

The Influence of E-WOM, Brand Awareness, and Brand Image on Z-Generation Purchasing Decisions on Compass Sneakers in Indonesia

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ABSTRACT

This study aims to determine the direct effect of Electronic word of mouth (E-WOM) brand awareness and brand image on purchasing decisions. One company that utilizes the development of the internet in terms of E-WOM is Compass Shoes. Compass shoes are increasingly recognized and trusted by the archipelago as a must-have fashion shoe. With its current status, not a few and even more people from various circles are interested in having these shoes. The data in this study were obtained from an online survey of 100 respondents. In practice, this study uses accidental sampling techniques that will be applied to respondents via Google form using the type of SEM analysis used in this study, which is Partial Least Square or PLS-SEM. The result of this study states that E-WOM has a significant positive effect on brand image and consumer purchasing decisions regarding Compass shoe products. Brand awareness has a significant positive effect on brand image and consumer purchasing decisions regarding Compass shoe products. Brand image has a significant positive effect on consumer purchasing decisions regarding Compass shoe products. Companies are important in utilizing E-WOM and building brand awareness and a strong brand image.

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Introduction

The shoe market in Indonesia has become one of the most dynamic in Southeast Asia, driven by steady economic growth and rising consumer purchasing power [1]. Amid increasingly fierce competition, one of the shoe companies such as Compass, which has a fairly high purchasing power compared to other brands, needs to understand the factors that influence consumer purchasing decisions, especially from Z-Generation who increasingly rely on technology in their daily lives.

Internet technology and social media have changed the way consumers seek information and communicate about brands and products. Electronic Word of Mouth (E-WOM) has become one of the important factors that influence consumer perceptions and purchasing decisions [2], brand awareness and brand image also play a key role in shaping consumer preferences for a product [3]. The development of fashion retail in Indonesia is shown by the number of foreign and even domestic (local) fashion brands that have begun to emerge in Indonesia, especially shoe fashion. There are foreign brands such as Nike, Adidas, New Balance, Vans, Converse, and many more. In addition to foreign brands, domestic brands began to appear by enlivening the hashtag “#localpride” on social media such as Instagram, Twitter, and Facebook. The local brands that have emerged are NAH Project, Geoff Max, Nokha, Ventela, Compass Shoes, and many more. Shoes commonly called sneakers are a trend in Indonesia and even the world that has characteristics and many variants of sneakers in 1 brand. One of the brands that attract Indonesian people is Sepatu Compass, which was established in 1998 and experienced a downturn in 2000. Sepatu Compass bounced back in 2017 by lifting the spirit of local products that began to be introduced by celebrities who understand shoe fashion but have not been widely known by the wider community [4]. With these celebgrams, this local brand is more quickly famous because the celebgrams who review and use Compass Shoes have the knowledge and trust of fans or followers up to hundreds of thousands and even more than 1 million followers on their Instagram. Some of them have even become verified accounts (the authenticity of the account has been confirmed).

Literature Review

A. E-wom (Electronic Word Of Mouth)

Electronic Word of Mouth (E-WOM) refers to the process of sharing information, opinions, and experiences about a product or service through digital platforms such as social media, online forums, blogs, and online reviews [5]. E-WOM has a significant influence on consumer behavior because information spread through E-WOM can influence consumer perceptions and purchasing decisions [6].

B. Brand awareness

Brand awareness refers to the level of consumer understanding and knowledge of a brand. It includes brand recognition and brand recall, where consumers can identify a brand spontaneously or based on a specific stimulus. Brand awareness is an important factor in the purchasing decision process because consumers tend to choose brands that are familiar and have a positive image [7]. The level of brand awareness is into four levels, in turn, the level of awareness is described as a brand awareness pyramid. From the lowest level, unaware of the brand, brand recognition, brand recall, and open-mindedness. Brand positioning can be strong, of course, it must be known first. This is the first step, so they must compete to get into the minds of consumers. According to [8] that our brain capacity is limited, even though every day it is bombarded by thousands of stimuli, as a result not all brands are accommodated. Naturally, the brain encourages the five senses to select brands for their attention. That's why people often listen but don't pay attention. Every marketing activity always makes serious efforts to get a deeper level of brand awareness at the top of mind than competing brands with one hope that brand placement at the top of the mind is always a reference in consumer decisions to choose products. The ability of consumers to recognize or be aware of a brand is an important first step for a brand to close consumers.

