



Unraveling the Influence of TV Ads and Word of Mouth on Tokopedia Buying Behavior

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ABSTRACT

Innovation in buying and selling continues to evolve in the modern era, with online shopping systems becoming increasingly popular, with technological advancements, shopping has become easier and more convenient. The objectives of this study are to determine the impact of television advertising and word of mouth on purchasing decisions at Tokopedia, as well as to identify which variable has a more dominant influence. This research employs a quantitative approach with a population of students from the Faculty of Economics at Universitas Bhayangkara Jakarta Raya. Stratified Random Sampling was used, and Slovin's formula determined a sample size of 95. Data analysis was conducted using multiple linear regression with SPSS version 22, including normality tests, hypothesis testing (t-test and f-test), and a coefficient of determination test. This study examined the influence of television advertising and word of mouth on purchasing decisions at Tokopedia's online store. The findings show that television advertising significantly affects purchasing decisions among students at Bhayangkara University's Faculty of Economics. Word of mouth also has a strong impact, even more so than television advertising. Combined, both factors significantly influence purchasing decisions, supporting the alternative hypothesis.

Keywords: TV Ads, Word of Mouth, Tokopedia's Buying Behavior

INTRODUCTION

Various innovations continue to emerge to capture consumer interest in the modern era, particularly in the realm of commerce which is increasingly shifting towards online shopping. Advancements in technology have made the shopping experience more convenient and practical, eliminating the complexities once commonly faced. Since the early 2000s, online stores have begun to develop as websites, although they were initially less popular due to the limited use of the internet compared to today.

E-commerce in Indonesia has experienced rapid growth, fueled by the increasing enthusiasm of the public for online shopping and selling. The maturing infrastructure also supports this growth, facilitating easier access to e-commerce services for the population. According to the annual report by We Are Social, in 2017, 41% of Indonesia's population made online purchases of goods and services within a month, showing a significant increase from 26% in 2016. The integration of technological advancements, rising public interest, and supportive infrastructure has established e-commerce as one of the most significant innovations in this digital era.

Google has observed a rising interest among Indonesians in the e-commerce sector. This trend is highlighted by the Top 10 trending searches on Google in 2017 related to "How to Become." Data shows that Indonesians were particularly interested in becoming an Agen Bukalapak, an Online Shopping Reseller, and a Lazada Seller, with these queries ranking 6th, 7th, and 9th respectively. Additionally, the

presence of online sellers on social media platforms such as Instagram and Facebook saw a significant increase in 2017. During the same year, e-commerce sales in Indonesia experienced substantial growth, intensifying competition within the sector. Platforms like Tokopedia, Lazada, Bukalapak, Shopee, and Elevenia consistently held positions among the top five most popular online stores on both the iOS Store and Google Play. Meanwhile, Zalora and Blibli also joined the competition, aiming to secure a place among the top five most popular online shopping apps on these platforms.

Although television advertising comes with significant costs, Tokopedia secured a US\$1.1 billion investment from Alibaba Group in mid-2017. This investment made Alibaba a minority shareholder in Tokopedia, providing the company with a substantial budget for promotions, including television ads. In addition to paid advertising, Word of Mouth (WOM) emerged as a highly effective, cost-free form of promotion, fueled by the Indonesian tendency to socialize and share stories. The widespread advertising increased Tokopedia's visibility, and when users were satisfied with its services, they naturally recommended it to others, allowing WOM to spread organically, further enhancing the impact of their promotional efforts.

Tokopedia is a leading e-commerce platform in Indonesia. Since its launch, it has grown quickly and become a major internet company. It allows individuals and businesses to create and manage online stores. Initially, its basic services were free until the end of 2015. Despite its growth, Tokopedia faces strong competition from Lazada and Shopee. To stay competitive, Tokopedia has used strategies like television advertising, which is popular in Indonesia and effective for promotion. In mid-2017, Tokopedia received a US\$1.1 billion investment from Alibaba Group, which helped fund its advertising efforts. This investment also made Alibaba a minority shareholder in Tokopedia and followed Alibaba's decision to increase its stake in Lazada. Tokopedia also benefits from Word of Mouth (WOM) marketing, where satisfied customers recommend the service to others. In Indonesia, WOM is a powerful and low-cost way to spread positive feedback and boost Tokopedia's reputation. The objectives of this study are to determine the impact of television advertising and word of mouth on purchasing decisions at Tokopedia, as well as to identify which variable has a more dominant influence.

