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RESEARCH ARTICLE

THE EFFECT OF ELECTRONIC WORD OF MOUTH IN SOCIAL MEDIA INSTAGRAM TO BRAND LOYALTY OVO ON THE Z GENERATION

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ABSTRACT

The growth of electronic money transactions in Indonesia at 2019 increased by 230.25% and making any financial enterprise technology (fintech) more competing. Digital Payment OVO Instagram used social media to expand their marketing activities, thus forming a digital communication between companies and customers. Communication is a form of Electronic Word Of Mouth Activity (EWOM) in social media. The purpose of this study to determine how big electronic word of mouth on social media Instagram influence brand loyalty OVO. This study was conducted using a quantitative approach through surveys. The survey was conducted using questionnaires distributed online to the respondents through social media. The measurement clarified by eight dimensions: quality EWOM, quantity EWOM, Sender expertise, Measures behavior, switch cost, satisfaction, linking Brand, And commitment. The population of OVO users by 2019, amounting to 115 million people and 100 people into the sample by using the formula Taro Yamanewith a confidence interval of 90%. The sampling technique used purposive sampling. Based on the results of research and data analysis has been done, the obtained results that *electronic word of mouth* has a contribution of 32.8% in an effort to influence the Brand Loyalty OVO. The rest 67.2% is made up of the effects and influence of other factors outside of this study.

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INTRODUCTION

Electronic Word Of Mouth (EWOM) is an adaptation of the concept of Word Of Mouth (WOM). EWOM through electronic media can make consumers not only obtain information about related products and services from people they know, but also from a group of different people's geographic area who have experience of the product or service in question (Cheung, 2010). Activities EWOM in Indonesia occurs in social media because half of Indonesia's population are already using social media. "Digital Around The World in 2019" explains that out of a total of 268.2 million people in Indonesia, Indonesia's 150 million population have been using social media. For social media users in Indonesia is located mainly in the age range 18-34 (Hootsuite, 2019). The age of above into the class of generation Z otherwise known as the Net Generation. Net Generation was born in the mid range of the 1990s until the mid 2000s and present more familiar with the technology.

Character is more unfocused net generation of millennial, but more versatile; more personal, more global, more open-minded; more quickly plunge into the world of work, and more entrepreneurs. Generation Z is an active user of social media, and most active social media be used in Indonesia is Instagram. The survey's most active social media platforms in Indonesia, where 16 social media platforms instagram be one of the most popular social media in Indonesia proved instagram occupy the fourth position with a total percentage of 80%. (Websindo.com, 2019). Instagram is often used as a marketing strategy by many companies. One of the companies that take advantage of Instagram as a tool to strengthen brand is a financial technology company OVO. OVO is the digital payment services in Indonesia. In early 2018, PT Visionet International (OVO) started holding expansion through cooperation with various shopping malls, online shop, e-commerce and non-cash-based banking transactions. OVO has been available in 212 cities and has worked with 350,000 merchants throughout Indonesia. OVO transactions recorded double-digit growth throughout 2019. In addition, the increase in the number of monthly active users more than 40% and OVO has been present in 115 million devices. (Investor.id, 2019). The rapid growth in the number of users of the application OVO can not be separated from the role of

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consumers in introducing services and products through Electronic Word of Mouth (EWOM), because through EWOM faster to influence other potential customers in making decisions instead of promotional activities that come from the company directly. EWOM involves cognitive and affective elements of the consumer, which are both heavily influenced by the frame of the message received both positive and negative (Yap, 2013). Based on the background of the problem that has been described, the problem in this research are: "The extent to which the influence of electronic word of mouth on social media instagram to brand loyalty OVO?" The aim of this study is to know to know how big electronic influence word of mouth on social media Instagram brand loyalty OVO.

