

The Influence of Electronic Word of Mouth and Discount on Purchase Decisions at Traveloka App During Covid-19 (Survey on Traveloka User in Bandung 2020)

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ABSTRACT

This study aims to find out the effect of the Electronic Word of Mouth and Discount on Purchasing Decisions on the Traveloka application in Bandung. This study uses a quantitative approach with 100 Traveloka application users as the respondents. The data analysis technique used multiple regression analysis which was processed using SPSS25 software. The main data of this study were obtained from distributing questionnaires; and secondary data obtained through reviewing journal publications and textbooks. The results showed that the two variables, electronic word of mouth and discount, had a significant influence on purchasing decisions. However, the discount variable has a smaller effect on purchasing decisions. This shows that Traveloka application users in Bandung have other variables of considerations in making purchasing decisions; not just considering the discount variable.

Keywords

Electronic word of mouth, discount, purchase decisions

Introduction

The development of technology nowadays, from year to year, is growing rapidly, and it has made our lives far easier and better, because the information can be accessed indefinitely on internet services, such as in exchanging information, conducting transactions, and various other activities. The Association of Indonesian Internet Service Providers or in Indonesian language called "Asosiasi Penyedia Jasa Internet Indonesia" (APJII), recorded that the number of Internet users in the country ranges from 201 million in 2020 and it is estimated that the number could increase by 2021. Based on the data about behavior of internet users in Indonesia from The Association of Indonesian Internet Service Providers (APJII), especially among the active users who have been experiencing online shopping, it has been recorded that 34 million people or about 25% are frequently using the app for making online ticket reservations. In Bandung, many people have already purchased or booked hotel rooms for various purposes by online, because people's intensity of rush has increased, along with the COVID-19 pandemic that forces people to do physical distancing, it affects the consumer purchasing behaviors from direct or offline purchases to online purchases.

The online ticket reservation platform provides hotel room reservation services with various hotel room recommendations along with the prices and services offered, check-in and check-out time that can be arranged. There are so many platforms that provide the online ticket reservation such as Pegipegi, Agoda, Trivago, and Traveloka. Before making a hotel room reservation, consumers tend to look for the information and some references. According to Samuel and Lianto (2014), consumers are affected by reviews, blogs, and sharing reviews on the platform. One of the considerations to make hotel room bookings online is through Electronic Word of Mouth communication (e-WOM). e-WOM can be a positive or negative statement delivered by consumers about a company's product or services and spread to other consumers through the internet. And not only Electronic Word of Mouth, but Discount is also one of consumers' consideration before they decide to make online hotel room reservations.

Discount is one of the strategies carried out by the company by providing a price reduction from a fixed price to create a purchase decision or impulse buying to increase sales of products or services. The current popular hotel reservation platform is Traveloka. A survey conducted by Top

Brand Award hotel booking site conducted online which ranks first every year is Traveloka.

Based on the research background described above, this study is intended to be able to examine the influence of e-WOM and Discount on purchasing decisions. The formulation of problems in this research are (1) The influence of e-WOM on purchasing decisions on Traveloka app, (2) The influence of discount on purchase decisions on Traveloka app, (3) The influence of e-WOM and discount on purchase decisions on Traveloka app.

Literature Review

Electronic Word of Mouth (eWOM)

Electronic Word of Mouth (eWOM) is a good and bad review or comment about products, services, or companies based on their experience over the internet. This is supported by Kretzmann and Canhoto's opinion in (Lubis & Ariyanti, 2019) which states that "Any statement based on positive, neutral, or negative experience made by a potential, actual or former consumer about a product, service, brand or company which is made available made to a multitude of people and institution via the internet (through the website, social networks, instant messengers, a news feed, etc.)"

Electronic Word of Mouth is "Negative and positive statements made by actual, potential or previous consumers regarding a product or company, where this information is available to people or institutions via internet media". According to Goyette et al. (2012), indicators of this Electronic Word of Mouth are *Intensity*, *Positive Valence*, *Negative Valence*, and *Content*.

Discount

From a consumer's point of view, price is often used as an indicator of the value of how the price is connected with the perceived benefits of a product or service (Fandy Tjiptono, 1997). So based on the theory can be concluded that the price is the amount to be paid by consumers who are considered worthy to obtain or have a product where the amount is determined by the seller company. According to Sutisna (2001), discount

is product price reductions from normal prices within a certain period.

According to Melina in the journal Economics (2017), the Price Discount dimension is divided into three dimensions namely *Quantity Discount*, *Seasonal Discount*, and *Discount*.

Purchase Decision

According to Kotler and Amstrong (2008), Purchasing decisions as a process where consumers know the problem, seek information about certain products or brands, and evaluate how well each alternative can solve the problem that then leads to the purchase decision. According to Liang and Lai (2002), online purchasing behavior is the process of buying products or services to the media and the internet. The process of purchasing online has different steps such as physical purchasing behavior.