LITERATURE REVIEW

Buying Behavior

Consumer behavior is the process and activities that individuals engage in when searching, selecting, purchasing, using, evaluating, and disposing of products and services to satisfy their needs and wants (Belch & Belch, 1998). Meanwhile, according to Gunay & Baker (2011), consumer behavior is a process that consumers undertake to meet their needs and desires. Previous studies have indicated that family, friends, and neighbors are important factors influencing young consumers' decision-making when choosing a brand (Perreau, 2014; Telzer, 2016). Furthermore, according to Khuong & Duyen (2016), a purchasing decision is the stage where the buyer has made their choice, completed the purchase of the product, and consumed it. Based on the definition provided, a purchasing decision is an action taken by consumers to buy a product. Thus, consumer purchasing decisions involve a process of selecting one option from several alternatives and then taking actual steps to complete the purchase. Following this, consumers can assess their choices and determine their next actions.

Sellers need to outline the overall purchasing decision structure to assist consumers in making their purchase decisions. According to Sunyoto (2014), each purchasing decision involves seven factors, including: First, consumers must decide whether to buy a particular product. Once this decision is made, they need to determine the specific form of the product, considering factors such as size, quality, and design. Next, consumers must select which brand to purchase. They also need to decide where to buy the product from, identifying the most suitable seller. Additionally, consumers decide on the quantity of the product they wish to buy. Timing is another important factor, as consumers must choose when to make the purchase. Finally, they must decide on the payment method for the product, selecting the most convenient and appropriate option.

TV Advertising

The primary role of advertising is to prompt consumers to act according to their preferences. A particular branch of advertising literature examines how advertising influences consumers through different mechanisms, identifying distinctions between informative advertising, persuasive advertising, and advertising that serves as a complement to consumption (Mehta *et al.*, 2008; Hartmann & Klapper, 2018). Additionally, DellaVigna & Gentzkow (2010) draw a distinction between belief-based models (informative advertising) and preference-based models (persuasive and consumption-related advertising).

Advertising is a method of persuasion used to influence consumer behavior in line with producers' expectations, leveraging psychological and sociological factors communicated through various media. Advertising is an indirect communication method based on information about a product's benefits or strengths, designed to evoke positive feelings that lead to a purchase decision. Arifin (2012) further notes that advertising is a strategy for introducing or explaining a product to the market. Advertisements can be distributed through multiple media channels, with each medium playing a key role in reaching and engaging the public. Kotler (2012) defines advertising as any paid form of nonpersonal presentation and promotion of ideas, goods, or services by an identified sponsor through print, broadcast, network, electronic, and display media. Based on the definitions from various experts, advertising can be defined as paid content intended for a wide audience with the goal of persuading, attracting, and engaging their interest in a company's products or services. Essentially, advertising serves to inform the public about the products or services available for purchase. Advertisements can appear in various mass media channels such as newspapers, magazines, television, radio, or public spaces. Overall, advertising represents a non-personal presentation of information about a product, brand, company, or store, with a designated fee or compensation for its placement.

Advertising fulfills several strategic objectives for companies. One key goal is to build brand awareness, a critical first step in establishing robust brand equity. Additionally, it provides essential information about products and their benefits, which helps consumers make informed choices. Advertising also plays a role in shaping or altering a brand's image and personality, and in connecting the brand with specific emotions to foster an emotional bond with consumers. In social settings, advertising can impact group norms, integrating the brand into the community's identity. Moreover, it is designed to drive consumer behavior, encouraging both immediate and long-term purchases, and turning potential customers into loyal ones. In essence, the primary aim of advertising is to create strong consumer relationships and promote actions that are advantageous to the company.

Word of Mouth

Word of Mouth Marketing is a type of marketing where consumers are central and engage as marketers themselves, playing a key role in shaping and speeding up the dissemination of marketing messages (Hasan, 2010). Meanwhile Kotler (2012) word of mouth is people-to-people oral, written, or electronic communication that relate to the merits or experiences of purchasing or using products or services. Word of mouth marketing is crucial for businesses and consumers alike because buyers tend to trust the opinions and experiences of individuals they regard as credible (Haudi, Rahadjeng, Santamoko, & Putra, 2022). This highlights the role of word of mouth marketing in forming attitudes, guiding purchasing decisions, and reducing the risks related to customer purchase choices (Yuliantoro, Goeltom, Juliana, & Pramo, 2019).

