

# Brand Trust and Electronic Word of Mouth in Skincare Product Online Channel

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## Abstract

This study aims to determine the effect of brand trust and electronic word of mouth (e-WOM) in influencing the intention to buy skincare products online channels in Indonesia. This study adopted a cross-sectional design and collected quantitative data. The research population is skincare users in Indonesia aged 15-34 years using online channels. The sampling technique used a simple random sampling method to collect data from respondents. The sample used in this study was 230 respondents. For data analysis, this study analyzed the data using multiple linear regression. The results showed that brand trust and e-WOM had a significant positive effect on purchase intention partially and simultaneously. This study provides key insights for online skincare sellers in Indonesia to focus on building brand trust and e-WOM to increase their purchase intention of skincare product.

## Keywords

Brand Trust, Electronic Word of Mouth, Purchase Intention, Online Channel

## 1. Introduction

In the era of globalization, consumer demand and needs are increasing in line with the increasing lifestyle from time to time. One of the industries that is growing rapidly today is cosmetics and skin care products because the demands of society to look good and pay more attention to appearance are primary needs. The Indonesian Cosmetics Company and Association (PPAK Indonesia) project that sales of cosmetics and skin care products will grow by 7% in 2021 compared to the previous year which was stagnant, the cosmetics and personal care industry can become a new foundation for the manufacturing sector and the national economy because it is multiplayer, which This means that there is still a lot of room for the Indonesian people to develop it. The results of this study are expected to contribute to the field of research that examines consumer buying intentions for products that use online media, especially for skin care products

Table 1. Conversion Rate skincare product online channel (January– Augustus 2021)

Online Channel	Total Orders	Total Visitors	Conversion Rate
Shopee Indonesia	175.898	8.182.776	2.15%
Tokopedia	105.538	2.353.497	2.23%
Official Website	65.474	1.420.785	2.17%

Source: Author (2021)

In Table 1, the conversion rate value shows that the interest in buying skincare products through online channels is still low. Consumers only see the product without making a purchase of the product. Conversion rate is the number of visitors who make purchases directly from the website as a percentage of the total visitors (Gudigantala et al., 2016), calculated by the formula Total Orders divided by Total Visitors multiplied by 100%. Purchase intention is a person's activity or behavior that appears so that it shows the consumer's desire to buy a product. (Then & Johan, 2020),

purchase intention has four stages, namely Attention, Interest, Desire, and Action. So, the purchase intention of online skincare products only reaches the attention stage.

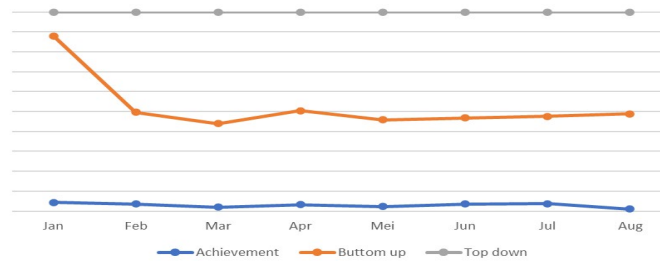


Figure 1. Sales of skincare products on online channels  
Source: Author (2021)

Based on the Figure 1 of sales of skincare products on the online channel for the period January – August 2021, it shows that achievement, which means that the sales achieved by skincare products are lower than the bottom up target, which is the minimum target that skincare products need to achieve. This shows that Skincare products have not been able to reach the minimum sales potential. The low purchase intention shown by the conversion rate has an impact on online channel sales of skincare products, where purchase intention affects the purchase decision which if the purchase intention of e-commerce consumers increases will cause the consumer's purchase decision to make a purchase, it will be able to increase income (Komalasari, Christianto). , & Truong, 2021). Pre-research results from respondents aged 15-34 years, active skincare product users, online channel users, have never purchased skincare products and have an interest in buying skincare products in order to find out the factors that can influence purchase intentions towards skincare products online channels.