According to Kotler in Tjiptono (2012), consumer decisions in making purchases are a collection of several decisions. Kotler stated that when a consumer makes a purchase decision, 4 components make the structure of the purchase decision, namely *Brand Choice*, *Dealer Choice*, *Purchase Timing*, and *Payment Method*.

Research Paradigm and Hypothesis

Based on the above explanation, it can be seen that the research paradigm is as follows:

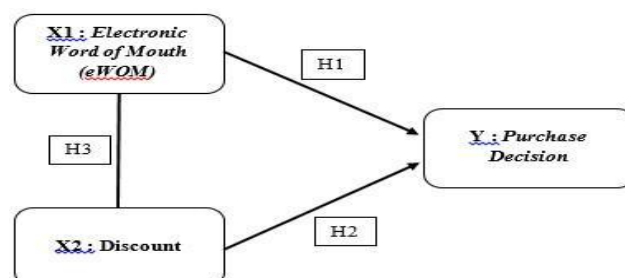


Figure 1. Research paradigm and hypothesis

And based on the above paradigm, the research hypotheses are:

H1: The Influence of Electronic Word of Mouth on Purchase Decisions on Traveloka app.

H2: The Influence of Discount on Purchase Decisions on Traveloka app.

H3: The Influence of Electronic Word of Mouth and Discount on Purchase Decisions on Traveloka app.

Methodology

Methods used for this research is quantitative approach, for the sample selected in this study amounted to 100 respondents of Traveloka app users in Bandung. The sampling method of this research using the nonprobability sampling technique. Primary data in this study was obtained through questionnaires, while secondary data was obtained from the publication of journals and textbooks. The data analysis used is a descriptive analysis by adopting several linear regression analysis techniques using SPSS25 software.

Results and Discussion

Based on the results of data processing out on the collected questionnaires, it is known that the results are as follows:

Table 1. Profile of respondents

Respondent Profile		Percentage
Gender	Male	48%
	Female	52%
Age	<20 years old	2%
	21 - 25 years old	62%
	26 - 30 years old	30%
	31-35 years old	3%
	> 35 years old	3%
Education	Elementary	0%

School	Junior High School	0%
	High School	19%
	University Student	81%
	College student	52%
	Private Employee	41%
Profession	Civil Servant	7%
	<1 million	12%
	1-3 million	31%
	3-5 million	35%
	5-7 million	5%
Monthly Income	>7 million	17%

Data processed: 2021

Based on the table above, females have dominated male respondents with the percentage of 52% respondents. Based on the respondents' age, 21-25 years old respondents have the highest percentage of 62% respondents, which indicates that this age is productive. The university level has the percentage of 81% respondents. Based on the profession, the college student has the highest percentage of 52% respondents, and the average respondents' monthly income is about 3-5 million with the percentage of 35% respondents.

Validity Test

The results of the Validity Test of this study are as follows:

Table 2. Validity test

Variable	Sub Variables	Statement	R _{count}	R _{table}	Information
Electronic Word of Mouth	Intensity	Q1	0,594	0,1966	Valid
		Q2	0,797	0,1966	Valid
	Positive Valence	Q3	0,52	0,1966	Valid
		Negative Valence	Q4	0,316	0,1966
	Content	Q5	0,72	0,1966	Valid
Discount	Discount Quantity	Q6	0,875	0,1966	Valid
		Seasonal Discount	Q7	0,827	0,1966
	Discount	Q8	0,411	0,1966	Valid
		Brand Choice	Q9	0,593	0,1966
Purchase Decision	Brand Choice	Q10	0,592	0,1966	Valid
		Dealer Choice	Q11	0,67	0,1966
	Dealer Choice	Q12	0,7	0,1966	Valid
		Purchase Timing	Q13	0,504	0,1966
	Payment Method	Q14	0,539	0,1966	Valid

Q15 0,415 0,1966 Valid
 Data processed: 2021

Validity Test is used N=100, so it is known Df = N-2, then r table is 0.1966 as the limit of the stated value is considered valid. For all variables can be declared valid, because it has passed the minimum according to the R table.

Reliability Test

The results of the reliability test of this research are as follows:

Table 3. Reliability test

Variable	Cronbach Alpha (>0,60)	Information
Electronic Word of Mouth	0,789	Reliable
Discount	0,72	Reliable
Purchase Decision	0,657	Reliable

Data processed: 2021

Table 3 shows that the result of Cronbach Alpha variable X1 is 0.789, variable X2 is 0.720 and variable Y is 0.657. According to Ghazali (2011), if the value of Cronbach Alpha is greater than 0.6, then the instrument of this research is reliable.

