

The Effect of E-Service Quality and E-Wom on Purchase Decisions Through the Tiktok Shop Application among College Students in Surabaya

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ABSTRACT

The purpose of this script is to explore how E-Service Quality and Electronic Word of Mouth (E-WOM) influence purchasing decisions through the TikTok Shop app. TikTok Shop experienced a decline of 12.4% in the first quarter of 2022, demonstrating that this does not guarantee that TikTok Shop will always be at the top. Kotler & Armstrong (2016:177) found that buying decisions focus on how individuals and groups choose, acquire, and use experiences, services, ideas, and products to meet desires and needs that are part of consumer behavior. Quantitative analysis is the method used in this study. Non-probability sampling and Purposive Sampling techniques are used for sample collection. The survey used a Likert scale questionnaire with a sample of 100 respondents and the population of students in the city of Surabaya. Partial Least squares (PLS) are used to check research findings. It has been found that E-Service Quality and E-WOM have been shown to influence purchasing decisions through TikTok Shop positively.

INTRODUCTION

One of the advantages of technological advancement is the ease of shopping. Anyone with internet access can open an e-commerce platform (Varmaat, as cited in Pasa et al., 2020). Purchases can be made anytime, anywhere, including through online stores like TikTok Shop, especially in the current period (Sa'adah et al., 2022). TikTok officially introduced a new service called TikTok Shop on April 17, 2021, intending to facilitate users to engage in online buying and selling transactions (Kinanti, 2022). E-commerce has become a growing phenomenon in society. TikTok is now known as social commerce because it is essentially a part of e-commerce that utilizes social media as its primary medium.

According to a survey conducted by Populix from July 28 2022 to August 9, 2022, out of 1020 surveyed social commerce consumers, 86% of them agreed that TikTok Shop ranked first as the most popular social commerce platform, with a share of 45% followed by other platforms (Yusra, 2022). However, based on the research by Business of Apps, TikTok's revenue in the first quarter of 2022 decreased by 12,4% from the previous year to US\$1,38 million (Rizaty, 2022). This fact indicates that TikTok Shop is not always at the top. Many other websites are competing against each other to attract the attention of potential buyers and sellers (Rahmidani, 2015). As a result, companies can experience a decline at any time.

One tactic to ensure a company's survival is through electronic word-of-mouth marketing (E-WOM). E-WOM is a term used to describe viral marketing or marketing that utilizes the Internet to spread information from person to person in support of marketing goals (Kotler, P., & Amstrong, 2016). E-WOM enables users who may not personally know each other to share feedback about products or services they have experienced (Gruen, as cited in Sindunata, 2018). Because consumers can freely communicate and form a community through their reviews in the comments section, positive reviews indirectly serve as a form of promotion. Thus, customer reviews with positive feedback become positive information that spreads through word of mouth (Pasa et al., 2020).

This can influence other potential buyers in making their purchasing decisions TikTok Shop is a relatively new social commerce application, and as a result, many users have expressed less satisfactory comments, particularly regarding the cart feature, payment, and delivery. The assessment of the alignment between what customers receive and their expectations will be satisfactory or opposite is referred to as E-Service Quality (Pasa et al., 2020). Service quality is not only observed during the website usage but also before and during its usage (Ramadan et al., 2021). The quality of service provided by a company can have a significant impact on consumer perceptions, whether positive or negative.

When consumers feel satisfied with the E-Service Quality facilities and are attracted by marketing through E-WOM, they are more likely to make a purchase. Therefore, E-Service Quality and E-WOM play a crucial role in purchasing decisions. This can be observed in a study conducted by (Putri & Patrikha, 2021), which found that E-Service Quality and E-WOM (Electronic Word of Mouth) significantly influence cosmetic purchasing decisions in the

SOCO by Sociolla application. Additionally, research by Pasa et al. (2020) states that E-Service Quality plays an important role in purchase decisions. Therefore, the author intends to explore the effect of E-Service Quality and E-WOM on purchasing decisions through the TikTok Shop application.

METHODOLOGY

The independent and dependent variables identified in this research are as follows: E-Service Quality (X1), E-WOM (X2), and Purchase Decision (Y). A quantitative research method is used for this study. Non-probability sampling with a purposive sampling technique is used for sample selection. A Likert scale questionnaire is used for the survey in this research. The population and sample size consist of 100 respondents, determined using the sample size formula by Lemeshow (1997). The criteria for respondents are as follows: college students in Surabaya, users of TikTok Shop, and they have made at least one purchase through the TikTok Shop application. The research findings are analyzed using the Partial Least Squares (PLS) application.

