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THE EFFECT OF VIRAL MARKETING AND CUSTOMER TRUST ON ONLINE SHOP PURCHASE DECISIONS BASED ON APPLICATION IN FACULTY OF ECONOMIC AND BUSINESS UNIVERSITAS SUMATERA UTARA

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Abstract

The development of a very rapid business today does not escape the rapid technological development as well, this causes marketers to be smart in utilizing technology and continue to innovate on products and marketing strategies. Change the marketing techniques that were traditional to digital. One of the techniques used is the Viral Marketing technique, marketers try to increase trust in the digital age so that consumers make purchases. This study aims to determine whether Viral Marketing and customer trust have an effect simultaneously or directly on the decision to purchase an application-based online shop at the Faculty of Economics and Business, University of Sumatera Utara. This type of research is associative research with non probability sampling techniques. The data collection technique used is by distributing questionnaires to students of the Faculty of Economics and Business, University of Sumatera Utara, who conducted 135 application-based online applications. Analysis of the data used is multiple linear regression analysis. The results showed that the respondents' responses to Viral Marketing and the customer trust that the application-based online store was trying to generate were very good, as many as 51.9% of the purchase decisions were driven by these two factors.

Keywords: *Viral Marketing, customer trust, purchase decision*



A. Introduction

Indonesia is the country that ranks 3rd as the country that has the largest population in the world with a population of 262 million according to the results of a survey conducted by the Central Statistics Agency (BPS). This makes Indonesia look very attractive to marketers. The Internet first entered Indonesia in the 1990s based on the first ARIN and APNIC, internet protocol (IP) records from Indonesia. The internet greatly changes the pattern of life and business in Indonesia. The internet brought major changes from the traditional era to the digital era. Through the digital era, companies are trying to collaborate on technology and marketing strategies. The ease of accessing information and information dissemination plays a role in developing the business of business people.

The use of technology in everyday life aims to facilitate various matters ranging from communication, transportation to buying necessities from primary to secondary. Technology makes all transactions very fast, easy and can be done wherever we are. Purchasing decisions are one of the things that marketers aim for because customers make transactions that make the company benefit. According to Kotler and Armstrong (2012: 166), "Purchasing decisions are stages in the process of making buyer decisions where consumers actually buy. Consumers are free to choose products to purchase, how to, lots of purchases, when to buy and why to buy, consumers buy products not only because of the value of their initial functions but also because of their social and emotional value. "

Various innovations and strategies are carried out by marketers and do not escape the online shop service providers to attract the hearts of smartphone users. One of the techniques done by marketers is the viral marketing technique, which without realizing it has made the product or online shop become very close to our lives, such as email blasts and notifications that contain products to be purchased.

Viral Marketing comes from the term "virus" and comes from the image of someone who "infected" a marketing message and spread it to others such as viruses. The message delivered in Viral Marketing can be



advertising, hyperlink promotion, online newsletters, streaming videos, and games in Clow and Baack (in Angela et all, 2014: 2).

Based on data compiled by the Indonesian Internet Service Providers Association in 2017 showing commercial content often visited by cyber surfers from Figure 1.1, we can see the behavior of internet users in Indonesia in terms of their commercial content, namely Online Shop, business personal and others.



Figure 1.1
Behavior of Internet Users in Indonesia

The most frequently accessed content is Online shop, from the data there are around 82.2 million people accessing the Online Shop site. There are 45.3 million visitors to personal business content, and another 5 million. Online shop has several types of platforms that are used to be accessed by customers ranging from website pages to applications found on the smart phone. The ease of transactions encourages many people to use shopping applications to meet their needs. Besides that, the problem of availability of goods can be overcome by having an online shop if a store does not provide goods that you want to buy so you can look for it from another store.



The way marketers attract their customers is to generate trust in using the application and transaction in the application provided in buying a product. In the current digital era marketers are not only required to have the latest ideas in conveying messages about a product to consumers but also how marketers are able to build trust that value is very high in the eyes of consumers, according to Kanuk and Schiffman (2010: 23) customer trust is part of a different distance from the source that reveals information on word of mouth communication or recommendations from other customers who gather to provide information for the collection in terms of information that is most trusted. Growing customer trust in the digital era is also a very difficult challenge for marketers, because if there are customers who give a negative assessment of a product that he bought from an online site, not to mention customers who have problems with products that do not arrive due to incorrect addresses or missing , then this could have an effect on the sales performance carried out by the onlineshop company. Because poor judgment can be immediately seen by other prospective customers so that this can affect the customer whether to use the onlineshop or not in meeting their needs. In 2017 the highest level of online application-based online shop is Lazada, Tokopedia, BukaLapak, Shopee and Blibli.

Talking about an online shop is of course very interesting, various ways are done by service providers to influence the purchasing decisions of their visitors so that they don't just stop by the application but also buy the products offered. The feedback given by customers who have used other application-based online shops will certainly be a consideration for customers in deciding whether to make a purchase with the onlineshop or not.

