness

Model Summary ^b				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	0.665 ^a	0.442	0.435	0.22607
2 Predictors: (Constant), EWOM, Internet Marketing				
b. Dependent Variable: Brand Awareness				

Based on Table 7 internet marketing and e-WOM variables explain the variation of brand awareness by 44.2% and the rest is determined by other variables outside this research model.

Table 8: Results of the Determination Equation (2) The influence of Internet Marketing, e-WOM, and Brand Awareness against Buying Interest as a Bounded Variable

Model Summary ^b				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	0.549 ^a	0.362	0.342	0.15419
a. Predictors: (Constant), EWOM, Brand Awareness, Internet Marketing				
b. Dependent Variable: Buying Interest				

Based on Table 8 internet marketing variables, e-WOM and brand awareness explain the variation of buying interest by 36.2% and the rest is determined by other variables outside this research model.

Based on calculations using the path analysis above, it is known that the direct internet marketing influence coefficient on buying interest is 0.091 and the e-WOM direct influence coefficient value on buying interest is 0.328. While the indirect influence of internet marketing on buying interest is 0.102 (0.515 x 0.198), this means that the indirect influence of internet marketing on buying interest is greater than the direct influence so it can be concluded that internet marketing has an indirect effect on buying interest through brand awareness. While the indirect influence of e-WOM on buying interest is 0.132 (0.668 x 0.198), this means that the indirect influence of e-

WOM on buying interest is smaller than the direct influence so that it can be concluded that e-WOM has a direct effect on buying interest without having to go through awareness brand. The direct influence and indirect influence can be shown using path analysis diagrams such as Figure 1 as follows.

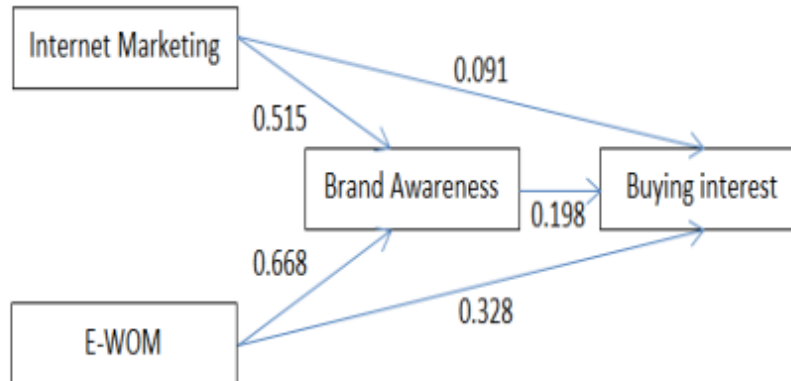


Figure 1: Diagram of the Path Analysis

5. CONCLUSION

This paper has discussed the ¹ effect of the use of internet marketing and e-WOM to buy interest with brand awareness as intervening variables. Based on the calculations that have been done, it can be concluded that: Internet marketing has a significant influence on brand awareness; e-WOM has a significant influence on brand awareness; Internet marketing has a significant influence on buying interest; e-WOM has a significant influence on buying interest; Brand awareness has a significant influence on buying interest; Internet marketing has an indirect influence on buying interest mediated by

brand awareness; e-WOM has a direct influence on buying interest without the need to be mediated by brand awareness. By doing this research, it is expected that Starbucks Coffee Company can increase internet marketing and e-WOM so that people become aware of the presence of Starbucks Coffee Company as one of the cafes/hangouts that can be used as a hangout, where people will indirectly become interested to try. Besides, further research may add other factors such as service quality, building, and prices.

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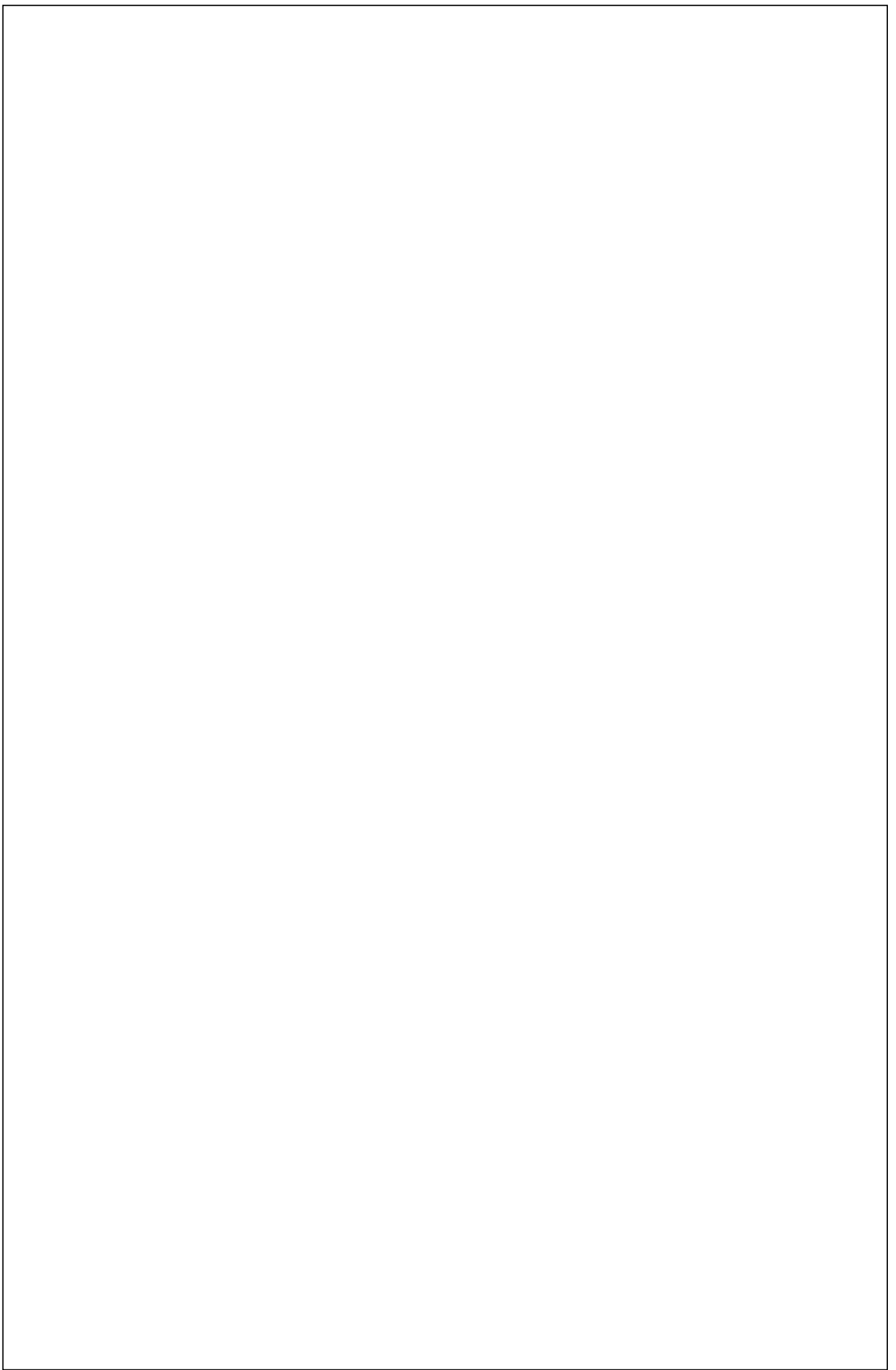
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