The Influence of Electronic Word of Mouth and Social Media Marketing On The Purchasing Decision of Small and Medium Enterprises (Case Study On Diyos Shoes Cleaning In Medan City)

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ABSTRACT
This research aims to determine and analyze the influence of electronic word of mouth and social media marketing on purchasing decisions for small and medium enterprises (case study on Diyos Shoes Cleaning). This research is associative research and the type of data used is quantitative data. The population in this research is the unknown number of Diyos Shoes Cleaning customers in Medan City. The number of samples in this research was 170 customers. The sampling technique uses purposive sampling with the criteria of being 17 years of age and over, having social media, following the Diyos Shoes Cleaning social media account and domiciled in Medan City. The data analysis used is Multiple Linear Regression Analysis. The results of this research show that simultaneously electronic word of mouth and social media marketing have a significant influence on purchasing decisions for Diyos Shoes Cleaning services. Partially, electronic word of mouth and social media marketing have a positive and significant effect on purchasing decisions for Diyos Shoes Cleaning services.

Keywords : electronic word of mouth, social media marketing, purchasing decision

INTRODUCTION
In 2022, Indonesia is in the phase of national economic recovery due to the Covid-19 pandemic. According to (Edy, 2016) To improve Indonesia's economic downturn, of course, it must start from the development and growth of economic fundamentals or the basis of the Indonesian economy which becomes Leading Sector national economic recovery. Micro, Small and Medium Enterprises (MSMEs) are Leading Sector in the Indonesian economy. But Indonesian Micro, Small and Medium Enterprises (MSMEs) are still experiencing problems in increasing income. The weak level of income generated by MSMEs is due to low purchasing power and consumer interest, which has an impact on weak purchasing decisions made by prospective consumers. What's more the phenomenon that occurs Post COVID-19 is accompanied by The implementation of Community Activity Restrictions (PPKM) in 2021 Causing changes in people's lifestyles both from aspects of health, work systems, economics to changes in the trade transaction system Online. In the field of marketing, MSME players who are flexible and sensitive to current circumstances will certainly maximize the marketing of their products and services online through Social Media Marketing in accordance with the needs and habits of consumers in shopping since the existence of PPKM. This phenomenon is certainly a problem for most MSME players who cannot keep up with changes in the originally traditional marketing system face to face Becoming Modern Marketing Globally Online.

Improving purchasing decisions is a particular difficulty because there are several factors that influence it. According to (Philip Kotler & Amstrong, 2014) The purchase
decision will not occur in the absence of interest in making a purchase. According to (Oktaviani, Putra, Salam, & Devi, 2023), *Social Media Marketing* Being one of the factors that can influence buying interest that will have an impact on purchasing decisions. It's the same with *Social Media Marketing*. Meanwhile, according to (Dewi, Inayati, & Efendi, 2022) *electronic Word of mouth* also can influence buying interest before a purchase decision occurs. According to (Dewi et al., 2022) 95% of buyers consider a product/service through mobile phones by looking at reviews from others before making a purchase decision.

Furthermore, the researchers chose one of the developing Small and Medium Enterprises in Medan City, namely Diyos Shoes Cleaning as a place to further examine the relationship between research variables. Diyos Shoes Cleaning is one of the MSMEs in Medan City engaged in shoe care services and products. Researchers are interested in conducting research in Diyos Shoes Cleaning because Diyos Shoes Cleaning is able to represent the growing Small and Medium Enterprises industry at this time. Diyos Shoes Cleaning which is engaged in shoe washing services can be said to be a *go green* business because it helps people in caring for shoes so as to extend the life of shoes. To see the phenomenon of problems in Diyos Shoes Cleaning, researchers conducted a pre-survey and the results showed that the level of purchasing decisions for Diyos Shoes Cleaning services was still low as indicated by fluctuating profit figures and had not consistently touched the expected profit. In addition, the pre-survey shows that *Diyos Shoes Cleaning's* electronic word of mouth and social media marketing strategy is still weak. Based on the phenomenon of problems and pre-surveys that have been conducted, researchers are interested in conducting research entitled "The Influence of Electronic Word of Mouth and Social Media Marketing on Purchasing Decisions for Small and Medium Enterprises Services (Case Study on Diyos Shoes Cleaning in Medan City)."

