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THE INFLUENCE OF ONLINE INFORMATION IN CONSUMER PURCHASE DECISION IN JAKARTA, INDONESIA

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Abstract:-

This research study is to analyze the impact of online information on the consumer purchase decision of choosing restaurant in Jakarta. It is important to study how consumers react to innovative marketing practices and new technologies adopted by online retailers. The research methodology will be using the method of descriptive (quantitative) research. The information will be conducted through questionnaire to a sample of 100 respondents.

The data that have been collected will analyze using Pearson Correlation Coefficient and Multiple Regression Analysis. The result of the research shows that information search have negative significant effect with the dependent variable. While other independent variables (social media, consumer experience and EWOM communication) have positive significant effect with the dependent variable (consumer purchase decision)

Keywords:-*Consumer purchase decision; online information,*

INTRODUCTION

The growth of the food and beverage industry began to become a mainstay as a support for national economic growth and manufacturing. The Ministry of Industry noted the food and beverage sector has an investment value in 2018 valued at Rp56.20 trillion. In the 2019 nonoil and gas growth projection, the food and beverage industry sector is projected to grow high by 9.86%.

One key to success for all businesses is getting to know their customers more closely. Social media makes this recognition process easier than ever before. With existing support tools, you can now find out in detail about who your customers are, the language they use, age range, and even gender from social media. This information can help the branding and promotion process to the right target consumers.

Digital advertising is starting to become a trend in the internet era. The brand owners began to make digital media as a new promotional and marketing media. Basically social media has changed how consumers interact and how companies market products. The existence of social networking sites is a good business opportunity to market or promote products to be sold. Along with individuals customer, now marketers, producers, sellers and companies are using social media to promote their products, encouraging buyer to buy their products, increasing brand awareness, brand loyalty, brand trust and ultimately maximize their profits (Yasir, Hafiz, 2016)

The advantages contained in marketing through social media include as a means of communicating with consumers, as a media to collaborate if there is consumer dissatisfaction, as a promotional media, and brand building. In creating perceptions in consumers' thoughts about a product, service or brand, careful thinking about promotional media is needed that is suitable and effective, so that the perception and image to be conveyed can be strongly attached compared to other similar products, services or brands.

The way people look for places to eat now has changed from a few years ago. Especially Y generation or millennial know or are interested in going somewhere because of the influence of social media. They see what places are popular in their feeds or what places look interesting from their pictures or photos.

Promotion through social media raises confidence for consumers because there are many testimonials and comments that are useful for users to find out more information. The function and role of social media is changing the way one communicates from one and two directions, now into all directions. It can also be an important channel for retailers to connect with consumer opinion and how to engage the general public to solve problems regarding new products and services.

This research study is to analyze the impact of online information on the consumer purchase decision of restaurant in Jakarta. The research questions are 1) how online information influence consumers purchase decision in choosing restaurant in Jakarta? 2) What kind of online information that consumers are needed in choosing restaurant in Jakarta as key clue for restaurant industry in promoting their business?

LITERATURE REVIEW

Prat (2016) said about Four Contributing Factors to Shifting Behavior Because of technology:

People Are Spending A Ton of Time Online

It becoming a phenomena that everybody is online all the time. Where ever we go as long as there is technology and access, we are taking benefit of it. Everybody wants to be connected with their friends, family, colleagues and interest as well.

If we're online all the time, it's good for businesses to understand how that time is spent.

People Are Increasingly Mobile

Most people tied to their phones wherever they go and access information using their phones.

From survey by APJII (Indonesian internet service provider association) in March until April 2019 revealed that 93, 9 % people in Indonesia using mobile phone to access internet. By looking for at the numbers it's clear that the mobility of our access is a big contributor to why we're online more. More and more people have mobile devices and they're clearly using them often.

People Are Using Search Engines For Everything

Search engines, especially Google now is the magic word when people need to find information. When people wanted to find something 40 years ago, people grabbed a phone book to find the number, and called from a phone with a cord on it. Now people push a button and ask Google to look up options, surf around until they find what they want, and order/call/email/chat without even putting down their foot rest.

Availability Information Has Empowered Consumers

With the ability to access information at any time, from any place the game has changed for businesses trying to compete for consumers looking to buy. Gone are the days of potential buyer's heavy reliance on sales people. "Shopping" for cars is done online, not at the dealership.

What this really means for businesses is that your role in the selling process has shifted too, whether you know it or not. Instead of showing up at your door asking for help people are helping themselves before you even know they're interested.

How Online information affect consumer purchase decision

Online information have brought significant changes how consumers select, share and evaluate information. The coming of online era, old-fashioned media, for example, TV and newspapers have lost a significant portion of their regular viewers and their impact as a marketing channel has become much less significant (Hafsa, Amir, Salman 2017). The enhanced variety and amount of information online has improved the ability of consumers to make better consumption choices (Aksoy and Cooil, 2006).