Word of mouth marketing encourages individuals to talk about a company's products and services, providing them with motivation and reasons to do so (Prahiawan, Juliana, & Purba, 2021). This marketing approach stands out because it reflects the true opinions of customers regarding the company's brand. It is regarded as more sincere and honorable compared to other marketing methods, aiming to fulfill people's desire to share their experiences with family, friends, and the broader community—this is the core philosophy of this marketing type (Praharjo & Kusumawati, 2016). Furthermore, word of mouth involves discussions about products and services among people who are seen as independent from the company offering them. Word of mouth marketing is immensely more effective than conventional marketing, primarily because it utilizes traditional marketing strategies to foster positive dialogue about services (Ponggeng & Mulia, 2020).

Based on theoretical studies and previous research, the research model is presented as follows:

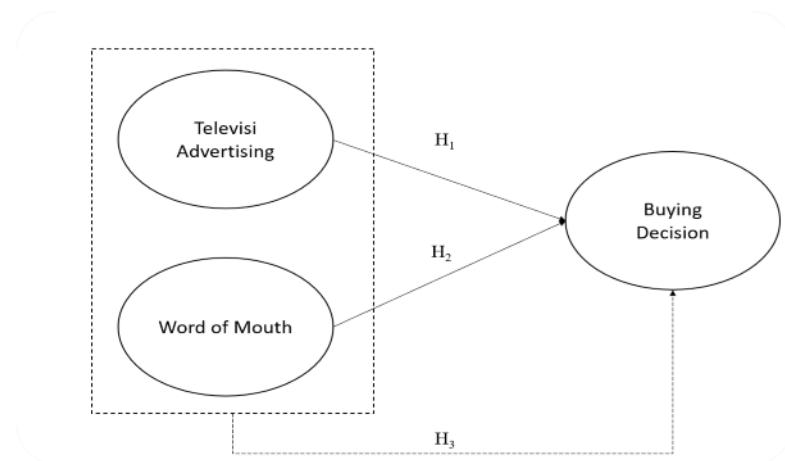


Figure 1. Conceptual Framework

Hypothesis Development

To gather empirical evidence on the effects of television advertising and word of mouth on product purchase decisions on Tokopedia's online shop, it is necessary to establish some hypotheses for the study. The following hypotheses will be utilized:

The Influence of Television Advertising on Purchasing Decisions

Numerous studies have explored how television advertising affects purchasing decisions. In this study, the focus will be on television advertising, evaluated through aspects such as the appeal of the ad theme, the message or motivation behind the ad, its importance to consumers, its impact on service, and the frequency of ad airing. According to M. Dazry (2016), advertising plays a key role in shaping consumer purchasing decisions, with television ads showing a significant influence on these decisions. The first hypothesis formulated is as follows:

H₁: Television advertising has a positive impact on purchasing decisions

The Influence of word of mouth on Buying Behavior

In this study, the word of mouth variable will be evaluated using indicators such as sharing experiences, recommending products or services, and inviting others to engage. Research conducted by Nugraha et al. (2015) demonstrates that word of mouth has a notable effect on purchasing decisions. Their analysis reveals that word of mouth significantly influences how consumers make purchasing choices, highlighting its role in shaping decision-making processes. Based on the explanation above, the following hypothesis two can be formulated:

H₂: Word of mouth has a positive impact on purchasing decisions

The Influence of Television Advertising and word of mouth on Buying Behavior

Research conducted by Darzy (2016) and Nugraha et al. (2015) provides valuable insights into how television advertising and word of mouth impact purchasing decisions. Darzy's study highlights that television advertising has a positive effect on consumer purchasing choices, demonstrating its effectiveness in influencing decisions. This finding underscores the role of television ads in shaping consumer behaviour and driving purchases. In addition, Nugraha et al.'s research explores the impact of word of mouth on purchasing decisions. Their study reveals that word of mouth also exerts a positive influence, showing that consumer recommendations and shared experiences significantly affect purchasing choices. Both studies collectively emphasize the importance of these marketing strategies in influencing consumer behaviour, with television

advertising and word of mouth playing crucial roles in shaping purchasing decisions. The three hypothesis formulated is as follows:

H₃: Television advertising and word of mouth has a positive impact on purchasing decisions

RESEARCH METHOD

The method of this research is quantitative approach. The population consists of all students from the Faculty of Economics at Universitas Bhayangkara Jakarta Raya. The sampling technique used is Stratified Random Sampling. To determine the sample size, Slovin's formula can be applied (Sarwono, 2006), with a sample size of 95. The data was analyzed using the multiple linear regression analysis with the help of SPSS version 22 software. The tests carried out in this study were normality test, hypothesis testing (t-test and f-test), and coefficient of determination test.

