



THE IMPACT OF VIRAL MARKETING ON CONSUMER'S TRUST AND PURCHASING DECISION

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ABSTRACT

This study is aimed at determining the effect implementation of viral marketing on consumer's trust through Instagram and their impact on consumer's trust and purchasing decision by consumers in buying halal food. This study uses quantitative approach and survey method. Population of this study was 1.653 students of IAI Tazkia Bogor with 175 students who have an account and have made purchasing through Instagram as samples. To analyze the data, path analysis is used with the help of SPSS 16.00 for windows program. The result of this study suggests that viral marketing has positive and significant impact on both internal and external consumer's trust. Interestingly, viral marketing, internal and external consumer's trust simultaneously also have a significant impact on purchasing decision.

Keywords: Viral Marketing, Consumer's Trust, Purchasing Decision, Halal Food, Instagram

1. Introduction

Information technology eases consumers in looking for information. Consumers can find information much easier and faster. The amount of internet users in Indonesia in 2020 reached 175.5 million (64% of the total Indonesian population). The increase of internet users in 2020 indicates the digital revolution in Indonesia. The highest penetration of internet users originates from university students with the percentage of 89,7% (APJII, 2020) indicating only around 10% of students do not use the internet in their daily lives.

According to Kotler, Kartajaya, and Huan (2017), consumers actively seek information on brands they are interested in through friends, family and social media. Instagram has become the most popular social media used in business. When compared to other social media, Instagram has advantages. Instagram is a free application which emphasizes on its visual aspect.

Purchasing decision starts from consumer's awareness on their need or problem. Regardless of the purchasing power of consumers, they will look for information and make purchasing decisions. Consumers who have positive experiences will voluntarily share positive things to other consumers. If this continues, there will be a "snowball effect" which when rolled, even the smallest snow can become bigger and bigger (Widyaharsana: 2009).

This study discusses the impact of viral marketing on halal food through Instagram as a social media towards consumer's trust and purchasing decision. Through several features of viral marketing such as, product history, conditions, triggers/influencers, Words of Mouth, etc could be supposed to have impact on consumer's trust (both internal and external) and purchasing decision.

The problem formulation of this study is as follows; 1). does viral marketing have a significant impact on internal consumer's trust? 2). does viral marketing have a significant impact on external consumer's trust? And 3). Do viral marketing, internal and external consumer's trust simultaneously have a significant impact on purchasing decisions? In line with the above problem formulation, the objectives of this study are 1). to find out whether viral marketing has a significant impact on internal consumer's trust, 2). to find out whether viral marketing has a significant impact on external consumer trust and 3). To find out whether viral marketing, internal and external consumer's trust simultaneously have a significant impact on purchasing decisions.

Marketing Communication

Swastha (2009) defines Marketing Communication as a communication activity that is done by producers with the aims to assist consumers in making decisions. A more comprehensive definition is suggested by Tjiptono (2008). Marketing communication is a marketing activity to share information, persuade, and reminds the target market to accept, purchase, and stay loyal to the products offered by the company.

Marketing communication process suggests that communication carried out by marketers as senders does the encoding process or translates the messages in symbols, words, pictures, body language, and facial expressions. Messages are sent through media that has been determined by the senders. The message has to be made in such a way so that could be understood by the recipient during the decoding process or translating the message.

Instagram

The name "Instagram" comes from the word "instant" which refers to the use of camera which was called "instant photo". While the word "gram" comes from the word "telegram" which refers to its usage as a medium for sending information quickly. So, Instagram comes from the words "Instant-telegram" (Putri: 2013). Instagram was made in San Francisco by Systrom and Krieger. Instagram is a social network for sharing photos and short videos with the duration of one minute, comment and reply, likers and direct messages features so that the users can personally communicate with other users. Instagram as a social media in the cyberspace can ease its followers to know more from the accounts they follow.

Halal Food

Islam provides guidance so that its followers only eat and drink *halal and thayyib* products. *Haram* foods can have negative impacts to those who consume them. *Halal* foods are essentially food which the type and processing method which comply to sharia. All kinds of food in this world is *halal* for consumption unless there is evidence that it is forbidden. Moslems are ordered to consume *halal* and *thayyib* food, among others, based on QS; 2:168 and 172, QS: 4:160, 5:4-5 and 87-88 and 94, 6:118-119 and 121 and 142, 23:51, 6:15. The benefits of consuming *halal* and *thayyib* food are not only felt by the human body but also in its soul (Riyadi: 2017).