Students are one of any component that supports the growth of internet users with ages 19 to normally 24 years being part of the most internet users in Indonesia with a dynamic and instant lifestyle that makes students not miss the target of application-based online shop service marketers, based on the above phenomena researchers are interested in examining the environment of the Universitas Sumatera Utara, Faculty of Economics and Business students to analyze whether viral marketing



marketing techniques and customer trust affect Universitas Sumatera Utara Faculty of Economics and Business students in making a product purchase decision at the choice shop of choice.

Based on this background, researchers were interested in researching more deeply by taking the research title about "The Influence of Viral Marketing and Customer Trust in Application-Based Online Shop Purchase Decisions at the Faculty of Economics and Business, Universitas Sumatra Utara".

Research purposes

1. To find out and analyze how much the influence of simultaneous marketing testing and customer confidence in the decision to purchase application-based online shop for students of the Faculty of Economics and Business, Universitas Sumatra Utara.
2. To find out and analyze how much influence Viral marketing has on an online shop-based purchase decision on the Faculty of Economics and Business, Universitas Sumatra Utara.
3. To find out and analyze how much the influence of customer trust on the online shop-based purchasing decision on the students of the Faculty of Economics and Business, Universitas Sumatra Utara.

Literure Riview

Marketing

Marketing according to Kotler and Armstrong (2012: 29), "Marketing is a process where companies create value for customers and build strong relationships with customers, with the aim of capturing value from customers in return". From various marketing meanings according to experts who basically have the same perception so that we can conclude that marketing is a series of activities carried out by individuals or organizations in formulating strategies, processes of communication, and conveying value through the process of exchanging goods or services, building strong relationships for the interests of organizations and people who have the same interests with the aim of analyzing and identifying



individual desires so that they can be realized.

Advertisement

Advertising and advertising definition advertising popularized by the American Marketing Association (AMA) is advertising as all forms of payment to implement and promote ideas, goods or services in a non-personal manner by a clear sponsor. Kotler and Armstrong (2012: 263) say that advertisements are all paid forms of non-personal presentation and promotion of ideas, goods, or services with certain sponsors. Thus advertising is a communication tool for marketing products and services paid by special sponsors by presenting and promoting ideas, goods, services in a non-personal manner and the design of special messages and delivered through media (press, radio, television, etc.) which aims to take action to purchase a product or service.

Marketing 4.0

Today's marketing world continues to grow, if we only find out about Marketing 3.0 in fact, this is renewed to become the era of Marketing 4.0. According to Hermawan Kertajaya written on the website of the Republic of Digital, marketing 4.0 is a brand of insigh or insight into a brand. In marketing 4.0, we not only see the index but also insights about a brand. If we know the index, we then know which point the customer is near. This is where we will also know about brand insights. Marketing 4.0 is inseparable from how marketers are able to capture a wider range of consumers but also provide innovations in order to break the distance chain that was once difficult to combine. One of the marketer's innovations in this digital era is an online shop or online shop. Online Shop or online store is a general term for the process of buying and selling that is done by using the help of electronic devices. Online shop is a space where sellers of services or goods market their products without having to meet prospective buyers.

Viral Marketing

Viral Marketing is a marketer technique in delivering messages marketers delivered from one consumer to another through digital means in



the form of e-mails or videos posted on personal blogs and forwarded to blogs or other sites. This can develop from the word word of mouth endorsement so that consumers voluntarily send messages to others. Viral Marketing comes from the term "virus" and comes from the image of someone who "infected" a marketing message and spread it to others such as viruses. The message delivered in Viral Marketing can be advertising, hyperlink promotion, online newsletters, streaming videos, and games in Clow and Baack (in Angela et al, 2012: 52).

Customer trust

Kanuk and Schiffman (2010: 23) asserted that based on Nielsen's Customized Research Services, customer trust is part of a different distance from sources that disclose information on word of mouth communication or recommendations from other customers who gather to provide information for their collection with the most information terms in trust (with 78 percent trusting from known sources).

Definition of Purchasing Decisions

Consumer purchasing decisions for a product are basically closely related to consumer behavior. Consumer behavior is an important element in marketing activities of a product that needs to be known by the company, because the company basically does not know about what is in the mind of a consumer at the time before, while, and after purchasing the product. The tendency of influence, price, packaging, and promotion of purchasing decisions made by consumers, suggests that company management needs to consider aspects of consumer behavior, especially the purchasing decision-making process.

Research Hypothesis

1. Viral marketing and customer trust have a simultaneous effect on



- online shop-based purchasing decisions for students of the Faculty of Economics and Business, University of North Sumatra.
2. Viral Marketing has a positive and significant effect on online shop-based purchasing decisions for students of the Faculty of Economics and Business, University of North Sumatra.
 3. Customer Trust has a positive and significant effect on the decision to purchase application-based online shop for students of the Faculty of Economics and Business, University of North Sumatra.

B. Method

This type of research is associative research with non probability sampling techniques. The data collection technique used is by distributing questionnaires to students of the Faculty of Economics and Business, University of Sumatera Utara, who conducted 135 application-based online applications. Analysis of the data used is multiple linear regression analysis. With the operationalization of variables, Viral Marketing as X1, consumer trust as X2 and purchase decision as Y.