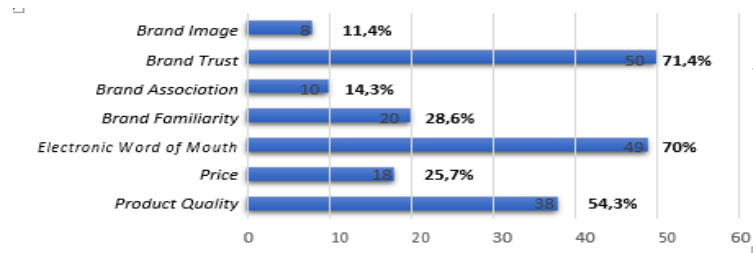


Figure 2. Pre-Research  
Source: Author (2021)

Pre-research Figure 2 shows that 70 respondents (71.4%) stated that purchase intention of skincare products online channel was due to Brand Trust and 49 respondents (70%) were due to Electronic Word of Mouth (e-WOM). Choedon, Business, Course, & Lee, (2020), brand trust is a customer's belief that a product from a brand can satisfy their desires, in short, brand trust connects a brand and consumers. The results of interviews with 3 informants as a preliminary study found a phenomenon that occurs in skincare products related to brand trust, stating that there are doubts in the desire to use skincare products due to negative stigma in society due to unsatisfactory experiences. Electronic word of mouth provides a space for consumers to exchange opinions and experiences in using their products (Ismagilova, Dwivedi, Slade, & Williams, 2017). From the results of interviews with online skincare channel users: skincare users do not hear reviews related to skincare products on the internet and social media so that the lack of product knowledge reduces interest in buying skincare products. From these results, it is concluded that electronic word of mouth in skincare products is still not enough.

(Wandebori & Wijaya, 2017), purchase intention refers to the possibility that consumers will make a transaction. (Chetioui et al., 2020), consumer buying behaviour and the possibility of making other transactions in the future are formed from purchase intention. Purchase intention is stated as one of the inputs used for sales forecasting in the future and has an effect on consumer's purchase behaviour. Purchase intention is used as the main indicator of future demand for the product, it is used to assess whether the marketing that has been done by the company will have an impact on future sales (Morwitz, 2014). Based on this, it can be concluded that purchase intention has a direct impact on sales,

namely if the purchase intention for a product is low, the company's sales will be low which has the potential to not reach the sales target. \*

Based on the background that has been revealed, this research is entitled " Brand Trust and Electronic Word of Mouth in Skincare Product User of Online Channel". The formulation of the problem that can be taken is as follows: 1) How impact of brand trust on purchase intention skincare product user of online channel? 2) How does Electronic Word of Mouth (e-WOM) effect purchase intention skincare product user of online channel? 3) How effect brand trust and E-WOM simultaneously on purchase intention skincare product user of online channel?

## **2. Literature Review**

### **a. Brand Trust**

Brand trust is the willingness of consumers to rely on the brand in the face of the risk of expectations or expectations that the brand will provide positive results (Karisma et al., 2021), the confidence that consumers have in a brand that is reliable and responsible for consumer welfare (Foster & Johansyah , 2019). Brand trust, the ability of the capability and capacity of a product to meet consumer needs, with the description that the product offered can provide benefits and solve a problem (Atulkar, 2020), individual attitudes of a company and business relationships to consumers (Amron, 2020). 2018). So, brand trust is a brand that can be trusted by consumers that provides benefits or solutions based on consumer confidence in the brand, has the capability and capacity to obtain consumer needs. (Visza Adha & Utami, 2021), brand trust dimensions: 1) Brand Characteristics, consisting of predictability, the brand's ability to predict consumer needs; reputation, the ability of the brand to maintain a reputation for consumers and competence, the ability of the brand to increase competitive advantage. The next dimension 2) Company Characteristics, including the company's reputation, the reputation of the company to be trusted by consumers; motivation, to increase trust in consumers; and integrity, the company's integrity in increasing trust in consumers. 3) Consumer - Brand Characteristic: includes the emotional Concept, the emotional relationship between the brand and the consumer; personality, consistent human nature attached to the brand; brand commitment, consumer loyalty in trusting the brand and brand preference, consumer views of a brand when compared to other similar brands. Electronic Word of Mouth (e-WOM)