Viral Marketing

Viral marketing is a marketing technique which utilizes electronic media to gain certain marketing goals carried out through chain communication processes which reproduces itself (Widyaharsana: 2009). Viral marketing is marketing from mouth to mouth that is strengthened by marketing activities and impacted by social networks. Viral marketing communication consists of several different platforms, including e-mail, blog, chatrooms, advergames, user forums, social networks, and videos. As information technology continues to evolve, the form of viral marketing also develops and varies. However, one thing that cannot be denied is that internet users are plenty and are magnets for people or companies to do viral marketing (Situmorang: 2010).

Two most important components of the viral marketing activities are; first, consumers who are connected one another which is called a network of interpersonal relationships. Second, the pattern of interaction which consists of frequency and intimacy. Frequency refers to how often the interaction happens between consumers while intimacy shows the level of strength in the interaction. The law of viral marketing itself according to Islam is based on the rules of ushul fiqh, "*Al-ashlu fil mu'amalah al-ibahah hatta yadullu dalilu 'ala tahrimitihaa*" that the law in mu'amalah is basically permissible unless there is an order forbidding them.

Consumer's Trust

The concept of trust is evolving from year to year (Zaerofi, 2020). Trust is a person's willingness to rely on others that are believed to be unable to bring harm to them. Trust is a mental condition based on the situation of somebody and their social context. When somebody makes a decision, they will prefer decisions from people they trust rather than those they do not trust (Armayanti: 2012). According to Sumadi (2016), trust to sellers is defined as a judgement and willingness to transfer and accept the risks from buyers to them. While Online Trust or E-Trust in online shopping according to Lee and Turban which is quoted by Yoon (2009) is: "the willingness of a consumer to be vulnerable to the actions of an Internet merchant in an Internet transaction, based on the expectation that the Internet merchant will behave in certain agreeable ways, irrespective of the ability of the consumers to monitor or control that Internet merchant". Furthermore, Yoon (2009) found that consumer trust is influenced by internal and external factors. Internal factors include Natural Propensity to Trust (NPT) and Perception of Website Quality (PWSQ) while external factor consists of Other's Trust of Buyer/Seller (OTBS) and Third Party Recognition (TPR).

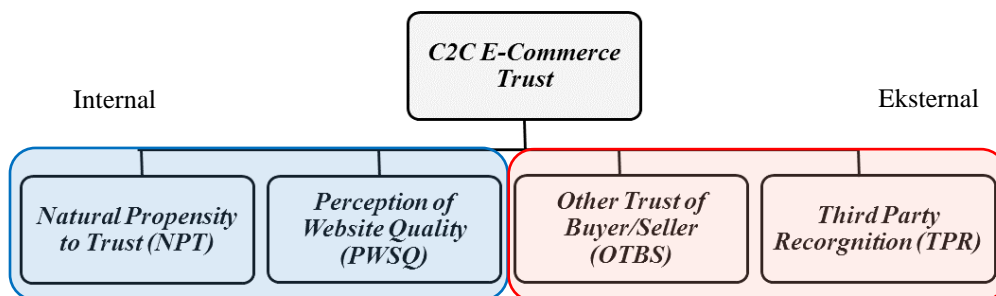


Figure 1. Consumer's Trust (Yoon, 2009)

Purchasing Decision

Kotler and Keller (2009) defines purchasing decision as the process of their experiences in learning, selecting, using, and even get rid of a product. The stages in consumer purchasing decisions are; 1). problem recognition, 2). information search, 3). alternative evaluation, 4). purchasing decision and 5). post purchasing behavior. Purchasing decisions made by consumers is a process of selecting several alternatives based on information from several sources. Information can be gained from past experiences, other people's stories, information from printed media or electronic such as social media Instagram.

Research Hypothesis

H1= Impact of viral marketing on internal consumer's trust

H0: $\rho = 0$, Viral marketing does not significantly impact on internal consumer's trust.

Ha: $\rho \neq 0$, Viral marketing significantly impacts on internal consumer's trust.

H2= Impact of viral marketing on external consumer's trust

H0: $\rho = 0$, Viral marketing does not significantly impact on external consumer's trust.

Ha: $\rho \neq 0$, Viral marketing significantly impacts on on external consumer trust.

H3= Impact of viral marketing, internal and external consumer's trust on purchasing decision

H0: $\rho = 0$, Viral marketing, internal and external consumer's trust don't significantly impact on purchasing decisions.

Ha: $\rho \neq 0$, Viral marketing, internal and external consumer's trust significantly impact on purchasing decisions.

2. Method

This study uses qualitative approach. To collect the data, questionnaire is employed. The population of this study are students of *Institut Agama Islam Tazkia Bogor* and uses the technique of convenient sampling method. The following table describes the dimension and indicators used to measure the variables.