Multicollinearity Test

Based on the calculation results using SPSS 25, there was no problem in the multicollinearity test between the variables used. The explanation can be seen in the table below:

Table 4 Multicollinearity

Model	Coefficients ^a					Collinearity Statistics		
	Unstandardized Coefficients B	Std. Error	Standardized Coefficients Beta	t	Sig.	Tolerance	VIF	
1	(Constant)	15.546	2.564		6.064	.000		
	Total_E_WOM	.786	.217	.594	3.626	.000	.280	3.566
	Total_Discount	-.167	.300	-.091	-.555	.580	.280	3.566

a. Dependent Variable: Total_Purchase_Decision

Data processed: 2021

Determination Coefficient Test

Table 5. Determination coefficient test

Model Summary^b

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.519 ^a	.270	.255	1.671

Data processed: 2021

Based on the results of the Coefficient Determination Test obtained R Square of 0.255. This means that there is a 25.5% influence of Electronic Word of Mouth (X1) variables and Discount variables (X2) on Purchase Decision variables (Y), and there is a 74.5% influence by other variables not researched in this study.

Conformity Test (F test)

Based on table 6 below, Conformity Test (F test) using statistical test F with research model $Y = \alpha + \beta_1X_1 + \beta_2X_2 + e$ using SPSS 25 app in windows app. F test results obtained count F at the number 17907 with a significance level of 0.000. Since the significance value obtained is $0.000 < 0.05$, it can be concluded that this study has met the F test with its F value is 17,907.

Table 6. Determination coefficient test

ANOVA^a

Model	Sum of Squares	df	Mean Square	F	Sig.
1 Regressio	99.978	2	49.989	17.90	.00

n				7	0 ^b
Residual	270.782	9		2.792	
Total	370.760	9			
		9			

a. Dependent Variable: Total_Purchase_Decision
 b. Predictors: (Constant), Total_e_WOM, Total_Discount
 Data processed: 2021

Multiple Regression Analysis

With the calculation of the questionnaire using SPSS 25, the test results of multiple regression showed results according to the table below:

Table 7. Multiple regression analysis

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	15.546	2.564		6.064	.000
	Total_E_WOM	.786	.217	.594	3.626	.000
	Total_Discount	-.167	.300	-.091	-.555	.580

a. Dependent Variable: Total_Purchase_Decision

Data processed: 2021

As a result of the calculation, the constant value (a) is 15.546 and the Electronic Word of Mouth (X1) value is 0.786 and the Discount value (X2) is

-0.167. The formula of the regression equation is obtained as follows:

$$Y = 15,546 + 0,786X1 - 0,167X2$$

This means that the Electronic Word of Mouth variable (X1) influence on the Purchase Decision variable (Y) also has a significant impact because the value is significantly less than that (\leq) $\alpha = 0.05$ and on the other side, Discount Variable (X2) has a negative influence of -0.167. Have an influence on customer purchasing decisions (Y).

Kolmogorov-Smirnov Normality Test

The normality test in this study used Kolmogorov-Smirnov Normality to determine whether the data in the study were distributed normally.

Table 8. Multiple regression analysis
 One-Sample Kolmogorov-Smirnov Test

		Unstandardized Residual
N		100
Normal Parameters ^{a,b}	Mean	.0000000
	Std.	1.65383429
	Deviation	
Most Extreme Differences	Absolute	.070
	Positive	.070
	Negative	-.060
Test Statistic		.070
Asymp. Sig. (2-tailed)		.200 ^{c,d}

a. Test distribution is Normal.
 b. Calculated from data.
 c. Lilliefors Significance Correction.
 d. This is a lower bound of the true significance.
 Data processed: 2021

In the table above, Kolmogorov-Smirnov normality test results have a significance score of

0.200 > 0.05. This indicates that the data is normal for the distribution process.

Discussion

1. The F test result shows that the score is 17,907 tables $> F$ is 3,090, which means two independent variables, Electronic Word of Mouth (X1) and Discount (X2) have a significant influence on purchasing decisions (Y).
2. From the results of regression tests previously carried out, the following equations are obtained:

$$Y = 15,546 + 0,786X1 - 0,167X2$$

Meaning

1. The F test shows that The Purchasing Decision (Y) of Traveloka users will be 15,546 whose number has not been affected by other variables of Electronic Word of Mouth (X1) and Discount (X2). However, this amount is influenced by other variables outside the model.
2. Electronic Word of Mouth (X1) variables have an impact on Traveloka's purchase decision (Y) of 78.61% and significantly influence purchase decision making.
3. Discount (X2) varies to negatively influence - 16.7% on Traveloka user's purchase decision (Y). This shows us that Traveloka app users in Bandung have other perspectives when making purchase decisions instead of just service prices.

Conclusion

1. With the F test results that two independent variables Electronic Word of Mouth (X1) and Variable Discount (X2) have a significant influence simultaneously on Y (Purchasing Decision).
2. From the results of several regression tests that have been done, showing us in the electronic variable Word of Mouth (X1) has an impact and significance.
3. Variable Discount (X2) negatively affects the variable purchase decision (Y) of Traveloka Users in Bandung.

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