### **b. Electronic Word of Mouth (e-WOM)**

The definition of Electronic Word of Mouth (e-WOM) is information obtained from the internet about consumer experiences and recommendations (Yusuf et al., 2018), providing space for consumers to exchange opinions and experiences in using their products (Duarte et al., 2018). The benefits of e-WOM for consumers are that anyone can share experiences online and spread product reviews to other consumers (Huete-Alcocer, 2017). Information disseminated through WOM (Word of Mouth) is likely to be more trusted for subsequent product purchases, technological changes encourage the WOM method to develop online called e-WOM (Wang et al., 2018). e-WOM is an opinion or review from consumers who want to share experiences with a product that has been used, providing space between consumers that serves to provide reviews that can provide information on a product to new consumers. (Wajdi et al., 2020), dimensions of e-WOM: 1) Credibility of e-WOM includes trustworthy, application users or consumers who give reviews are trustworthy; reassuring, application users or consumers who give reviews include being able to convince and feeling helped with reviews, indicators that help consumers trust a product and honest reviews, indicators of honesty from reviews. The second dimension 2) Quality e-WOM, consisting of clear reviews, application users or consumers who can provide clear reviews; understandable, easy to understand reviews; precise, reviews given to application users or consumers of products are very precise and helpful, reviews given to application users or consumers of products are very useful. The next dimension 3) Quantity of e-WOM includes: plenty, the reviews given by application users or consumers are quite a lot; usually positive, the reviews given are generally positive and recommend, reviews generally provide recommendations.

### **c. Purchase Intention**

Purchase Intention, as a measure of the strength of a consumer's intention to perform a certain behavior or decide to buy a product or service (Alalwan, 2018). The subjective probability of consumers choosing to buy a product can predict consumer buying behavior under certain conditions (Nurhandayani et al., 2019). Purchase intention is the probability of consumers' willingness to buy a product, use services for the future as well as aspects of psychological behavior that indicate special interest for consumers to buy a product (Choedon & Lee, 2020). So, purchase intention is a consumer's decision to buy a product, a predictor of the sale of a new product to attract new consumers. (Truong,

2018), the dimensions of purchase intention are: 1) Transactional interest, consumers have a tendency to buy a product of interest; 2) Referential interest, the tendency of consumers to choose the recommended product rather than choosing another product; 3) Preferential interest, the behavior of consumers who have their own preferences for a product, consumers prefer products that have been used and preferred, and 4) Explorative interest, consumer behavior who is always looking for information on products of interest and also looking for more in an advantage or disadvantage. the positive thing about the product you are interested in

Brand trust affects consumers who will buy a product, trust in a product is one of the main factors that consumers will buy a product (Sanny et al., 2020). Brand trust increases, purchase intention will also increase (Takaya, 2019). One of the consumer factors in buying a product is consumer confidence in the product, if consumers believe in the product, buying interest in the products offered will also increase. (Then & Johan, 2020), brand trust has a significant influence and (Sanny et al., 2020), has a positive effect on purchase intention

(Kala & Chaubey, 2018), e-WOM in companies as an effort to increase the popularity of the brand so that it can have an impact on purchase intention. (Wajdi et al., 2020), e-WOM affects purchase intention with the company's reputation as a mediation and influences consumer purchase intention towards the products offered by the company and becomes a benchmark for consumers towards purchase intention. Takaya (2019), brand trust increases, so purchase intention also increases. Electronic Word of Mouth has a positive and significant effect on Purchase Intention (Ramadanty et al., 2020) (Tien et al., 2019).), brand trust has a significant influence on purchase intention (Then & Johan, 2020).