RESULT AND DISCUSSION

Validity testing can be conducted by comparing the obtained r value with the table r value. The obtained r value is derived from the output of SPSS (Statistical Product and Service Solution). This validity test uses the SPSS program with the Pearson Correlation method, where each item is correlated with the total score of all questionnaire items. The basis for making decisions in the validity test is as follows:

Classical Assumption Test

a) Normality Test

Validity testing can be conducted by comparing the obtained r value with the table r value. The obtained r value is derived from the output of SPSS (Statistical Product and Service Solution). This validity test uses the SPSS program with the Pearson Correlation method, where each item is correlated with the total score of all questionnaire.

Table 1. Normality Test Results

		Kep_Pembelian	Iklan_TV	WOM
N		95	95	95
Normal Parameters ^{a,b}	Mean	41,52	40,81	40,64
	Std. Deviation	2,978	3,465	3,313
Most Extreme Differences	Absolute	,080	,073	,080
	Positive	,064	,066	,054
	Negative	-,080	-,073	-,080
Test Statistic		,080	,073	,080
Asymp. Sig. (2-tailed)		,153	,200	,162

a. Test distribution is Normal.

b. Calculated from data.

The results of the normality test for the variables TV Advertising, Word of Mouth, and Purchase Decision, conducted using SPSS version 22 with the Kolmogorov-Smirnov test. The results indicate that the significance values for the variables Purchase Decision, Television Advertising, and Word of Mouth are all greater than 0.05. Therefore, it can be concluded that the data population for the variables Purchase Decision, Television Advertising, and Word of Mouth is normally distributed.

b) Multiple Linear Regression Analysis

Multiple linear regression analysis assesses the impact of several independent variables on a single dependent variable (Mulyanto & Wulandari, 2010, p. 180). The value for multiple linear regression can be determined from the data analyzed using the SPSS (Statistical Product and Service Solution) program, as shown in the table below:

Table 2. Multiple Linear Regression Analysis

		Coefficients ^a				
		Unstandardized Coefficients		Standardized Coefficients		
Model		B	Std. Error	Beta	t	Sig.
1	(Constant)	15,214	3,789		4,015	,000
	Iklan_TV	,249	,075	,290	3,315	,001
	WOM	,397	,079	,442	5,052	,000

a. Dependent Variable: Kep_Pembelian

Sources: SPSS, olah data primer (2024)

Based on the SPSS output, the regression equation is: $Y = 15.214 + 0.249X_1 + 0.397X_2$. This equation can be interpreted as follows:

1. **Constant (15.214):** When Television Advertising and Word of Mouth are held constant, the Purchasing Decision is expected to increase by 15.214.
2. **Television Advertising Coefficient:** With a coefficient of 0.249, an increase in Television Advertising is associated with a 0.249 increase in the Purchasing Decision, assuming other variables remain unchanged.
3. **Word of Mouth Coefficient:** A coefficient of 0.397 means that an increase in Word of Mouth is linked to a 0.397 increase in the Purchasing Decision, with other variables held constant.

c) Hypothesis Testing

f-test (simultaneous test)

The simultaneous test evaluates the combined effect of independent variables, such as television advertising and word of mouth, on the dependent variable of purchasing decisions. If the p-value is less than 0.05, H0 is rejected, indicating a significant impact. The ANOVA results from SPSS version 22 are shown in the following table:

Tabel 3. simultaneous testing

		ANOVA ^a				
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	290,542	2	145,271	24,605	,000 ^b
	Residual	543,185	92	5,904		
	Total	833,726	94			

a. Dependent Variable: Kep_Pembelian

b. Predictors: (Constant), WOM, Iklan_TV

Sources: SPSS, olah data primer (2024)

To test the hypothesis regarding the effects of Television Advertising and Word of Mouth on Purchasing Decision (Y), the following hypotheses are considered:

- H₀: Television Advertising and Word of Mouth do not have a combined effect on Purchasing Decision.

- H_a : Television Advertising and Word of Mouth do have a combined effect on Purchasing Decision.