The impact of online information varies on the various stages of decision-making. Initially, the internet supported only the information search stage (Jepsen, 2007), but recent trends in social media, online information and recommender systems have extended the internet's influencing role to all the decision stages.

Internet or web skills have also assumed importance: the higher the amount of internet use by consumers, the more likely they will use it for decision-making (Jepsen, 2007). There is no doubt that online information are now important sources of information for consumers in their purchase decision-making, especially in instances of complex buying behaviour. More and more people are turning to consumer opinions online due to the ease of access, low cost, and the wide availability of information. This paper is inspired by Hafeez, Manzoor and Salman (2017) about the impact of social networking sites on consumer purchase intention in Pakistan. The author modify the independent variable from site networking site into social media, because literally online marketing media from retailer is not just website but many kinds. Such as Facebook, instagram, youtube channel, twitter, and many others form, and they all categorized into social media.

Social Media is defined by Wikipedia as, "computer intermediated tools that allow people or companies to create, share, or exchange information, career interests, ideas, and pictures/videos in virtual groups and networks." Social media depend on mobile and web based technologies to create highly interactive podiums through which individuals and groups share, co- create, discuss, and modify user-generated content.

Based on the above discussion, the researchers are propose the following hypotheses:

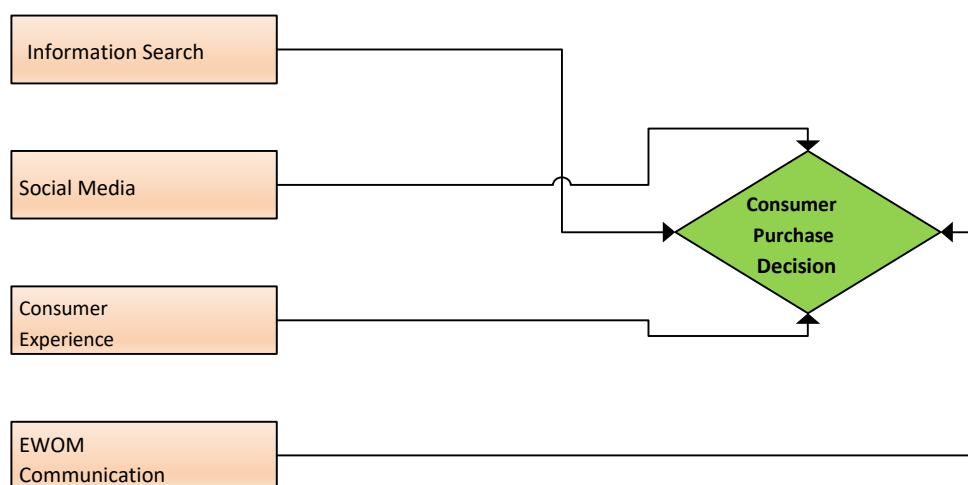
H1: Information search about the particular restaurant in Jakarta significantly influences consumer purchase decision.

H2: Social media of the restaurants in Jakarta significantly impacts consumer purchase decision.

H3: Consumer experience significantly influences the consumer purchase decision about the restaurants in Jakarta

H4: Electronic word of mouth about of the restaurants in Jakarta significantly influence consumer purchase decision.

Based on the literature review and hypotheses, this study developed the conceptual model as shown in figure 1. The conceptual model includes four independent variables (namely Social media of the restaurants, EWOM communication, Consumer Experience, and Information search) and one dependent variable (consumer purchase decision)



RESEARCH METHODOLOGY

Sample Design

For this study, a self-administered questionnaire was designed for the survey purpose. The study was cross-sectional in nature. The target population was both male and female living in Jakarta in the age group of 20-55 who dined in the

restaurants in Jakarta. The sample size of the research was 100. The questionnaire was based on a 5-point Likert scale starting with “1 = Strongly disagree” to “5 =Strongly agree”. From research this study researchers used 20 questions, making a questionnaire using Google forms.

Respondent sources provided to be able to answer research questions are through office friends, family, and friends of relatives. The sample of respondents we limited used was 100 respondents who answered questions from this study as randomly, but actually 106 respondent like to answer. The data will be analysis using a multiple regression analysis. All scales of the questionnaires were selected because they had acceptable values of reliability Cronbach’s alpha of more than 0.050. All of the questionnaire items were measured on a Likert scale were starting from 1 = strongly disagree to 5 = strongly agree. The collected data was processed and analyze in SPSS.