Literature Review: According to Lin, Wu, and Chen Electronic Word Of Mouth to be divided into three indicators, namely: 1. EWOM Quality will be seen from several aspects including: a) The online review/comment is clear, b) The online review/comment is understandable, c) The online review/comment is helpful, d) The online review/comment is credible, e) The online review/ comment has sufficient reasons supporting the opinions, f) In general, the quality of each online review/comment is high. 2. EWOM Quantity a) The number of online review/comment is large, inferring that the product is popular, b) The quantity of online review/comment information is great, inferring that the product has good sales, c) Highly ranking and recommendation, inferring that the product has good reputations. 3. Sender's Expertise, a) The persons who provided online reviews/comments are experienced, b) The persons who provided online reviews/comments have abundant knowledge toward the product, c) The persons who provided online reviews/comments have the ability on judgment, d) The person provided some different ideas than other sources, e) The person mentioned some things had not considered (Lin, 2013). EWOM be a "venue" or a place that is very important for a consumer to give his opinion and considered more effective than WOM because the level of accessibility and a wider scope than the traditional media WOM offline (Jalilvand, 2012). EWOM faster to influence other potential customers in making decisions instead of promotional activities that come from the company directly. EWOM involves cognitive and affective elements of the consumer, which are both heavily influenced by the frame of the message received both positive and negative (Gosta, 2018).

Brand Loyalty by Rangkuti explained that brand loyalty to be measured through: Behavior Measures, Measuring Cost Switching, Measuring Satisfaction, Measuring Liking Brand, Measuring Commitment (Rangkuti, 2009). Loyalty to a brand is very necessary because amidst increasingly intense competition is to maintain and develop the consumer by increasing consumer loyalty to the brand is the most appropriate thing. The presence of a high loyalty to a brand, consumers are likely to keep choosing the brand compared to other brands (Meta Andriani, 2018). Brand loyalty demonstrated the existence of a bond between a customer with a particular brand. Often characterized by the presence of repeat purchases from customers. Loyal customers will make repeat purchases and will refer your products / services to others to use the products / services (John C. Mowen, 2002).

MATERIALS AND METHODS

The method used in this research is a survey research method by distributing questionnaires as a data collection tool.

The population in this study is the number of users. Based on data in mid-2019 as many as 115 million people are using OVO. So that the number of population in this study were 115 million people. Samples were taken using Taro Yamane formula with a confidence interval of 90%, with a population of 115.000.000 people the result of samples taken 100 people. The sampling technique in this study used non-probability sampling technique and used purposive sampling technique. Sample choice in a purposive sampling technique uses the bases determined by researchers to get a sample that is appropriate to the research activity. Data collection techniques used are primary data and secondary data. Before the questionnaire was distributed entirely researchers first pre sampling to find the validity and reliability of the questionnaire has been prepared. Validity indicates the degree to which the accuracy of a measuring device that measure what you want diukur. Validitas gauges tested by calculating the correlation between each question with a total score using the formula Pearson's correlation technique *Product Moment*. Mechanical analysis of data from this study uses the quantitative data analysis. Data measured by the Likert method, this method is used to measure attitudes, opinions, and perceptions of a person or a group of social phenomenon and is used to set any answers from respondents by scoring on every answer of the questions. All the questions which have been answered by the respondents to each question in the questionnaire score and summed computed entirely to know the value of each respondents and will be used as variables to be assessed. In this research there are two variables which is the object, namely:

- Independent Variable

The independent variable in this study is the electronic word of mouth in Social Media Instagram (variable X)

- Dependent Variable

The dependent variable in this study is the Brand Loyalty OVO (Y)

RESULTS AND DISCUSSION

The results of questionnaires from the 100 people respondents, in which respondents are users OVO and Instagram users who have an age range 18-34. The questionnaire was divided into three categories, general information, opening questions, electronic word of mouth as a variable X, and brand loyalty OVO as a variable Y. Category electronic word of mouth is divided into 15 indicators of questions and category brand loyalty OVO into 9 indicator of questions. With this case, we can see the extent to which electronic word of mouth on social media influence on brand loyalty instagram OVO. Data on variables Electronic Word Of Mouth in the form of single tabulation and elaborated in accordance with the questionnaire given to respondents about Electronic Word Of Mouth Through Social Media Instagram with each statement followed by five (5) possible answers are: strongly agree, agree, doubtful, disagree, strongly disagree.