**LITERATURE REVIEW**

According to (Ling & Pratomo, 2020), *Electronic word of mouth* is a form of marketing in which consumers are in control and participate as marketers to influence and accelerate marketing messages through *online media*. *Electronic Word of Mouth Marketing* is an advertisement, where people provide information and make honest recommendations to others about brands, products (goods / services) and services through *online media*. E-WoM is primarily driven by "*influencers*", from people who have successfully used products and services who are naturally inspired to speak positively both online. Word of mouth marketing takes place by "giving people a reason to talk about products and services, and making those conversations easier.

The dimensions of eWOM are described by Goyette in that is: (Massie, Massie, & Roring, 2022)

**Intensity**

Intensity in eWOM is related to the rise of views written by consumers on social media, intensity indicators include:

a. The frequency of accessing information from social networking sites
b. Frequency of interaction with users of social networking sites

1. **Valence of opinion**

Valence of opinion is the consumer's view of the product. Valence of opinion has two properties, positive and negative, which include:

a. Positive comments from users of social networking sites
b. Recommendations from users of social networking sites
2. Content

Content is the content of information from social media related to products.

The indicators are:

a. Variation information is available. Information about variations is very important, especially products that do have different functions or different positioning.

b. Quality information. One of the purchasing decisions is caused because consumers understand the quality of the products they buy.

According to (Philip Kotler & Armstrong, 2018) "Social media are means for consumers to share text, image, audio, and video information with each other's and with companies and versa. Social media allow marketers to establish a public voice and a presence on the web and reinforce other communication activities." This understanding explains that social media is a way for consumers to share text, images, audio, and information with each other and with companies or vice versa. Social media allows marketers to be able to provide information and statements to the public and a presence on the web and amplify other communication activities. (Philip Kotler & Keller, 2012) also states that an important component of digital marketing is social media.

Gunelius in (Suryani, Fauzi, & Nurhadi, 2021) describes four tools that can be used to maximize participation in social media marketing (the 4 C’s of social media marketing participation), namely:

1. Content Creation, namely by creating unique content related to the business, make sure the content represents the brand, as well as useful and attractive to the target market or potential customers.

2. Content Sharing, namely by sharing business-related content to the target market or prospective customers, if possible the content can be reshared (republished) by online audiences, thereby reaching a wider potential market.

3. Connecting: Ensuring that content connects with online audiences and other social networks, thereby building brand credibility while building loyalty.

According to (Philip T. Kotler & Armstrong, 2017) stated that, "Purchase decision is the buyer’s decision about which brand to purchase" which means that the purchase decision is an action at the stage of the decision process where consumers actually make product purchases. Consumers as the main actors in the buying process are always a concern for producers. William J. in Effendi (2016) states that purchasing decisions for most products are just a routine activity in the sense that the need will be satisfied enough through re-purchasing the same product. However, if there is a change in price, product and service received, the consumer may not repeat his purchase decision by considering various other product alternatives.

The dimensions of purchasing decisions according to (Philip T. Kotler & Armstrong, 2017) are:

1. Problem introduction

The buying process begins when the buyer recognizes a problem or need. These needs can be triggered by stimuli from within or from outside

2. Information Search

Consumers can obtain information from a variety of sources.

3. Evaluation of alternatives

Once the information is obtained, consumers evaluate various alternative options to meet these needs.

4. Purchase decision
This stage begins with the assessment stage of various alternatives that can be seen from the attributes attached to the product. By that indication the consumer forms a choice. However, there are two factors that influence at the time of choosing, namely his positive or negative attitude in the person towards a product.

The conceptual framework proposed in this study can be described as follows:

![Conceptual Framework](image)

**Figure 1**
**Conceptual Framework**

Based on the conceptual framework, the hypothesis of this study is as follows:

H1: *Electronic word of mouth* a positive and significant influence on the decision to purchase Diyos Shoes Cleaning services.

H2: *Social media marketing* a positive and significant influence on the decision to purchase Diyos Shoes Cleaning services.

H3: *Electronic word of mouth* and *Social Media Marketing* a positive and significant influence on the decision to purchase Diyos Shoes Cleaning services.

**RESEARCH METHOD**

The research method used in this study is the associative method, which is research that connects two or more variables to see the relationship between variables through hypothesis testing on the research title. The variables associated in this study are independent variables, namely *Electronic Word of Mouth* (X1), *Social Media Marketing* (X2), and Purchase Decision (Y).