RESEARCH RESULT

Obtained from the respondent data collected from the distribution of questionnaires from March 16, 2023, to March 22, 2023, 100 student respondents from universities in Surabaya were used as the population sample for this research. The following are the results of the data analysis. Model measurement PLS (Outer Model).

Table 1. Outer Loading (Mean, STDEV, T-Values)

	Original Sample (O)	Sample Mean (M)	Standard Deviation (STDEV)	Standard Error (STERR)	T Statistics (O/STERR)
ESQ1<- E-Service Quality	0.717	0.712	0.081	0.081	8.797
ESQ2<- E-Service Quality	0.744	0.738	0.057	0.057	13.161
ESQ3<- E-Service Quality	0.578	0.573	0.097	0.097	5.978
ESQ4<- E-Service Quality	0.775	0.771	0.050	0.050	15.588
EWOM1<- E-WOM	0.728	0.722	0.075	0.075	9.688
EWOM2<- E-WOM	0.799	0.799	0.040	0.040	20.227
EWOM3<- E-WOM	0.785	0.786	0.054	0.054	14.414
EWOM4<- E-WOM	0.707	0.703	0.074	0.074	9.573

KP1 <- Purchase Decision	0.685	0.672	0.080	0.080	8.569
KP2 <- Purchase Decision	0.800	0.799	0.046	0.046	17.377
KP3 <- Purchase Decision	0.876	0.876	0.024	0.024	35.831
KP4 <- Purchase Decision	0.720	0.714	0.075	0.075	9.582

*) processed data source

Based on the outer loading table above, the reflective indicators for the efficiency, fulfillment, system availability, and privacy of the E-Service Quality (X1) variable, as well as the indicators of the E-WOM (X2) and Purchase Decision (Y) variables, show factor loadings (original sample) greater than 0,50 or statistically significant (T-Statistic values greater than the $Z \alpha = 0,05$ (5%) value = 1,96), this indicates that all reflective indicators in this study provide estimation results as stated accordingly convergent validity or good validity.

1. PLS Measurement Model (Outer Model)

Table 2. Cross Loading

Indicators	E-Service Quality (X1)	E-WOM (X2)	Purchase Decision (Y1)
ESQ1	0.717	0.388	0.443
ESQ2	0.744	0.508	0.426
ESQ3	0.578	0.432	0.305
ESQ4	0.775	0.587	0.570
EWOM1	0.478	0.728	0.453
EWOM2	0.538	0.799	0.573
EWOM3	0.527	0.785	0.538
EWOM4	0.518	0.707	0.486
KP1	0.438	0.609	0.685
KP2	0.530	0.447	0.800
KP3	0.551	0.622	0.876
KP4	0.435	0.382	0.720

*) processed data source

In the table above, when compared with the factor loading indicators from other constructs, all values on each indicator show a larger factor loading value, which means that all indicators in this study are satisfied with their qualifications or validity. This is known from the results of cross-loading data processing.

Table 3. Average Variance Extracted (AVE)

<i>Average Variance Extracted (AVE)</i>	
<i>E-Service Quality</i>	0.717
<i>E- WOM</i>	0.744
Purchase Decision	0.578

*) processed data source

According to the AVE test results, all constructs (dimensions) and variables in this study are valid because they indicate that the Average Variance Extracted (AVE) values are above the cut-off value of 0,5.

Table 4. Composite Reliability

<i>Composite Reliability</i>	
<i>E-Service Quality</i>	0.798
<i>E- WOM</i>	0.842
Purchase Decision	0.855

*) processed data source

The constructs (dimensions) and variables used in this study are generally considered reliable. This is because the results of the composite reliability test indicate that the values are above the cutoff value of 0,7.

Table 5. Latent Variable Correlations

	<i>E-Service Quality</i>	<i>E-WOM</i>	Purchase Decision
<i>E-Service Quality</i>	1.000	0.682	0.635
<i>E- WOM</i>	0.682	1.000	0.682
Purchase Decision	0.683	0.682	1.000

*) processed data source

There are correlations higher than 0.5 on average between variables, as shown in the correlation table of latent variables presented above. One of the model variables that strongly correlates with Purchase Decision (Y) is the E-WOM (X2) variable. It can be concluded that the E-WOM variable plays a more significant role in the purchase decision in this research model compared to E-Service Quality.