Electronic word of mouth: 1. EWOM quality dimensions, there are 7 indicators that is comment is clear, comment is understandable, comment is helpful, comment is credible, comment has sufficient reasons supporting the opinions, quality of each online review, comment is high. Based on the average results of the questionnaire respondents value of 3.95 where there are at intervals of 3.00 to 4.00 are included into the category of agree.

Table 1. Result of Correlation impact electronic word of mouth to the brand loyalty

		Correlations	
		Vab. X	Vab.Y
Electronic word of mouth	Pearson Correlation	1	.573 **
	Sig. (2-tailed)		.000
	N	100	100
brand Loyalty	Pearson Correlation	.573 **	1
	Sig. (2-tailed)	.000	
	N	100	100

** . Correlation is significant at the 0:01 level (2-tailed).

Table 2. Model Summary R (correlation)

Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.573a	.328	.322	4,262

a. Predictors: (Constant), Electronic_Word_Of_Mouth

Table 3. ANOVA Test

ANOVA						
Model		Sum of Squares	df	mean Square	F	Sig.
1	Regression	870 389	1	870 389	47 911	.000b
	residual	1780.361	98	18 167		
	Total	2650.750	99			

a. Dependent Variable: Brand_Loyalty

b. Predictors: (Constant), Electronic_Word_Of_Mouth

Table 4. Coefficients of Dependent variable and Independent Variable

Coefficients						
Model		Coefficients unstandardized B	Std. Error	Standardized Coefficients beta	t	Sig.
1	(Constant)	5,650	4,183		1,351	.180
	Electronic_Word_Of_Mouth	.490	.071	.573	6922	.000

a. Dependent Variable: Brand_Loyalty

It can be concluded that the answers to the dimensional quality of the whole area Ewom good or positive. 2. EWOM quantity dimensions, there are 4 indicators that is the comment is large, inferring that the product is popular, comment information is great, inferring that the product has good sales, highly ranking and recommendation , inferring that the product has good reputations. Based on the average results of the questionnaire respondents value of 4.02 where there are at intervals of 4.00 to 5.00 are included into the category of strongly agree. It can be concluded that the answer to the quantity dimension Ewom whole area is very positive. 3. Sender's Expertise dimensions, there are 4 indicators that is omments are experienced, comments have abundant knowledge toward the product, comments have the ability on judgment, The person Provided some different ideas than other sources. Based on the average results of the questionnaire respondents value of 3.91 where there are at intervals of 3.00 to 4.00 are included into the category of agree. It can be concluded that the answer to the dimensions of the total area of expertise sender good or positive.

Brand loyalty: 1. Behavior Measures dimensions, There are two indicators consisting of Will choose the product again, will buy the product when he saw no other brand. Based on the average results of the questionnaire respondents value of 3.81 where there are at intervals of 3.00 to 4.00 are included into the category of agree. It can be concluded that the answer to the dimensions behavior Measures the overall area of a good or positive. 2.

Switch cost imensions, there are two indicators consisting of Prices are in line with purchasing power, the price given is lower than others.

Based on the average results of the questionnaire respondents value of 3.89 where there are at intervals of 3.00 to 4.00 are included into the category of agree. It can be concluded that the answer to the dimensions switch cost the overall area of a good or positive. 3. Satisfaction dimensions, there are two indicators consisting of feeling satisfied with the quality of the product, Feeling comfortable with the product. Based on the average results of the questionnaire respondents value of 4.19 where there are at intervals of 4.00 to 5.00 are included into the category of strongly agree. It can be concluded that the answer to the dimensions Satisfaction the whole area is very positive. 4. Linking Brand dimensions, there is one indicator that is will still buy the products even if the price expensive.

Based on the average results of the questionnaire respondents value of 2.88 where there are at intervals of 2.00 to 3.00 are included into the category of doubtful. It can be concluded that the answer to the dimensions linking Brand the total area of positive passable. 5. Commitment dimensions, there are two indicators consisting of Would recommend to people, would recounts, Based on the average results of the questionnaire respondents value of 3.89 where there are at intervals of 3.00 to 4.00 are included into the category of agree. It can be concluded that the answer to the

dimensions commitment The overall area of a good or positive.