This research was conducted at Diyos Shoes Cleaning which is located at Jalan Bunga Kenanga 2C, Medan Selayang, Medan City. While the time of this study is carried out in stages starting in February 2024 until April 2024. The measurement of variable indicators of this study uses the *Likert* scale, namely by compiling questions or statements in which each item is given a range on a Likert scale of 1 to 5.

The population in this study was the unknown number of Diyos Shoes Cleaning Customers in Medan City. Sample sizes are often determined using less formal approaches. One way is that the sample size is determined by the number of questions on a questionnaire. The rule of thumb is a minimum of five respondents for each question.
asked. In this research questionnaire, the overall statements totaled 20 items. So the number of samples taken in this study was 170 respondents (20 statements x 8.5 respondents). Based on these results, the number of respondents to be sampled in this study is 170 respondents (Hair, Harrison, & Risher, 2018).

The sample selection criteria are as follows:
1. Be 17 years of age or older
2. Have a social media account
3. Follow social media (Instagram or Tiktok) Diyos Shoes Cleaning.

The types of data that researchers use to analyze problems and test hypotheses are:
1. Primary Data
   Primary data is data obtained directly from respondents selected at the research location. In this study, primary data were obtained by providing questionnaires by submitting a number of statements regarding social media marketing, electronic word of mouth and purchase decisions.
2. Secondary Data
   Secondary data is data obtained through documents studied through books, journals, magazines, and the internet to support research.

RESULT AND DISCUSSION
Classical Assumption Test
According to (Damodar, 2003), the classical assumption test aims to ensure that the research results are valid with the data used, the regression coefficient estimation is theoretically unbiased, consistent, and efficient.

Test normality
According to (Gujarati & Porter, 2013), the normality test aims to test whether confounding variables or residues in the regression model are normally distributed. The data normality test in this study was carried out using several approaches, such as the histogram approach, the graphical approach, and the Kolmogorov-Smirnov statistical approach.

Histogram Approach

The data normality test with the histogram approach above shows a normally distributed regression model. It can be seen from the histogram line that does not deviate left or right so that the distribution of data is evenly distributed.

Normal Probability Plot

Figure 2 Normality Test Histogram
Based on the results of the normality test with the graphical approach above, it can be seen that the data is normally distributed. This can be seen from the spread of points around the diagonal axis of the graph.

Kolmogorov-Smirnov test (KS)

<table>
<thead>
<tr>
<th>Normal Parameters</th>
<th>Mean</th>
<th>Std. Deviation</th>
</tr>
</thead>
<tbody>
<tr>
<td>a, b</td>
<td>.0000</td>
<td>2.0674</td>
</tr>
</tbody>
</table>

Most Extreme Differences

| Absolute | .063 |
| Negative | -.034 |

Test Statistic

| .063 |
| Asymp. Sig. (2-tailed) | .097 |

Based on the description above, it can be seen that the value of Asymp.Sig. (2-tailed) is 0.097 > 0.05. This means that the value is above the significant value of 5% (0.05). Therefore the Kolmogorov-Smirnov (KS) test also states that residual data are normally distributed.

Heteroscedasticity Test

The heteroscedasticity test aims to test whether there is an imbalance in variance in the regression model from the residue of one observation to another. If the variance from residual one observation to another is fixed, then it is called homoscedasticity, if it is different then it is called heteroscedasticity (Ghozali, 2016).
Figure 4 Heteroscedasticity Test

Based on Figure 4, there is no clear pattern, the points are scattered above and below the number 0 on the Y axis, so that based on the graphical method there is no heteroscedasticity in the regression model.

Multicollinearity Test

According to (Ghozali, 2016), the multicollinearity test aims to test whether in the regression model there is a correlation between independent variables. A good regression model does not have to correlate with independent variables. If independent variables are correlated, then they are not orthogonal.