C. Brand Image

Brand Image according to [5], are several beliefs, ideas, and impressions held by someone about an object. Meanwhile, brand image is the perception and belief held by consumers, as reflected in the associations embedded in consumer memory (Kotler and Keller, 2009). In conclusion, brand image is a picture or impression generated by a brand in the minds of customers. Placement of brand image in the minds of consumers must be done continuously so that the brand image created remains strong and can be received positively. When a brand has a strong and positive image in the minds of consumers, the brand will always be remembered and the likelihood of consumers buying the brand in question is very large. This theory suggests that brands that have a strong and positive image can be a signal or indicator for consumers about the quality of the product or service offered. When consumers see a brand with a good image, they tend to associate the brand with certain desired qualities, reliability, or value.

D. Purchase decision

Purchasing decisions are integrations that combine knowledge to evaluate two or more alternative behaviors and choose one of them [9] In general, consumer purchasing decisions are to buy the most preferred brand. Purchasing Decisions According to [10] defines a decision as choosing an action from two or more choices. Consumers who will make choices must have

choices. It can be concluded that a purchasing decision is an action of a person who is influenced by several factors so that consumers determine a purchase action. According to Kotler, before a purchasing decision process occurs, consumers pass through five stages including Problem Recognition, Information Search, Alternative Evaluation, Purchase Decision, and Post-Purchase Behavior [5].

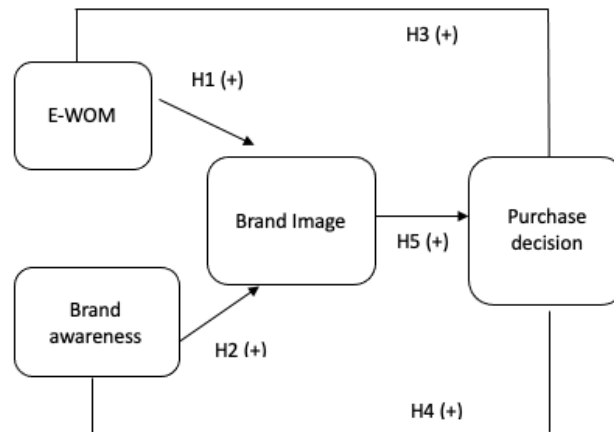


Fig. 1. Conceptual framework

Material And Methods

A. Measurement

The researcher collected data from those who had filled out the questionnaire via Google Form using a six-point Likert scale, consisting of (1) Strongly Disagree to (6) Strongly Agree. The type of questionnaire used by the author to obtain answers to the research variables is a questionnaire with closed and structured statements.

B. Sampling and Data Collection

The sampling technique in this study used accidental sampling techniques. The accidental sampling technique is a sampling technique based on chance / accidental, that is, anyone who happens to meet the researcher can be used as a sample if it is deemed that the person who happens to be met is suitable as a data source. The questionnaire was submitted via computer (Computer-delivery survey) using the internet (google Docs) and direct meetings with respondents.

C. Data Analysis Technique

The type of SEM analysis used in this research is Partial Least Square or PLS-SEM. Hypotheses are tested using the Partial Least Square (PLS) technique because it has a high level of accuracy.

Results

A. Measurement

From the total number of respondents used, namely 100 respondents, the distribution of respondent characteristics is obtained as follows demographic (Table 1).

Table 1. Respondent's demographic characteristic

Category	Total	Persentase
Female	65	65%
Male	35	35%
Age		
21 - 25 Years <20 Years	40	40%
26 - 30 Years	32	32%
30 years or more	28	28%
Education Level		
Undergraduate	45	45%
High School/ Equivalent Diploma	40	40%
Postgraduate	15	15%
Jobs		
Employee	25	25%
Student	40	40%
Freelancer	30	30%
Entrepreneurship	5	5%
	100	100%

B. Measurement Reliability

1. Convergent validity testing

Convergent validity or convergent validity is used to measure the magnitude of the correlation between constructs and latent variables. The measure of convergent validity is stated to be good if the factor loading value is > 0.70 and the Average Variance Extracted (AVE) value is > 0.50 . The following is the outer loading value of each indicator in this research variable as follows.

Based on Table 2, the factor loading value of all variable indicators is > 0.7 and the AVE value for each variable shows a value of > 0.50 , indicating that all indicators in the research variables can be said to be valid and no data is released.