The ANOVA (f test) results show a calculated F value of 24.605 compared to a critical F value of 3.09. With a significance level of 0.000, which is significantly less than 0.05, H_0 is rejected and H_a is accepted. This indicates that, simultaneously, Television Advertising and Word of Mouth have a direct positive effect on Purchasing Decision.

t-test (partial test)

To evaluate the influence of the independent variables, Television Advertisement and Word of Mouth, on the dependent variable, Purchase Decision, a t-test is used. If the probability value is less than 0.05, H_0 is rejected, signifying a significant effect. The results of the t-test are shown in the table below:

Tabel 4. t-test (Partial Test)

Coefficients^a

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	15,214	3,789		4,015	,000
	Iklan_TV	,249	,075	,290	3,315	,001
	WOM	,397	,079	,442	5,052	,000

a. Dependent Variable: Kep_Pembelian

Sources: SPSS, olah data primer (2024)

The analysis shows that both Television Advertisement (X1) and Word of Mouth (X2) positively influence Purchasing Decision (Y). For Television Advertisement, the partial test reveals a significant positive effect, with a calculated t-value of 3.315, exceeding the t-table value of 1.986 at a 0.025 significance level. With a significance of 0.001, the null hypothesis is rejected, confirming the positive impact of Television Advertisement on purchasing decisions. Similarly, Word of Mouth also shows a significant positive effect, with a t-value of 5.052, well above the t-table value. The significance value of 0.000 leads to the rejection of the null hypothesis, affirming the positive influence of Word of Mouth on purchasing decisions. In summary, both Television Advertisement and Word of Mouth significantly and positively affect consumer purchasing decisions.

d) Coefficient of Determination Test (R-Square)

The coefficient of determination represents the percentage of influence that all independent variables have on the dependent variable. Essentially, it measures the contribution of the independent variables to the dependent variable.

Table 5. Coefficient of Determination (R-Square)

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	,590 ^a	,348	,334	2,430

a. Predictors: (Constant), WOM, Iklan_TV

Sources: SPSS, olah data primer (2024)

According to the table, the R Square value is 0.348. This suggests that Television Advertisement and Word of Mouth together account for 34.8% of the variance in Purchasing Decisions. The remaining 65.2% of the variance is due to other factors or variables not covered in this analysis.

The study finds that Purchasing Decisions for Tokopedia products among students at the Faculty of Economics, Universitas Bhayangkara, are significantly influenced by both Television Advertising and Word of Mouth. Television Advertising has a notable positive impact, with a t-value of 3.315, surpassing the t-table value of 1.986, indicating that increased advertising leads to higher purchasing decisions. Similarly, Word of Mouth shows a significant effect, with a t-value of 5.052, exceeding the same t-table value.

When considered together, both factors have a very significant positive influence on Purchasing Decisions, as evidenced by an F-value of 24.605, which is well above the F-table value of 3.09 and has a significance level of 0.008. This suggests that improvements in Television Advertising and Word of Mouth will enhance purchasing decisions. The coefficient of determination (R^2) shows that these variables account for 34.8% of the variance in Purchasing Decisions, with the remaining 65.2% influenced by other factors not covered in this study.

CONCLUSION

This study was designed to investigate the impact of television advertising and word of mouth on product purchasing decisions at Tokopedia's online store. The analysis led to several key conclusions. Firstly, television advertising significantly influences purchasing decisions among students at the Faculty of Economics, Bhayangkara University. This conclusion is supported by a regression coefficient of 0.294 and a significance value of 0.001, which is below the 0.05 threshold. The t-value of 3.315, which is higher than the critical t-table value of 1.986, further confirms this impact. Secondly, word of mouth also plays a significant role in shaping purchasing decisions for these students. The regression coefficient for word of mouth is 0.397, with a significance value of 0.000, indicating a strong effect. The t-value of 5.052 exceeds the critical t-table value, reinforcing the substantial influence of word of mouth.

When comparing the two factors, word of mouth emerges as having a more pronounced effect on purchasing decisions, with a coefficient of 0.397 compared to 0.249 for television advertising. This suggests that word of mouth has a greater impact, as indicated by the constant value of purchasing decisions being 15.214. Finally, the combined effect of television advertising and word of mouth on purchasing decisions is significant. This is evidenced by an F-value of 24.605, which surpasses the F-table value of 3.09, and a significance level of 0.000. Consequently, the null hypothesis (H_0) is rejected, and the alternative hypothesis (H_a) is accepted, highlighting that both factors together significantly influence purchasing decisions.

ACKNOWLEDGMENTS

The author would like to thank to respondents for providing support so that this article can be completed.

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