Table 2 Multicollinearity Test

<table>
<thead>
<tr>
<th>Coefficientsa</th>
<th>Unstandardized Coefficients</th>
<th>Standardized Coefficients</th>
<th>Collinearity Statistics</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Std. Error</td>
<td>Beta</td>
<td>t</td>
</tr>
<tr>
<td>Model</td>
<td>B</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1 (Constant)</td>
<td>4.536</td>
<td>1.543</td>
<td>2.940</td>
</tr>
<tr>
<td>Electronic Word of Mouth (X1)</td>
<td>.718</td>
<td>.057</td>
<td>.597</td>
</tr>
<tr>
<td>Social Media Marketing (X2)</td>
<td>.473</td>
<td>.061</td>
<td>.369</td>
</tr>
</tbody>
</table>

a. Dependent Variable: Purchasing Decision (Y)

Source : Processed Research Data (2024)

In Table 2, it is known that the Tolerance value of Electronic word of Mouth (X1) and Social Media Marketing (X2) variables > 0.1 and the value of VIF < 10. This shows that there is no multicollinearity between independent variables.

Multiple Linear Regression Analysis

Multiple linear regression analysis is used to determine how much influence the independent variable (X) consisting of Electronic word of Mouth (X1) and Social Media Marketing (X2) has on the dependent variable (Y), namely Purchase Decision. The values of multiple linear regression coefficients can be seen in Table 3 below:
Table 3. Multiple Linear Regression Analysis Test Results

<table>
<thead>
<tr>
<th>Coefficientsa</th>
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</tr>
</tbody>
</table>

a. Dependent Variable: Purchasing Decision (Y)

Based on table 3, the multiple linear regression equation model can be formulated as follows:

\[ Y = 4.536 + 0.718X1 + 0.473X2 \]

Based on the above equation can be explained as follows:

1. The constant (\( \beta_0 \)) = 4.536 indicates a constant rate, where if electronic word of mouth (X1) and social media marketing (X2) = 0, then the purchase decision (Y) is 4.536 assuming the other variables are constant.
2. The electronic word of mouth variable (\( \beta_1 \)) has a positive effect on purchasing decisions (Y), meaning that if the electronic word of mouth variable (X1) is increased, the purchase decision variable (Y) will increase, and vice versa.
3. The social media marketing variable (\( \beta_2 \)) has a positive effect on purchasing decisions (Y), meaning that if the social media marketing variable (X2) is increased, the purchase decision variable (Y) will increase, and vice versa.

Test Coefficient of determination (R2)

According to Ghozali (2018), the coefficient of determination (R2) test is a tool to measure how far the model is able to explain variations in dependent variables. In other words, the coefficient of determination test (R2) determines the ability of the independent variable used in regression equations to explain bound variation. The result of the coefficient of determination (R2) can be seen in Table 4:

<table>
<thead>
<tr>
<th>Table 4. Test Results Coefficient of determination</th>
</tr>
</thead>
<tbody>
<tr>
<td>Model Summaryb</td>
</tr>
<tr>
<td>Model</td>
</tr>
<tr>
<td>-------</td>
</tr>
<tr>
<td>1</td>
</tr>
<tr>
<td>a. Predictors: (Constant), Social Media Marketing (X2), Electronic Word of Mouth (X1)</td>
</tr>
<tr>
<td>b. Dependent Variable: Purchasing Decision (Y)</td>
</tr>
</tbody>
</table>

Source : Processed Research Data (2024)

The R Square value/coefficient of determination is 0.717. The RSquare value of 0.717 or equal to 71.7% means that 71.7 percent of the Purchase Decision variables can be explained by electronic word of mouth and social media marketing variables. While the remaining 28.3 percent was influenced by other variables outside this regression equation or variables that were not studied.
Simultaneous Hypothesis Test (F Test)

This test is basically to see whether all independent variables included in the model have a simultaneous influence on the dependent variable. In this study, it is known that the number of samples (n) is 170, and the number of variables (k) is 3. So that:

\[
\begin{align*}
df_1 &= k - 1 = 3 - 1 = 2 \\
df_2 &= n - k = 170 - 3 = 167
\end{align*}
\]

The calculated F value will be obtained using the help of SPSS then compared with Ftable at the level of \( \alpha = 5\% \). The test results can be seen in Table 5 below:

**Table 5. Statistical Test Results F**

<table>
<thead>
<tr>
<th>Model</th>
<th>Sum of Squares</th>
<th>df</th>
<th>Mean Square</th>
<th>F</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Regression</td>
<td>1860.028</td>
<td>2</td>
<td>930.014</td>
<td>215.010</td>
<td>.000b</td>
</tr>
<tr>
<td>Residual</td>
<td>722.348</td>
<td>167</td>
<td>4.325</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>2582.376</td>
<td>169</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

a. Dependent Variable: \( Y \)
b. Predictors: (Constant), \( X_2, X_1 \)

From the Anova table above, it can be seen that the values of Fcalculate (215.010) > Ftable (3.05) then the regression model is declared feasible. From Table 5, it can be seen that the significant value (0.00) < 0.05 then the regression model is declared feasible. Based on Table 5 Fcalculate values > Ftable. This shows that the independent variables of electronic word of mouth and social media marketing simultaneously affect the dependent variable, namely the decision to purchase Diyos Shoes Cleaning services.