2. PLS Model Analysis



Figure 1. Outer Model with Factor Loadings, Path Coefficients, and R-Square

3. Inner Model (Structural Model Testing)

Table 6. R Square

	<i>R Square</i>	<i>R Square Adjusted</i>
<i>E-Service Quality</i>		
Purchase Decision	0.519	0.509
<i>E- WOM</i>		

*) processed data source

From $R^2=0.519$ indicates the model's ability to count for the effect of independent variables on customer satisfaction phenomena. Specifically, variables such as E-Service Quality (X1) and E-WOM (X2) of the variance amount to 51.9%. While another fac contributed the remaining 48.1% of the variance (besides E-Service Quality (X1) and E-WOM (X2)).

4. Hypothesis Testing

Table 7. Path Coefficients (Mean, STDEV, T-Values)

	<i>Original Sample (O)</i>	<i>Sample Mean (M)</i>	<i>Standard Deviation (STDEV)</i>	<i>T Statistics (O/STDEV)</i>	<i>P Values</i>
E-Service Quality -> Purchase Decision	0.318	0.330	0.122	2.604	0.009
E-WOM -> Purchase Decision	0.464	0.457	0.115	4.043	0.000

*) processed data source

The data from the table above can be used to summarize the hypotheses, which state that it can be accepted that E-Service Quality positively gives effect purchase decisions. With path coefficients of 0.318 and a T-statistic value of 2.604 higher than the $Z \alpha = 0.05$ (5%) = 1.96 or with a P-Value of $0.009 < 0.05$, it is considered significant (positive). Additionally, it can be accepted that E-WOM positively gives effect purchase decisions, with path coefficients of 0.464

and a T-statistic value of 4.043 higher than the $Z_{\alpha = 0.05} (5\%) = 1.96$ or with a P-Value of $0.009 < 0.05$, indicating it is significant (positive).

DISCUSSION

The Effect of E-Service Quality on Purchase Decisions

Based on the analysis results, it is revealed that E-Service Quality plays a significant role in purchase decisions through the TikTok Shop application, thus confirming the hypothesis. The research findings indicate that the highest factor loading is found in the privacy indicator. This highlights the influential role of privacy as the most significant indicator of E-Service Quality. Adequate and secure privacy of personal data instills a sense of safety and comfort, thereby influencing purchase decisions. To ensure customer satisfaction, it is crucial to prioritize the security and privacy of customer data as it directly impacts their purchasing decisions on TikTok Shop. This aligns with studies conducted by (Damayanti & Putro, 2022), (Ramadan et al., 2021), dan (Pasa et al., 2020) which claim that E-Service Quality has a positive effect on purchase decisions.

The Effect of E-WOM on Purchase Decisions

According to the analysis conducted on the second hypothesis, Electronic Word-of-Mouth (E-WOM), which refers to consumer opinions and experiences shared online, significantly affects purchase decisions. It is found that the largest factor loading is observed in the knowledge indicator. The research results indicate that knowledge or information plays a major role in influencing E-WOM. The knowledge gained through social media platforms can impact purchasing decisions on the TikTok Shop application. Positive or negative consumer feedback on social media can determine consumers' purchasing decisions on the TikTok Shop. Positive social media feedback directly influences consumers' purchasing choices on TikTok Shop. This is consistent with the studies conducted by (Putri & Patrikha, 2021), dan (Sindunata, 2018) which found that E-WOM positively gives effects to purchase decisions.

CONCLUSIONS AND RECOMMENDATIONS

It can be concluded that both E-Service Quality and E-WOM have a significant positive impact on the reasons why students in Surabaya decide to make purchases through the TikTok Shop application. (1) E-Service Quality plays a crucial role in the purchase decision-making process through the TikTok Shop application. When customers are satisfied with the service they receive, it increases their probability of purchasing. (2) E-WOM significantly influences purchase decisions through the TikTok Shop application. When there is increased social media commentary about purchases made through the TikTok Shop application, it intensifies the underlying feelings associated with those purchases.

Based on these conclusions, several suggestions can be made for future research: (1) Future studies can expand on this research by incorporating more variables to determine their impact on purchase decisions. Since research on

TikTok Shop is still limited and underdeveloped, there is potential for further exploration. (2) It is recommended that relevant companies effectively utilize E-WOM on social media platforms, focusing on Generation Z, especially among students. (3) Companies should strive to enhance E-Service Quality even further future

ADVANCED RESEARCH

Based on these conclusions, several suggestions can be made for future research: (1) Future studies can expand on this research by incorporating more variables to determine their impact on purchase decisions. Since research on TikTok Shop is still limited and underdeveloped, there is potential for further exploration.

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