Table 2. Convergent Validity Testing Results

Variable	Indicators	Loading Value	Description
E-WOM	EWOM 1 <- WOM	0.972	Valid
	EWOM 2 <- WOM	0.963	Valid
	EWOM 3 <- WOM	0.978	Valid
	EWOM 4 <- WOM	0.958	Valid
Brand awareness	BA1 <- BA	0.901	Valid
	BA2 <- BA	0.768	Valid
	BA3 <- BA	0.536	Valid
	BA4 <- BA	0.714	Valid
Brand Image	BI1 <- BI	0.755	Valid
	BI2 <- BI	0.589	Valid
	BI3 <- BI	0.839	Valid
	BI4 <- BI	0.877	Valid

Variable	Indicators	Loading Value	Description
Purchase decision	PD1 <- PD	0.901	Valid
	PD2 <- PD	0.746	Valid
	PD3 <- PD	0.873	Valid
	PD4 <- PD	0.795	Valid

2. Discriminant validity testing

Discriminant validity is a test conducted to ensure that each variable has a difference. Discriminant validity is seen through the value of the Fornell-Larcker Criterion and cross-loading which shows the magnitude of the correlation between constructs and their indicators and indicators from other constructs. The Fornell- Larcker Criterion measurement is carried out by looking at the AVE roots of each construct that are worth greater than the correlation between the constructs and the standard value used for cross-loading, which must be greater than 0.7.

Table 3. Discriminant validity testing results

	BI	BA	PD	WOM
BI	0.738			
BA	0.389	0.795		
PD	0.625	0.512	0.831	
WOM	0.5	0.4	0.257	0.968

Based on Table 3, the Fornell-Larcker Criterion value shows that the AVE root of each construct is greater than the correlation between constructs.

Table 4. Fornell-Lacker criterion result

	BI	BA	PD	WOM
BI1	0.755	0.196	0.441	0.392
BI2	0.889	0.198	0.241	0.317
BI3	0.839	0.441	0.617	0.386
BI4	0.887	0.087	0.015	0.123
EWOM 1	0.546	0.891	0.306	0.972
EWOM 2	0.544	0.774	0.214	0.963
EWOM 3	0.459	0.754	0.203	0.978
EWOM 4	0.474	0.826	0.259	0.958
BA1	0.439	0.901	0.716	0.284
BA2	-0.061	0.068	0.801	-0.103
BA3	0.187	0.536	0.781	0.244
BA4	0.125	0.714	0.843	0.401
PD1	0.489	0.692	0.901	0.811
PD2	0.542	0.397	0.746	0.831
PD3	0.566	0.515	0.873	0.743
PD4	0.498	0.698	0.795	0.815

Based on Table 4, the cross-loading value for each item has a value higher than 0.70, and also for each item it has the greatest value when it is associated with its latent variable compared to when it is associated with other latent variables. This shows that each manifest variable in this study correctly explains the latent variable and proves that the discriminant validity of all items is valid.

3. Composite reliability testing

Composite reliability is a measure of the true value of the reliability of a construct. Measuring the reliability of a construct can be done in two ways, namely by Cronbach's Alpha and Composite Reliability with a value of > 0.7 . Reliability test results can be shown in Table 5.

Table 5. Composite reliability results

	Cronbach's Alpha	Composite Reliability	Description
BI	0.726	0.783	Reliable
BA	0.779	0.873	Reliable
PD	0.851	0.899	Reliable
WOM	0.977	0.983	Reliable

From Table 5 it can be seen that the value of all variables in the reliability test using either Cronbach's Alpha or Composite reliability has a value higher than 0.7. Thus it can be concluded that the construct is declared reliable and can be continued to test the structural model.

4. Structural model analysis

Evaluation of the structural model or inner model aims to predict the relationship between latent variables. The structural model is evaluated by looking at the magnitude of the percentage of variance described, namely by looking at the R-Square value for endogenous latent constructs, testing model fit, and testing significance to answer the research hypothesis.

Based on the R-Square, the Brand Image variable that can be explained by Purchase decision is 29,3% while the rest is explained by other variables outside this study. The variable Purchase decision can be explained by E-wom, Brand awareness, and Brand Image variable is 69% while the rest is explained by other variables outside this study.

The goodness of fit test results in Table 6 show that the Q2 value is greater than 0, thus the research model is declared fit.

Table 6. R-Square results

	SSO	SSE	Q² (=1-SSE/SSO)
BI	52.306	43.334	0.172
BA	78.75	78.75	
PD	61.419	27.983	0.544
WOM	60.492	60.492	

C. Structural Equation Model Analysis

Table 7 shows the estimation results in SEM.