Table 1. Variables, Dimension, Indicators

No.	Variable and sources	Dimension	Indicators
1.	Viral Marketing (Widyaharsana: 2009)	Product Quality	Quality service
			Consumer satisfaction
			Value
			Organizational advocacy
			Low risk associated with communication
		Triggers and Word of Mouth (WOM)	Richness of message
			Strength of communication
			Serendipity
			Promotion
2.	Internal Consumer's trust (Yoon: 2009 dan Kirana: 2015)	Natural Propensity to Trust (NPT) halal products and	<i>Li dzati</i> (the material)
			Process of preparation and packaging
		Perception of Website Quality (PWSQ)	MUI halal label
			Trust towards website quality
3.	External Consumer's trust (Yoon: 2009)	Other Trust of Buyer/Seller (OTBS) and Third Party Recognition (TPR)	Trust to seller
			Trust to other consumers
			Testimony and comments
			Recommendation
4.	Purchasing Decision (Pavlou: 2003)	Visiting the Store	Looking around and giving a "like"
		Making Transactions	Asking about the products
			Buying the product

To analyse the data, path analysis is employed. Path analysis is a statistical analysis technique which is developed from multiple regression analysis with the variables of endogenous and exogenous variables. According to Sarwono (2011), path analysis is a technique of analysis used to analysis the influence of causal effect (closely related) between variables with path coefficient as the value in determining the impact of exogenous variables to endogenous ones.

3. Results and Discussion

The Impact of Viral Marketing on Internal Consumer's Trust

The result of the path analysis shows that viral marketing has a significant positive impact on internal consumer's trust (coef.=0.407; Sig.=0.000). Adjusted R² of 0.16 shows that viral marketing has a 16% influence on internal consumer's trust, while the other 84% is affected by other factors outside the model.

Internal consumer's trust is difficult to measure since it comes from within the consumers. As Muslims, students of IAI Tazkia must consume *halalan and thayyiban* food. Therefore, it is important to have information about *lidzati halal*, *halal* processing. *Halal* label from Indonesian Ulama Council needs special attention in the product selection stage.

Kotler and Keller (2000) suggest that reference groups have direct and indirect influences towards the attitude and behaviour of consumers. The result of the research shows that letting consumers freely and openly judge a product sold online can immediately and significantly increase sales (Widyaharsana: 2009). Consumers with the same want and needs can easily and quickly gain information needed.

The impact of Viral Marketing on External Consumer's Trust

The result of the path analysis shows that viral marketing has a significant positive impact on external consumer's trust (coef.=0.58; Sig.=0.000). Adjusted R² of 0.33 shows that viral marketing has a 33% influence on external consumer's trust, while the other 67% is affected by other factors outside the model.

The finding shows that the impact of viral marketing on external consumer's trust is higher than the internal one. It is evident that consumers have more trust on information from external factors (recommendations from friends, family, groups, and communities) compared to internal factors. Consumer's review is believed to be an effective marketing tool. Consumers will give positive feedback which will influence potential consumers to make a purchase. To the opposite, negative feedback from consumers will influence potential consumers not to purchase. Potential consumers give evaluation of the product based on the consumer experience.

The impact of Viral Marketing, Internal and External Consumer's Trust on Purchasing Decision

The result of the path analysis shows that viral marketing, internal and external consumer's trust simultaneously have a significant positive impact on purchasing decision (coef.=0.671; Sig.=0.000). Adjusted R² of 0.51 shows that viral marketing as well as internal and external consumer's trust simultaneously have a 52% influence on purchasing decision, while the other 48% is affected by other factors outside the model.

This finding confirms the theory of Research Action (Fishbein & Ajzen, 1975) stating that consumer purchasing decision is affected by their belief. They believe that they are ordered to consume *halal* and *thoyib* food. Therefore, they consider the *halal* label as the factor to buy the food.

4. Conclusion and Implication

The conclusion of this study is as follows: 1). viral Marketing has a positive and significant effect on internal consumer's Trust, meaning if viral marketing increases, Internal Consumer's Trust will also increase, 2). Viral Marketing has a positive and significant effect on External Consumer's Trust. It means if viral marketing increases, External Consumer's Trust will also increase, 3). Viral Marketing, Internal Consumer's Trust, and External Consumer's Trust simultaneously have positive and significant effects on Purchasing Decision. It means all three variables have an influence on Purchasing Decision, the increase of the three variables will increase the purchasing decision.

The implication of this study is that the *halal* food producers could employ the indicators of viral marketing, internal and external consumer's trust and purchasing decision used in this study to measure viral marketing, internal and external consumer's trust and purchasing decision of halal food. Producers are recommended to use viral marketing since it is evident that it can impact consumer's trust and purchasing decision.

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