Data from this study respondents described consisting of gender, age, and education status / employment. Based on a survey conducted through questioner, outnumber female respondents, with a frequency of 61 or when compared to the overall percentage of respondents have 61.0%. While male respondents amounted to 39 people or have a percentage of 39.0% of the total number of respondents.

Most respondents were in the age category of 18-20 years, as many as 53 respondents to the presentation (53.0%), respondents in the age category of 20-25 years as many as 47 respondents with a percentage (47.0%). Respondents in this study is the who have aged according to the category of Z generation. From 100 respondents there were 94% respondents is the Student, 5% is employee, and 1% is entrepreneur.

Correlation

The correlation from variables Electronic Word Of Mouth in social media Instagram on the Brand Loyalty OVO is 0.573. From these values it to be said that the Electronic Word Of Mouth in social media Instagram significant impact on Brand Loyalty of OVO (table 1). Correlation coefficient according Sugiyono has interval koefision 0.00 to 0.199: Very Low, 0.20- 0.399: Low, from 0.40 to 0.599: Medium, 0.60-.799: Strong, 0.80 to 1.000: Very Strong (Sugiyono, 2013). The relationship between the variable X (Electronic Word Of Mouth in social media Instagram) with a variable Y (Brand Loyalty OVO) are in the 0.573 level lies in the region between 0.40 to 0.599, which means there is a relationship Moderate and conjunction one direction. The coefficient that shows one direction, the direction it determines is a positive relationship. This might imply that the more electronic activity Instagram users of Word of Mouth see on Social Media, the more OVO brand loyalty would be.

Regression Testing

The method used in this study is a simple linear regression. Researchers using SPSS for data processing with a variable X (Electronic Word Of Mouth, Social Media Instagram) to variable Y (Brand Loyalty OVO). After changing the type of ordinal data into interval (scale), on view SPSS 26 Model Summary R (correlation) is 0.573, which means shows a strong relationship between the independent variable (X) to the dependent variable (Y). Great value R square is 0.328, or by 32.8%. Based on the calculation above table to be seen the influence of variables Electronic Word Of Mouth (X) to the OVO Brand Loyalty (Y) amounted to 32.8%. While the remaining 67.2% is explained by causes or relationships which could compromise Brand Loyalty OVO (table 2). From the ANOVA test results or F-test is calculated F value of 47.911.

The probability (sig) of 0.000 < 47.911 (table 3). Then the simple linear regression model is accepted or it to be concluded that the simple linear regression equation $Y = a +$

bx already accountable. In simple linear regression formula $Y = a + bx$, Results from testing in this section stated Coefficient constant value (a) = 5.650 and beta = 490.

With the influence Electronic Word Of Mouth in Social Media to Brand Loyalty Instagram OVO, $Y = 5,650 + 490X$ (table 4). This is shown by the coefficient of the regression in column B, which replaces a constant coefficient and coefficient Electronic Word Of Mouth replace b in general simple linear regression equation in the form $Y = a + bX$. This equation shows that the score of Brand Loyalty OVO (Y) will increase by 490 when there is an increase of 1 point in Electronic Word Of Mouth (variable X).

In addition to the linear regression equation ($Y = 5,650 + 490X$) to be interpreted that each additional activity Electronic Word of Mouth in Social Media Instagram (X) will be an increase of 490 units of Brand Loyalty (Y) in line with the constant of 5,650. Statistics calculated F was 47.911 (ANOVA table based on the column F, regression line), while the F statistic distribution table with $\alpha = 10\%$ was 3.94. P-value obtained for this test is 0,000 (based on table 4:47 column sig., electronic word of mouth:

H_0 rejection criteria in testing this hypothesis are: $F_{count} > F_{table}$, then H_0 is rejected, accepted.