Partial Hypothesis Test (t test)

This test is carried out to determine how much influence an independent variable partially (individually) has on the variation of the dependent variable. The test result is, with error rate (\( \alpha \)) = 5\% and degree of freedom (df) = \( nk = 170 - 3 = 167 \). Then the table used is 0.05 \% (66) = 1.974 .

**Table 6. Statistical Test Results T**

<table>
<thead>
<tr>
<th>Model</th>
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</tr>
</tbody>
</table>

a. Dependent Variable: Keputusan Pembelian (Y)

Social media marketing variables are known to partially have a positive and significant effect on purchasing decisions for Diyos Shoes Cleaning shoe washing services. This can be seen from the table t values (12.516 > 1.974). This result shows that electronic word of mouth has a positive and significant effect on the decision to purchase Diyos Shoes Cleaning services. Social media marketing variables also partially have a
positive and significant effect on the decision to purchase Diyos Shoes Cleaning services. This can be seen from the table t values (7.732 > 1.974). These results show that social media marketing has a positive and significant influence on the decision to purchase Diyos Shoes Cleaning services.

Discussion

The Effect of Electronic Word of Mouth on Purchasing Decisions Based on the results of the t test, it can be concluded that the free variable Electronic Word of Mouth (X1) partially has a positive and significant effect on the purchase decision of Diyos Shoes Cleaning services. These results are in line with observations and interviews conducted by researchers on respondents. Most respondents dominated the answers very much so it can be drawn that when Diyos Shoes Cleaning electronic word of mouth is run well, it will have an impact on the level of purchase decisions because with eWOM, customers will get positive recommendations and reviews from other users, which are considered more authentic and unbiased than traditional advertising. These reviews often contain specific details about the experience of using Diyos Shoes Cleaning services, helping customers make better decisions. In addition, because social networks allow information to spread quickly, a person's recommendations within a social network can have a significant impact on other people's decisions. Many positive reviews also provide social validation, increasing customer confidence in the services offered by Diyos Shoes Cleaning. With increased brand awareness and stronger persuasion from fellow users, positive eWOM encourages more Diyos Shoes Cleaning customers to buy, which in turn improves overall purchasing decisions.

The Influence of Social Media Marketing on Purchasing Decisions Based on the results of the t test, it can be concluded that the free variable Social Media Marketing (X2) partially has a positive and significant effect on the purchase decision of Diyos Shoes Cleaning services. These results are in line with observations and interviews conducted by researchers on respondents. Answers dominated by answers are very agreeable so that it can be drawn that when Diyos Shoes Cleaning social media marketing is carried out well, it will have an impact on the level of purchasing decisions because:
1. Social Media Marketing is able to increase awareness of products or services offered by Diyos Shoes Cleaning.
2. The existence of Social Media Marketing is able to inhibit the interaction between Diyos Shoes Cleaning and Customers.
3. Good social media marketing will produce good reviews and recommendations so as to increase the trust of potential customers.
4. Social Media Marketing is able to target the right potential customers.

The influence of electronic word of mouth and social media marketing based on the results of the F test, it is known that the variables of electronic word of mouth and social media marketing simultaneously have a positive and significant effect on the purchase decision of Diyos Shoes Cleaning shoe washing services.

CONCLUSION

Based on the results of the research conducted, the researcher can draw the following conclusions:

Electronic word of mouth and Social Media Marketing together have a significant influence on the purchase decision of Diyos Shoes Cleaning services.

Electronic Word of Mouth partially has a positive and significant influence on the decision to purchase Diyos Shoes Cleaning shoe washing services.
Social Media Marketing partially has a positive and significant influence on the purchase decision of Diyos Shoes Cleaning shoe washing services.
REFERENCES