

THE INFLUENCE OF SOCIAL MEDIA MARKETING AND ELECTRONIC WORD OF MOUTH ON CONSUMER PURCHASING DECISIONS THROUGH BRAND IMAGE AT KOPI JANJI JIWA IN BOGOR

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Abstrak

Keywords:

Social Media Marketing (SMM),
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Digital transformation in Indonesia has driven the growth of the coffee industry, including Kopi Janji Jiwa, which has established over 1,100 outlets since its inception in 2018. However, several outlets in Bogor City have experienced stagnation and declining sales due to suboptimal digital marketing strategies. This study analyzes the effectiveness of Social Media Marketing (SMM) and Electronic Word of Mouth (E-WOM) on Brand Image and consumer purchasing decisions for Kopi Janji Jiwa in Bogor City. This research employs a descriptive-quantitative method with an explanatory research approach, involving 100 respondents selected through purposive sampling. Data was collected through an online questionnaire and analyzed using SEM-PLS with SmartPLS 4.0. The results indicate that SMM and E-WOM have a positive and significant impact on Brand Image, which in turn significantly influences purchasing decisions. SMM has a stronger direct impact on Brand Image compared to E-WOM, while E-WOM plays a crucial role as a mediating variable. The research model demonstrates good predictive accuracy, with an R-Square value of 0.422 for Brand Image and 0.686 for Purchasing Decisions. These findings emphasize the importance of optimizing digital marketing strategies through increased social media engagement, E-WOM campaigns, and responsiveness to consumer reviews to strengthen brand image and drive purchasing decisions.

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INTRODUCTION

The development of digital technology in Indonesia has experienced rapid progress, supported by the presence of the internet which has now become a fundamental element in various aspects of people's lives. This change has had a

significant impact on various sectors, including businesses, which are undergoing transformation in various aspects. One of the business sectors affected is the coffee and coffee shop industry. Changing lifestyles, as society becomes increasingly urban, have driven increased demand for coffee, not only as a beverage but also as a lifestyle.

Indonesia, as one of the world's largest coffee producers, holds significant potential in the modern coffee industry. A 2023 report from Momentum Works shows that Indonesia dominates the modern coffee market in Southeast Asia, with a market value reaching US\$947 million. The 13.9% annual increase in domestic coffee consumption also indicates significant opportunities for this industry. As public awareness of the importance of coffee quality grows, demand for specialty and single-origin coffees is on the rise, driving the growth of the local coffee industry.

Amidst the intense competition in the coffee industry, the adoption of digital technology plays a crucial role in marketing and business strategies. Digital platforms enable coffee businesses to reach a wider market, increase engagement with consumers, and strengthen their brand image through social media and online ordering platforms. One fast-growing local coffee brand is Kopi Janji Jiwa. Since its founding in 2018, Kopi Janji Jiwa has grown rapidly, with over 1,100 outlets across Indonesia. Despite having the largest number of outlets, Kopi Janji Jiwa still faces challenges in terms of sales, ranking fourth after Starbucks, Kopi Kenangan, and J.Co Donuts & Coffee.

In Bogor City, Kopi Janji Jiwa has opened ten outlets in various strategic locations. However, data shows that sales at several outlets have stagnated and even declined in recent months. One of the suspected main factors is the less than optimal digital marketing strategy implemented by Kopi Janji Jiwa, particularly in the utilization of Social Media Marketing (SMM) and Electronic Word of Mouth (E-WOM). According to Kotler & Keller (2019), SMM is an important strategy in increasing brand awareness, building relationships with consumers, and driving purchasing decisions. However, in practice, Kopi Janji Jiwa's digital marketing strategy in Bogor City has not been running optimally, as evidenced by the uneven marketing approach between outlets and negative reviews from consumers regarding their service and experiences.

Electronic word of mouth (e-WOM) also plays a crucial role in shaping brand image and influencing consumer purchasing decisions. Negative reviews found on social media for Kopi Janji Jiwa in Bogor City indicate that several aspects of service and product quality still need improvement to maintain consumer loyalty. Negative trends in e-WOM can hinder brand growth if not addressed promptly with the right strategy.

Based on this background, this study aims to analyze the effectiveness of Social Media Marketing (SMM) and Electronic Word of Mouth (E-WOM) strategies in building the brand image of Kopi Janji Jiwa and its impact on consumer purchasing decisions in Bogor City. This study is expected to provide recommendations for business actors in improving more effective digital marketing strategies to strengthen their business position in the increasingly competitive coffee industry.

RESEARCH METHOD

The research method used in this study is a descriptive method with a quantitative approach. This type of research is included in the *explanatory research category* which aims to analyze the causal relationship between independent variables, namely *Social Media Marketing* and *Electronic Word of Mouth*, with the dependent

variable, namely Purchasing Decisions, through the *intervening variable*, namely *Brand Image*. The quantitative approach in this study allows statistical data analysis to measure the extent of the influence between These variables occur and provide more objective and measurable results.