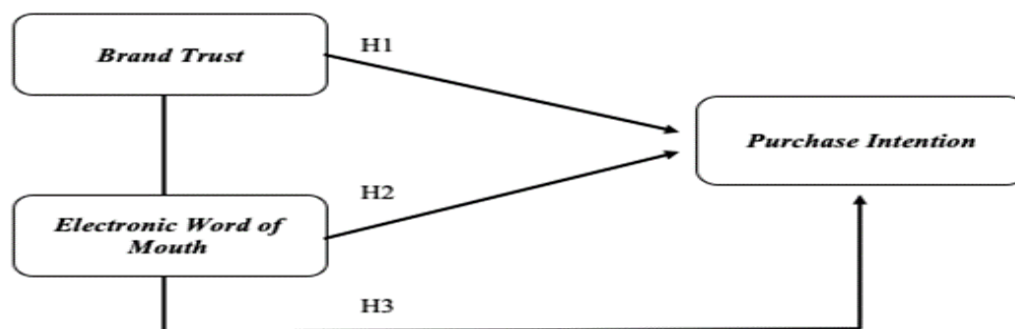


Figure 3. Research Model  
Source: Author (2021)

Hypothesis:

H1: Brand trust has effect on purchase intention skincare product user of online channel

H2: Electronic Word of Mouth (e-WOM) has effect on purchase intention skincare product user of online channel

H3: Brand trust and E-WOM have effect simultaneously on purchase intention skincare product user of online channel

### 3. Methods

This study used associative research which aims to analyze the influence between brand trust, electronic Word of Mouth (e-WOM) and purchase intention. Researchers will use quantitative research methods. The time dimension used in this research is Cross Sectional where data are collected simultaneously at one time in order to get the right data as a guide to answer research questions. Data collection was done by using online and using probability sampling technique as a sampling method. Respondents are users of product online skincare product in Jakarta, ages 15-34 years. The number of samples that will be used from the study is 230 respondents (calculated by the Lemeshow formula). The variables contained in this research are two kinds of variables, namely independent variables, and dependent variables, with details as follows: a) The dependent variable is purchase intention and b) The independent variable is brand trust and e-WOM.

The data analysis method that the author chooses is the multiple regression analysis method. Multiple regression equation is a mathematical equation that identifies the relationship between two or more variables. Before the results

of the data processing were tested, the validity and reliability tests were carried out as well as the classical assumption test. The results of the validity test show that all instruments in each variable are declared valid and feasible for further processing considering that the *r* arithmetic result is greater than the *r* table.

#### 4. Results and Discussion

The respondent's profile shows 170 out of 230 respondents aged 25-34 years by 74% and those aged 15-24 years as many as 60 respondents (26% of all respondents) who are all millennials. According to the National Socio-Economic Survey (2019), online shopping preferences and internet users in Indonesia are dominated by the millennial generation as much as 46.7%. This proves that the millennial generation with an age range of 25-34 years has high purchasing power on online shopping sites. The profile of respondents is female by 86% (168 of 230 respondents) and the rest is male by 14% (62 of 230 respondents). This shows that those who are interested in online skincare products are more dominant in women, because skincare products are a primary need for women.

The results of the validity test show that all instruments in each variable are declared valid and feasible for further processing considering that the *r* arithmetic result is greater than the *r* table (0.08). Likewise, for the reliability test, it was found that all variables had Cronbach's Alpha values, each brand trust (0.792), e-WOM (0.853), purchase intention (0.676) where the value was above 0.60 which means that all respondents' answers are consistent/can be trusted so that it deserves further processing.

The partial test results for brand trust on purchase intention skincare product user of online channel based on the SPSS output results obtained a sig value of 0.000 which is smaller than the alpha value of 0.05, so it can be concluded that the brand trust variable has a significant effect on the purchase intention variable (Table 2). These results mean that the higher the brand trust, the higher the skincare product user of online channel purchase intention will be. On the other hand, the lower the brand trust, the lower the skincare product user of online channel desire to purchase intention. In this regard, to improve the brand trust, companies should change their brand preferences. Consumer preferences for foreign products are better than local products, and products with high prices are of better quality. So, the company improves quality control so that the price given is proportional to the quality of the product.