Table 7. Estimation results in SEM

	Original Sample (O)	Sample Mean (M)	Standard Deviation (STDEV)	T Statistics (O/STDEV)	P Values
WOM -> PD	0.301	-0.225	0.064	3.772	0
WOM -> BI	0.41	0.389	0.107	3.821	0
BA -> BI	0.225	0.266	0.124	2.818	0.07
BA -> PD	0.611	0.594	0.094	6.501	0
BI -> PD	0.507	0.502	0.075	6.725	0

Testing hypothesis 1 regarding E-WOM has a positive effect on Purchasing Decisions shows that the original sample coefficient is positive by 0.301. The t-statistic value on this construct relationship is $3.772 > 1.96$ with a p-value of $0.00 < 0.05$. Thus, the first hypothesis which states that "Subjective Norms have a positive effect on digital piracy intention" is accepted.

Hypothesis 2 testing regarding the effect of E-WOM on brand image shows that the original sample coefficient is positive at 0.41. The t-statistic value in this construct relationship is $3.821 > 1.96$ with a p-value of $0.000 < 0.05$. Thus, the second hypothesis which states that "E-WOM has a positive effect on brand image" is accepted.

Hypothesis 3 testing regarding the effect of brand awareness has a positive effect on Brand Image. shows a positive original sample coefficient value of 0.225. The t-statistic value in this construct relationship is $2.818 > 1.96$ with a p-value of $0.07 < 0.05$. Thus, the third hypothesis which states "brand awareness has a positive effect on Brand Image" is accepted.

Hypothesis 4 testing regarding brand awareness having a positive effect on Purchasing Decisions shows the original sample coefficient has a positive value of 0.611. The t-statistic value on this construct relationship is $6.501 > 1.96$ with a p-value of $0.000 < 0.05$. Thus, the fourth hypothesis which states that "Brand awareness has a positive effect on Purchasing Decisions" is accepted.

Testing hypothesis 5 regarding the effect of Brand Image on purchasing decisions shows the original sample coefficient has a positive value of 0.507. The t-statistic value on this construct relationship is $6.725 > 1.96$ with a p-value of $0.000 < 0.05$. Thus, the fifth hypothesis which states that "Brand Image has a positive effect on purchasing decisions" is accepted.

Conclusion

This study aims to analyze the effect of E-WOM, brand awareness, and brand image on Z-Generation's purchasing decisions on Compass shoe products in Indonesia. The results showed that E-WOM has a positive and significant influence on Z-Generation's purchasing decisions on Compass shoe products. Z-Generation is strongly influenced by the reviews and recommendations they find online, which shows that E-WOM is an effective marketing tool to reach and influence their purchasing decisions. Brand awareness is also proven to have a

positive and significant influence on purchasing decisions. Z-Generation tends to choose brands that are well-known and well-remembered. A high level of brand awareness increases the probability that the product will be chosen when consumers make a purchase. Brand image has a positive and significant influence on purchasing decisions. A positive and strong brand image increases consumer trust and interest in Compass shoe products. Z-Generation is strongly influenced by how they perceive the brand in terms of quality, reputation, and uniqueness.

This research provides some important practical implications for the brand management and marketing strategies of Compass shoe products, especially in reaching and influencing the purchasing decisions of Z-Generation in Indonesia. Utilize the Influence of Social Media: Given that E-WOM has a significant influence on Z-Generation purchasing decisions, Compass shoe companies need to effectively utilize social media platforms. Encouraging consumers to share their positive reviews and experiences with Compass products through engaging and interactive campaigns can increase brand visibility and reputation. Working with influencers who have a large following among Z-Generation can extend the reach of brand messages and strengthen the influence of E-WOM. Influencers can help create authentic and engaging content that encourages consumer interaction and engagement. To increase brand awareness, Compass must execute consistent and continuous marketing campaigns. The use of various marketing channels such as television commercials, digital ads, event sponsorships, and social media promotions can help reach a wider audience. Providing clear and educative information about the value and benefits of Compass products through marketing content can help build brand awareness and understanding among Z-Generation. To build a positive brand image, Compass must continue to maintain product quality and make innovations that are relevant to consumer trends and needs. A strong and positive brand image will attract more consumers and encourage loyalty. Engaging in corporate social responsibility (CSR) activities and adopting sustainable business practices can enhance brand image in the eyes of Z-Generation who tend to be more concerned with environmental and social issues.

Conflict of Interest

The authors declare that there is no conflict of interest.

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