RESULT AND DISCUSSION

A. Research Analysis Correlations

		Information search (X1)	Social Media (X2)	Consumer Reference (X3)	E-WOM (X4)	Consumer Purchase Decision (Y)
Information search (X1)	Pearson Correlation	1	.439**	.415**	.430**	.389**
	Sig. (2-tailed)		.000	.000	.000	.000
	N	100	100	100	100	100
Social Media (X2)	Pearson Correlation	.439**	1	.534**	.549**	.501**
	Sig. (2-tailed)	.000		.000	.000	.000
	N	100	100	100	100	100
Consumer Reference (X3)	Pearson Correlation	.415**	.534**	1	.604**	.685**
	Sig. (2-tailed)	.000	.000		.000	.000
	N	100	100	100	100	100
E-WOM (X4)	Pearson Correlation	.430**	.549**	.604**	1	.567**
	Sig. (2-tailed)	.000	.000	.000		.000
	N	100	100	100	100	100
Consumer Purchase Decision (Y)	Pearson Correlation	.389**	.501**	.685**	.567**	1
	Sig. (2-tailed)	.000	.000	.000	.000	
	N	100	100	100	100	100

**Correlation is significant at the 0.01 level (2-tailed).

From the result of Pearson Correlation Analysis, we can see that there is a negative significant effect information search on Consumer Purchase Decision 0.389 and significant value of 0.000. There is a significant positive effect social media on Consumer Purchase Decision 0.501 and significant value of 0.000. Consumer experience also have a significant positive effect on Consumer Purchase Decision 0.685 and significant value of 0.000. EWOM Communication also have a significant positive effect on Consumer Purchase Decision 0.567 and significant value of 0.000.

Based on Multiple LINEAR regression in exhibit, the R square indicates that 51, 8% of total variance in the dependent variable (Consumer Purchase Decision) is explained by the total independent variables (information search, social media, consumer experience and EWOM communication). The arrangement of strength among independent variables (information search, social media, consumer experience and EWOM communication) that contributes to the dependent variable (Consumer Purchase Decision) are information search (B=0,068), social media (B=0,135), consumer experience (B=0,509) and EWOM communication (B=0,222).

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estima
1				

a. Predictors: (Constant), E-WOM (X4), Information search (X1), Social Media (X2), Consumer Reference (X3)

Coefficients^a

Model		Unstandardized Coefficients		Standardized	t	Sig.
		B	Std. Error	Coefficients Beta		
1	(Constant)	.740	1.641		.451	.653
	Information search (X1)	.068	.100	.057	.684	.496
	Social Media (X2)	.135	.108	.114	1.245	.216
	Consumer Reference (X3)	.509	.099	.489	5.160	.000
	E-WOM (X4)	.222	.116	.184	1.912	.059

Dependent Variable: Consumer Purchase Decision (Y)

B. Research Discussion

The research finding had concluded that the Pearson correlation analysis resulted in varied analysis on the significant positive effect of digital independent variables on the dependent variable.

For the analysis using the multiple linear regression, the first independent variables (information search) that has a negative significant effect to the dependent variable is consumer purchase decision. Therefore, the hypothesis (H1) is not supported. While for the other three independent variables, which are social media, consumer experience and EWOM Communication have positive significant effect with the dependent variable.

Therefore, the hypothesis (H2, H3 & H4) are supported.

This research found that information search have negative significant effect on consumer purchase decision. This is not in line with the previous study that indicated that information search plays a strong and significant role on consumer purchase decision (Hafsa, Amir, and Salman 2017). This happened because Indonesian people like searching google, just for window shopping but did not effect on consumer purchase decision.

This research found that social media of the restaurant significantly and positively impacted consumer purchase decision. This finding in line with previous studies and reference journal (Hafsa, Amir, Salman 2017) that social media significantly and impacted consumer purchase decision.

This research found that consumer reference of the restaurant significantly and positively impacted consumer purchase decision. This finding in line with previous studies and reference journal (Hafsa, Amir, Salman 2017) that customer experience significantly and impacted consumer purchase decision.

This research found that EWOM of the restaurant significantly and positively impacted consumer purchase decision. This finding in line with previous studies and reference journal (Hafsa, Amir, Salman 2017) that EWOM significantly and impacted consumer purchase decision.

This research result that social media, consumer reference and EWOM have significantly and positively on consumer purchase decision. This research strengthen previous studies that all that variables have significantly and positively impact on consumer purchase decision.

The findings of the research make important notice to practitioner in the culinary industry that online communication with the customer should be built and maintain. Through social media channel they can make two way interaction where they can promote their marketing program while having feedback as well. The significance of customer experience and EWOM communication also can be addressed by cooperating with celebrity in instagram to review their restaurant.

Online information significantly influence Consumer Purchase Decision and it should be a concern for restaurant industry to promote their product through online media Consumers prefer social media as online media as a tool for them rather than searching by google because social media rich with pictures, consumer experience and two way communication .

Conclusion

A. Implication of Study

This research was conducted to analyze how online information affect consumer purchase decision in selecting restaurant in Jakarta. Based on the results, analysis and discussion, researcher get input that social media, customer experience and Electronic Word of Mouth had significant relationship with consumer purchase decision in choosing restaurants in Jakarta.

B. Future Research

The researcher advises that online information have significantly influence consumers purchase decision so for food and beverage industry should can take advantage of it. But because the future and development of online technology very dynamic, they should aware and adapt with it.

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