Table 2. The Regression Coefficient

Model	Unstandardized		Standardized	t	Sig.
	Coefficients		Coefficients		
	B	Std. Error	Beta		
1 (Constant)	1.056	.176		5.996	.000
BT	.413	.060	.416	6.888	.000
EWOM	.321	.050	.392	6.482	.000

Source: Data processing results (2021)

For the other partial variable, namely Electronic Word of Mouth (e-WOM) on purchase intention skincare product user of online channel, based on the SPSS output, the sig value is 0.000 which is smaller than the alpha value of 0.05. so that it can be concluded that the e-WOM variable has a significant effect on the purchase intention skincare product user of online channel variable. These results imply that the higher the e-WOM, the higher the purchase intention skincare product user of online channel will be. Conversely, the lower the e-WOM, the lower the purchase intention skincare product user of online channel. In this regard, to improve e-WOM, the company should control the opinions of consumers who have experienced the benefits of the product, both negative and positive opinions.

Table 3. The coefficient of determination

Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.739 <sup>a</sup>	.546	.542	.48735

Source: Data processing results (2021)

The results of the simultaneous test (Table 4) obtained that the calculated *F-value* (136.305) is greater than *F-table* (3.02) and is supported by a sig value of 0.000 which is smaller than the alpha value of 0.05, so it can be concluded that the variables brand trust and e-WOM has a simultaneous effect on the variable purchase intention skincare product user of online channel. These results mean that to increase purchase intention skincare product user of online channel, brand trust and e-WOM must be improved simultaneously, no one should be prioritized. The variables brand trust and e-WOM have a significant contribution jointly of 54.2% to the purchase intention skincare product user of online channel variable and the remaining 45.8% is explained by other factors not examined. In other words, within the scope of this research, there are still many other factors that can be explored that affect consumer buying intention in addition to brand trust and e-WOM (Table 3). Based on the results of research which revealed that brand trust has a positive effect on buying interest, for the aspect of brand trust, companies should pay attention to brand preference, namely the consumer's view of a brand when compared to other similar brands. In connection with the results of research that e-WOM has a positive effect on buying interest, the aspects of e-WOM that need to be improved by companies are usually positive aspects, namely reviews given by application users or consumers who are generally positive.

Table 4. *F-Test* Regression

Model	Sum of Squares	df	Mean Square	F	Sig.
Regression	64.747	2	32.373	136.305	.000 <sup>b</sup>
Residual	53.914	227	.238		
Total	118.661	229			

Source: Data processing results (2021)

Although it has similarities and is supported by several previous, this study differs in terms of units of analysis as well as the underlying conditions. The units of analysis are skincare product user of online channel. The conditions are different from previous research, namely where this research was carried out in conditions of the Covid 19 pandemic which is estimated to greatly affect the use purchase intention skincare product user online channel. The limitations of this study are: 1) the factors that are thought to influence buying intention are limited (only 2 variables), the number of samples is limited, and the scope of the observation area is small. The research results obtained in this study support the three hypotheses that have been stated previously

## 5. Conclusion

Based on the discussion that has been described, some conclusions and recommendations can be expressed as follows: 1) Brand trust has a significant influence on purchase intention online channel skincare product. 2) Electronic Word of Mouth (e-WOM) has a significant influence on purchase intention online channel skincare product 3) Brand trust and e-WOM have a positive and significant impact on purchase intention online channel skincare product.

To be able to improve brand trust, the company should change the preference for local products to be better than imports and the high price of the product does not mean the product is of good quality. To increase e-WOM, Companies should control both positive and negative user reviews. Recommendations for further researchers 1) Increase the number of respondents in order to get more accurate results. 2) Expanding the scope of observations because in this study the sample was limited to online channel product skincare in Jakarta.

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