The population in this study were consumers of Janji Jiwa Coffee in Bogor City. Because the exact population size was unknown, the sampling technique used the *Lemeshow formula*, which resulted in a sample size of 100 respondents. The sampling method used was *Non-Probability Sampling* with a *purposive sampling technique*, where respondents were selected based on certain criteria relevant to the study. Data collection was carried out through the distribution of an online questionnaire consisting of two main parts, namely the respondent's identity and a research statement that measures variables using a Likert scale.

Research instrument testing was conducted to ensure data validity and reliability. Validity tests included convergent validity with an *Average Variance Extracted (AVE)* of at least 0.5 and discriminant validity with the *Fornell-Larcker Criterion and Heterotrait-Monotrait Ratio (HTMT)* below 0.85. Reliability testing was conducted by measuring *Cronbach's Alpha* and *Composite Reliability (CR)*, where values above 0.7 indicate good reliability. Data were analyzed using the *Structural Equation Model (SEM) Partial Least Square (PLS)* with SmartPLS software version 4. The analysis was carried out through evaluation of the measurement model (*Outer Model*) and evaluation of the structural model (*Inner Model*) by measuring *Goodness of Fit (GoF)*, *R-Square*, *Q-Square*, and *F-Square* to assess the relationship between variables. With this method, the research is expected to provide valid and reliable results in explaining the influence of *Social Media Marketing* and *Electronic Word of Mouth* on consumer purchasing decisions through *Brand Image* as an *intervening variable*.

RESULTS AND DISCUSSION

The characteristics of the respondents in this study reflect the profile of Kopi Janji Jiwa consumers in Bogor City based on several aspects, namely gender, age, education level, income, and other coffee brand preferences. Of the total 100 respondents selected using the Lameshow formula, the majority were female (58%), with the largest age group being in the 26-30 year range (45%). In terms of education, most respondents had a high school education background (56%), while the highest income level was in the range of Rp3,000,000 – Rp5,000,000 (45%). Besides Kopi Janji Jiwa, other coffee brands that were widely preferred by respondents were Kopi Kenangan (46%) and Starbucks (38%).

Measurement model testing aims to ensure the validity of the data and the quality of the data collection tools used in the research. The quality of research results is highly dependent on the data obtained, therefore, the data collection tools must meet validity criteria (Kusnendi & Ciptagustina, 2023). In the measurement model testing stage, there are two main steps that need to be carried out: validity testing and reliability testing. This testing involves three main indicators: *convergent validity*, *discriminant validity*, and *reliability*.

The *convergent validity* analysis show that all variables in this study have a *factor loading value* ≥ 0.7 , with the following value ranges: *Social Media Marketing* (0.777 - 0.916), *Electronic Word of Mouth* (0.718 - 0.899), *Brand Image* (0.761 -

0.872), and Purchase Decision (0.801 - 0.884). In addition, the results of *the Average Variance Extracted (AVE)* also show that all variables have values above 0.50, which means that the indicators in these variables have a fairly strong similarity in explaining the measured latent variables.

Table 1. Summary of Outer Model Test Results

Variables	Factor Loading Range	AVE	Cronbach's Alpha	Composite Reliability
Social Media Marketing (SMM)	0.777 - 0.916	0.736	0.972	0.975
Electronic Word of Mouth (E-WOM)	0.718 - 0.899	0.663	0.966	0.969
Brand Image	0.761 - 0.872	0.674	0.963	0.967
Buying decision	0.801 - 0.884	0.713	0.973	0.974

Source: Primary Data Processing with SmartPLS 4.0, 2024

Discriminant validity was tested using the square root value of *the Average Variance Extracted (AVE)* and cross loading. The results of the analysis showed that the square root value of AVE in each variable was greater than the correlation between other variables, which indicates that each construct has a clear difference from other constructs. In addition, reliability was tested using *Cronbach's Alpha* and *Composite Reliability*, where all variables had values above 0.70, indicating that this research instrument had good internal consistency and could be relied upon to measure the relationship between latent variables. Thus, this research instrument has met the criteria for good validity and reliability.

Structural Model Measurement (Inner Model)

Structural model testing, or inner model testing, aims to examine the influence between latent variables in the study. According to Kusnendi & Ciptagustina (2023), this model evaluation is conducted using R-Square (R^2), *Path Coefficient*, *F-Square* (F^2), and *Direct and Indirect Effect Hypothesis Testing*. Testing is conducted using the bootstrapping method in SmartPLS 4.0 to determine the significance of the influence between latent variables based on the t-statistic and p-value.

