THE INFLUENCE OF ELECTRONIC WORD OF MOUTH (E-WOM) IN BUILDING TRUST TOWARDS PURCHASE DECISIONS ON SHOPEE

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Abstract

The evolution of digital technology has transformed consumer behavior patterns, especially in purchases made online via e-commerce sites. Electronic Word of Mouth (e-WOM) or consumer opinions and word of mouth provided via online platforms is one of the major factors that shape such behavior. Examining how e-WOM impacts consumer trust and how it influences Shopee purchase decisions is the aim of this study. This study involved the quantitative approach type with survey method to 100 active Shopee users in Semarang who had ever read reviews before purchasing products. Data were collected through questionnaires and analyzed by SmartPLS application. The findings show that e-WOM significantly increases consumer trust, and trust has a big impact on buying decisions. These results indicate that the relationship between e-WOM and purchasing decisions is significantly mediated by trust. The implication of this study is that reputation management and digital reviews are very important for online business actors. The conclusion of this study confirms that e-WOM is an effective tool to build consumer trust which ultimately drives increased purchase decisions.

Keywords: E-WOM, trust, purchase decision, e-commerce, Shopee

INTRODUCTION

The development of digital technology and the implementation of the internet in Indonesia has resulted in major changes in consumer behavior, especially in online shopping. Shopee, a leading ecommerce site in Asia, has experienced rapid growth because it is able to attract consumers using various promotional features and technology. The single most powerful influence on consumer purchases is information about products by other consumers, also known as Electronic Word of Mouth (e-WOM). Compared to traditional word of mouth, e-WOM is more measurable, faster, and reaches a wider audience through media such as product reviews, ratings, and social media discussions.

Consumer trust is considered as an important mediator in converting e-WOM into actual purchase decisions. Trust lowers perceived risk and increases the need to transact online. This study investigates how e-WOM influences consumer trust and, in turn, shapes consumer purchase intention towards products on Shopee. This study seeks to bridge the knowledge gap regarding the role of consumer communication in shaping consumer behavior in the Indonesian e-commerce environment. Practical implications are also important for marketers to leverage online reputation strategically.

LITERATURE REVIEW AND HYPOTHESIS FORMULATION

E-WOM (ELECTRONIC WORD OF MOUTH)

Additionally, information technology, particularly the use of the internet, has altered how consumers interact and exchange opinions and experiences about goods and services via digital media. A key term in online marketing is Electronic Word of Mouth (e-WOM), which refers to the sharing of customer experience or opinion using internet-based media that can be viewed by the general public in large quantities (Hennig-Thurau et al., 2004). The strongest drives for consumers to employ e-WOM are the need to help others, communication need, and search for social or economic payoffs.

Moreover, Cheung & Thadani, 2012 discussed that e-WOM has a significant impact on consumer decision-making both in a positive and negative manner. Through extensive literature review, they

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developed an integrative model that highlights drivers of e-WOM credibility such as message source, content nature, and recipient characteristics. Thus, e-WOM is not only a medium for information dissemination, but also an influential factor that influences the attitudes and purchase behavior of consumers.

Any effort made by consumers to share their thoughts about a product or service online, whether they have already bought it, are thinking about buying it, or are already regular customers, is known as electronic word-of-mouth (e-WOM). (Al-Ja'afreh & Al-Adaileh, 2020).

Online information that customers share about a product or service is known as "electronic word of mouth" or "e-WOM" and influences other customers' decisions to purchase the product or service. This information is generally shared through social media and social networking sites, influencing opinions, company reputation, and brand image. E-WOM is considered cost-effective because it can reach a large number of people widely. Therefore, companies need to manage E- WOM effectively, because both positive and negative reviews from consumers greatly influence the behavior and perceptions of other consumers(Bhat & Bhat, 2020).

E-Wom is one of the important things in consumer interaction with brands is how they respond to products or services through digital technology connected to the internet (Annastasya, 2022).

The E-WOM indicators according to Immanuel and Maharia (2020) are:

- 1. Positive Reviews
 - Positive reviews are positive information regarding a particular product or brand provided by consumers.
- 2. Recommendation:
 - Recommendations are suggestions or advice from consumers to other people to use certain products or services.
- 3. Frequency of Reading Reviews
 Review reading frequency is how often consumers read online reviews about a product or service.
- 4. Source Credibility
 Source Credibility is the level of consumer trust in E-WOM information sources.