C. Research Finding

Multiple regression equations

The results of data processing using multiple regression analysis are used to determine the effect of the independent variable Viral Marketing and Customer Trust on the dependent variable Purchasing Decisions made on 135 Students / I of the Faculty of Economics and Business, University of Sumatra Utara who transact using online shop-based applications. Multiple regression equations can be expressed as follows:

$$Y = 11,032 + 0,248x_{X1} + 0,446x_{X2}$$

Test Results

Testing of hypothesis 1 shows that the value of F count (73,300) > Ftable (2.70). This shows that the independent variable consisting of Viral



Marketing and Customer Trust variables simultaneously has a significant effect on the Purchase Decision variable

Partial Hypothesis Test (t Test)

This test is conducted to find out how far the influence of an independent variable is partially (individually) on the variation of the dependent variable.

Based on the results of the T Test in this study show:

1. Variable Viral Marketing (X1)

The calculated value of the Viral Marketing variable is the Ttable value of 6.098, then $T_{count} > T_{table}$ ($6.157 > 6.098$) so that it can be concluded that the Viral Marketing variable has a positive and significant effect ($0.036 < 0.05$) partially on the Purchase Decision. This means that if the Viral Market variable is increased by one unit then the Purchase Decision will increase.

2. Customer Trust Variable (X2)

The calculated value of the variable customer trust is 5.768 and the value of Ttable is 1.661 then $T_{hitung} > T_{table}$ ($5.768 > 1.661$) so that it can be concluded that the Customer Trust variable has a positive and significant ($0.037 < 0.05$) partially on the Purchase Decision. This means that if the Customer Confidence variable is increased by one unit, the Purchase Decision will increase.

D. Discussion

All respondents in this study were students of the Faculty of Economics and Business, University of Sumatra Utara, had used and transacted on their preferred online application. From the results of research conducted by researchers, it shows that even though the Lazada application is a popular application in Indonesia, this research shows that Shopee is more popular among students of the Faculty of Economics and Business, University of Sumatra Utara in meeting shopping needs on online or online shops. From the description previously explained that based on the results



of multiple linear regression analysis, it is known that simultaneously Viral Marketing and Customer Trust positively and significantly affect the Purchasing Decision.

From the research conducted it can be concluded that in the Viral Marketing variable the answer has the highest mean value of up to 4.19, the statement that is, the existence of e-mail notifications and applications makes me know about the ongoing promos, while the fewest answers are questions to seven with points 3.08, the statement contains an encouragement from people around to buy a product. This means the respondent's answer is in accordance with what is expected by the maker of the Viral Marketing strategy, namely that the customers know and understand the ongoing program and the least answer turns out that the respondent did not buy an item because of someone else's encouragement but his own awareness of needs.

From this research, the most trusted customer variable strongly agrees is the third statement with a mean of 4.09, which contains clear product information and a good response from the seller. While the lowest answer is in the statement to one, the product that is displayed with the one coming does not have the same color as the mean value of 3.34. Customer trust is built from good personal relationships that are done by the seller, this is evidenced by the high answers about clear information and good responses from sellers, and customers are sometimes disappointed because the items that come do not match the color or size of this cause differences in image quality when taking sample shots, and buyers are less observant to see and take into account descriptions of the size of an item.

Furthermore, on the purchase decision variable, the mean value of the highest amounted to 4.14 at point one with the statement of the product being purchased is useful to meet the needs of the respondent while the lowest value at the second point with a mean value of 3.49 with a statement containing interest buy an item due to a discount. Purchase decisions in this study are driven based on the needs of the respondents, not because they are tempted by the discounts given, this is evident from the lowest answers.



The results of this study are also in line with previous research conducted by Andini & Sunarti (2013). The results show that Viral Marketing has a positive effect on customer trust and purchasing decisions, which distinguishes Viral marketing variables as independent variables and customer trust and purchasing decisions as dependent variables. From that the researcher used path analysis to find out the results. Likewise with the research conducted by Aghdaie, & Etebari (2012) An important belief in shaping interest in Viral Marketing and the intention of customers to be interested and finally using the Viral Marketing strategy is to actually disseminate information to friends through its internet network.

E. Conclusion

Based on the results of the research conducted, the researcher can conclude several things as follows:

1. Viral Marketing and Customer Trust simultaneously have a positive and significant effect on Purchasing Decisions in an application-based online shop.
2. Partially (t test) stated that Viral Marketing and Customer Trust are positive and significant towards Purchasing Decisions in an application-based online shop.
3. Based on the calculation of the coefficient of determination, the relationship between Viral Marketing and Customer Trust in Purchasing Decisions in the application-based online shop is very high. This can be seen from the results of the determinant test (R^2), Adjusted R Square of 0.725 which means that 72.5% of purchasing decisions can be explained by Viral Marketing and Customer Trust. While the remaining 27.5% can be explained by other factors not examined in this study such as brand ambassador selection factors, promotion factors and customer loyalty.

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