$H_1: p\text{-value} < \alpha$ then H_0 is rejected and H_1 accepted

F calculated: 47.911 > F table: 6.90 and at $\alpha = 10\%$, the decision is H_0 is rejected, that there is the influence of electronic word of mouth on social media Instagram brand loyalty OVO. Thus, it to be stated that there is significant influence from Electronic Word Of Mouth On Instagram Against Social Media Brand Loyalty OVO. Based on the analysis of statistical data that has been described previously, the researchers gave the following results:

The concept of Electronic Word of Mouth occurs because no review or customer responses to a brand or company in the online media. Where Electronic Word of Mouth element that acts as a variable X has a significant impact on Brand Loyalty OVO which acts as a variable Y. Data analysis showed that questioner deployment of a total of 100 respondents. Sebanyak 53% fit into the age category of 18-20 years. Respondents in the age category 20-25 years by 47%.

All respondents in this study is very precise as research object because of the characteristics of respondents who are net generation was born during the age of new technologies and they are active users of social media. Based on the results of the total value of the mean at 3.92 independent variable is in the interval from 3.00 to 4.00 which is in the category agree, it to be interpreted that the activity of electronic word of mouth in Instagram makes the OVO users who also use Instagram to know how OVO services offered and customer experience in using such services. Opinion of the positive / negative Instagram community is very helpful to get a product. In this study, electronic word of mouth on social media Instagram is expected to affect other customers to be more loyalty to OVO.

Based on the total value of the mean at 3.82 dependent variable is in the interval from 3.00 to 4.00 which is in the category Agree, it to be interpreted that brand loyalty in this case is the customer's decision to use the OVO for digital payments. How OVO users feel comfortable and interested in the services offered, so they constantly use OVO as a tool for digital payments. From the results of statistical analysis Product Moment Correlation Coefficient test for the influence of electronic word of mouth on social media Instagram to Brand Loyalty OVO obtained a value of 0.573 medium category.

This means that a direct relationship between the activity of Electronic Word Of Mouth On Social Media brand loyalty Instagram with OVO. From the calculation of the ANOVA test or F-test are calculated F value of 47.911. The probability (sig) of 0.000 < 47.911. Then the simple linear regression model is accepted or it to be concluded that the simple linear regression equation $Y = a + bx$ already accountable.

Thus it to be stated that the independent variable (electronic word of mouth) may significantly affect the dependent variable (brand loyalty OVO), showed that the activity of Electronic Word Of Mouth On Social Media Instagram brand loyalty OVO. From the linear regression equation ($Y = 5,650 + 490X$) to be interpreted that each additional activity Electronic Word of Mouth in Social Media Instagram (X) will be an increase of 490 units of Brand Loyalty (Y) in line with the constant of 5,650. Based on testing using the F test results obtained F count: 47.911 > F table: 6.90 and at $\alpha = 10\%$, the decision is H_0 is rejected, that there is the influence of electronic word of mouth on social media Instagram brand loyalty OVO.

Thus, it to be stated that there is significant influence from Electronic Word Of Mouth On Instagram Against Social Media Brand Loyalty OVO.

Conclusion

From the whole discussion that has been done in previous chapters, in this chapter the researcher can conclude the discussion of issues related to the research and the research that has been done, the conclusions obtained are as follows:

- This study uses correlation test and Pearson's Product Moment obtained the r value of 0.573, which means there is a relationship strong enough between the variables *electronic word of mouth* Instagram social media to brand loyalty OVO variables and direction of the relationship positive.
- Based on the research goal is to determine how far the influence *electronic word of mouth* Instagram social media on brand loyalty OVO, regression test results that the magnitude of the effect of electronic word of mouth (X) on brand loyalty (Y) amounted to 32.8%. While the remaining 67.2% is explained by causes or relationships which could compromise Brand Loyalty OVO. This means that electronic word of mouth on

social media Instagram had a positive effect but not the only variables that determine the level of brand loyalty OVO.

- Based on the results obtained after calculating the F test whose results $F_{count} > F_{table}$ then H_0 rejected, H_1 accepted, meaning that a significant difference between services *electronic word of mouth* Instagram social media to brand loyalty OVO.

Conflict of Interest

The authors declare no conflict of interest.

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