Trust (Trust)

In e-business, trust of the consumers is very important to players of online business, because it can turn visitors into customers, besides, in the prevalence of internet crimes such as selling unavailable products, fraud transactions, etc., trust is a very critical element in the mechanism of buying and selling online, players must be able to provide trust that the transactions made are free of any fraud elements, and goods will be delivered immediately by the consumers after buying a transaction.(Tirtayasa et al., n.d. 2021)

Kim et al., 2008 also introduced a consumer decision-making model based on trust, which suggests that perceived risk and trust directly determine buying intentions of consumers. Dalam konteks perdagangan elektronik, reputasi vendor, kualitas informasi, dan keamanan transaksi merupakan anteseden penting kepercayaan konsumen.

Trust is the belief of one party towards another party in establishing a transaction relationship, with the expectation that the trusted party will carry out its responsibilities well and according to expectations. Therefore, trust in salespeople, products, and companies is an important factor in building long-term relationships with consumers, because trust reflects the buyer's overall belief in the ability of the seller, brand, and company to fulfill the promises offered according to customer understanding.

According to (Wulandari & Suwitho, 2017) trust indicators include four aspects, namely: reliability, honesty, caring, and credibility. Reliability refers to the extent to which a company consistently implements its policies and actions over a certain period of time. Honesty means that the seller conveys information about the product transparently and according to the facts to consumers. Caring is reflected in the company's efforts not only in offering products, but also in providing the best service, responding to complaints, and prioritizing consumer satisfaction. Credibility, on the other hand, describes the business's dedication to preserving the caliber and robustness of its goods. Trust indicators in consumer purchases Mayer et.al (1995) as follows:

- 1. Ability
 - Describes consumer perceptions of the competence or capability of a seller or service provider in meeting their needs and expectations.
- 2. Benevolence
 - Demonstrates consumer confidence that the seller has good intentions and cares about the interests of consumers, not merely pursuing personal gain.
- 3. Integrity
 Reflects consumer perception of the seller's honesty and consistency in fulfilling promises and commitments that have been conveyed.

Buying Decision

Purchasing decisions are consumer actions in choosing and purchasing products that are considered capable of providing satisfaction according to their needs and desires. This process includes stages such as recognizing problems, seeking information, evaluating various alternatives, making decisions to purchase, and assessing the experience after purchase (Asnani & Rismawati, 2021). Purchasing decisions are the consumer's thought process in choosing and purchasing products based on information, marketing strategies, and environmental and cultural factors. This process is influenced by various aspects such as income, price, product benefits, brand, product type, provider, transaction time, purchase amount, and payment method.

According to Sechifman and Kanut (in Randi, 2016), there are several indicators in making purchasing decisions, namely: interest in seeking information about the product, the consideration process, interest in trying, and the desire to own. Interest in seeking information shows the consumer's efforts to dig up more knowledge about the product before deciding to buy. Consideration means that consumers decide to buy because they are used to using the product or because the brand is widely known. Interest in trying shows that consumers have a sense of interest and desire to experience the product directly. Meanwhile, the desire to own reflects the intention to buy a product triggered by promotions or recommendations from others that influence purchasing decisions.

The following are Purchasing Decision indicators according to Kotler et al., 2016 who identify four main indicators in consumer purchasing decisions:

- 1. Product confidence is the level of consumer confidence in the product they are going to buy.
- 2. Product purchasing habits are the frequency or routine of consumers in purchasing certain products.
- 3. Giving recommendations to others is a consumer tendency to recommend products to others.
- 4. The desire of a customer to buy the same product again in the future is known as repeat purchases.

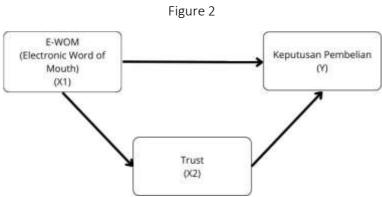
E-WOM serves as a source of information that shapes consumer perceptions, builds trust, and eventually influences purchasing decisions, according to prior theories and research. According to a number of theoretical frameworks and empirical studies, electronic word-of-mouth, or E-WOM, is a crucial information source that influences consumer perceptions and builds trust, both of which have an impact on purchasing decisions. This relational model is in line with the findings of Utiyawa et al., 2024 which states that trust functions as an intervening variable between E-WOM and purchasing decisions in the context of Shopee e-commerce users in Yogyakarta. Thus, the relationship between E-WOM, trust, and purchasing decisions is a cycle that is interrelated and has both direct and indirect impacts on consumer behavior. This study will focus on the mediating role of trust in strengthening the influence of E-WOM on purchasing decisions. E-WOM, trust, and purchase decisions interact to create a dynamic and interconnected cycle that affects consumer behavior patterns directly and indirectly. This phenomenon shows that although E-WOM directly informs and persuades consumers, the degree of trust built during the process frequently determines how effective it is in the end. According to Dewi et al., 2023 Purchase decisions are significantly influenced by content marketing, but not by electronic word-of-mouth. However, it has been demonstrated that consumer trust significantly and favorably influences purchase decisions. Therefore, using customer trust as a mediating variable, E-WOM indirectly influences purchasing decisions. When consumer trust is built, the impact of e-WOM on purchasing decisions becomes significant. By examining and validating the mediating role of trust in enhancing the impact of E-WOM on consumer purchasing decisions, the current study seeks to advance our knowledge of the behavioral and psychological processes underlying online shopping behavior.

Thus, Ewom and trust can influence purchasing decisions on Shopee. The above description allows for the formulation of the following research models and hypotheses:

H1: E-WOM has a positive effect on consumer trust.

H2: Consumer trust has a positive effect on purchasing decisions.

H3: Using trust as a mediating factor, e-WOM influences purchasing decisions in a positive way. In accordance with the description above, Figure 2 below displays the research model created as a result of this study.



This study employs a survey method in conjunction with a quantitative research design. The study's population consists of Semarang's active Shopee users. Purposive sampling technique was used to select 100 respondents who had previously read product reviews before making a purchase. Data collection was carried out through a structured online questionnaire with a Likert scale (1 to 5). The constructs measured include e-WOM (6 indicators), trust (6 indicators), and purchasing decisions (5 indicators). Data were analyzed using SmartPLS 4 to evaluate the measurement and structural models. The outer model was tested using loading factors and reliability, while the inner model evaluated the relationship between variables.

RESULTS AND DISCUSSION

The results of the outer model show that all loading factors for the e-WOM, trust, and purchase decision indicators exceed 0.7, indicating strong indicator reliability. e-WOM has a strong influence on trust (path coefficient = 0.436), and directly affects purchase decisions (0.438). Trust also has a significant impact on purchase decisions (0.456). With an R-squared value of 0.277 for trust, e-WOM accounts for 27.7% of the variation in trust. The R-square for purchase decisions is 0.192, indicating that e-WOM and trust explain 19.2% of the variation in purchase decisions.

These findings confirm that e-WOM influences consumer behavior both directly and indirectly through trust. Consumers rely on digital reviews to form trust before making purchase decisions. These results support previous research that emphasizes the importance of digital communication in forming online consumer trust and behavior.

CONCLUSION

This study confirms that e-WOM significantly influences consumer trust, which in turn influences purchase decisions on Shopee. e-WOM also has a direct effect on purchase decisions. This shows that consumers not only use e-WOM as a reference but also develop trust that leads to action.

Practically, e-commerce businesses should prioritize managing their digital reputation by encouraging positive reviews and handling negative feedback transparently. Future studies can explore other mediating variables such as perceived risk or brand image to provide a more comprehensive model.

Equation

The structural model in this study uses the Partial Least Square – Structural Equation Modeling (PLS-SEM) approach, which in general can be written as follows:

$$Y = \beta_1 X_1 + \beta X_2 + \varepsilon$$

Y= Purchase Decision

 X_1 = E-WOM

 X_2 = Trust

 β_1 and = Path coefficients β_2

 ε = Error Term / residual error

In this model

Direct influence of E-WOM on purchasing decisions = $0.438\beta_1$ Effect of E-WOM on Trust = 0.436β Influence of Trust on Purchasing Decisions = 0.456β

,

The coefficients are obtained from model estimation using the SmartPLS 4 application.

Figures and Tables

The following are the results of the discussion of E-WOM, Trust in Shopee Purchasing Decisions. Table 1. Path Coefficient Model

Variables	Table Path Coefficient MocCoefficients($oldsymbol{eta}$)	del
X1. E-WOM →X2. Trust	0.436	0.277
X1. E-WOM \rightarrow Y. Purchase	0.438	
Decision		
X2. Trust \rightarrow Y. Purchase	0.327	0.192
Decision		

Source: SmartPLS Output (2025)

From this model, the relationship between constructs is explained based on the results of SEM analysis using SmartPLS 4.

All of these indicators have an outer loading > 0.7 which indicates that the construct validity results are good.

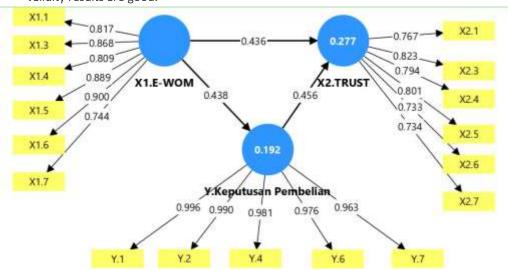


Figure 1. SEM PLS

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