The Path Coefficient results show that *Brand Image* has the strongest influence on Purchasing Decisions with a coefficient value of 0.419, followed by SMM on Brand Image (0.393), E-WOM on Brand Image (0.338), SMM on Purchasing Decisions (0.274), and E-WOM on Purchasing Decisions (0.281). All paths have positive values, which indicates that the relationship between variables in this study is unidirectional and significant.

Table 2. Path Coefficient Values

Relationship between variables	Path Coefficient
SMM → Brand Image	0.393
E-WOM → Brand Image	0.338
Brand Image → Purchase Decision	0.419
SMM → Purchasing Decision	0.274
E-WOM → Purchase Decision	0.281

Source: Primary Data Processing with SmartPLS 4.0, 2024

The R-Square (R^2) test is used to measure the extent to which independent variables can explain the dependent variable. Based on the analysis results, the R^2 value for Brand Image is 0.422, which means that 42.2% of the variability of Brand Image can be explained by SMM and E-WOM. Meanwhile, the R^2 value for Purchasing Decision

is 0.686, which means that 68.6% of the variation in Purchasing Decision can be explained by the SMM, E-WOM, and Brand Image variables. The results of the F-Square (F^2) test show how much relative influence the independent variables have on the dependent variable. Based on the table below, the Brand Image variable has a strong influence on Purchasing Decision (0.324), while E-WOM also has a strong influence on Brand Image (0.312). However, SMM on Purchasing Decision (0.136) and E-WOM on Purchasing Decision (0.148) show a weaker influence.

Table 3. F-Square Value

Relationship between variables	F-Square	Category
SMM → Brand Image	0.179	Currently
E-WOM → Brand Image	0.312	Strong
Brand Image → Purchase Decision	0.324	Strong
SMM → Purchasing Decision	0.136	Weak
E-WOM → Purchase Decision	0.148	Weak

Source: Primary Data Processing with SmartPLS 4.0, 2024

In addition, a *direct effect hypothesis test* was conducted to measure the significance of the relationship between variables by examining the p-value and t-statistic. The analysis results showed that all relationships between variables in this model had a p-value <0.05, indicating a significant effect. Brand Image had the most significant influence on Purchasing Decisions with a t-statistic of 3.799 and a p-value of 0.000.

Table 4. P-Values and T-Values

Relationship between variables	T-Statistic	P-Value
SMM → Brand Image	3,376	0.001
E-WOM → Brand Image	2,761	0.006
Brand Image → Purchase Decision	3,799	0,000
SMM → Purchasing Decision	2,949	0.003
E-WOM → Purchase Decision	2,273	0.023

Source: Primary Data Processing with SmartPLS 4.0, 2024

The results of the Indirect Effect test indicate that Brand Image plays a significant mediating role in the relationship between SMM and Purchase Decisions, as well as E-WOM and Purchase Decisions. Both paths have a p-value <0.05, which means this indirect relationship is significant.

Table 5. Indirect Effect of Intervening Variables

Indirect Relationship	Path Coefficient	T-Statistic	P-Value
SMM → Brand Image → Purchase Decision	0.165	2,100	0.036
E-WOM → Brand Image → Purchase Decision	0.165	2,423	0.015

Source: Primary Data Processing with SmartPLS 4.0, 2024

The Goodness of Fit (GoF) test indicates the extent to which a model can effectively explain data variability. Based on calculations, the GoF value in this study was 0.6211, which falls into the good fit category (>0.50), indicating that this research model has a strong level of suitability.

Table 6. Goodness of Fit (GoF) Model

Variables	AVE	R-Square
SMM	0.736	-
E-WOM	0.663	-
Brand Image	0.674	0.422
Buying decision	0.713	0.686

Source: Primary Data Processing with SmartPLS 4.0, 2024

the inner model analysis, it can be concluded that Social Media Marketing and Electronic Word of Mouth significantly influence Purchasing Decisions, both directly and indirectly through Brand Image as a mediating variable. The model used in this study has a good level of feasibility and can explain the relationship between variables quite effectively.

DISCUSSION

The Influence of *Social Media Marketing (SMM)* on Brand Image, The results of the analysis test using the bootstrapping process show that Social Media Marketing (SMM) has a *path coefficient value* of 0.393, a t-value of 3.376 (>1.96), and a *p-value* of 0.001 (<0.05), which means SMM has a positive and significant effect on brand image. Increased marketing activities through social media, such as interaction with consumers, delivering relevant information, and responding quickly to feedback, contribute to building a strong brand image. Thus, the more effective the marketing strategy on social media, the better the brand image formed in the minds of consumers.

The Influence of Electronic Word of Mouth (E-WOM) on Brand Image, Based on the results of the *bootstrapping test*, the *path coefficient value* of 0.338, t value of 2.761 (>1.96), and p-value of 0.006 (<0.05) indicates that E-WOM has a significant influence on brand image. Positive customer reviews, recommendations, and timoni tests help shape a good perception of the brand. With the increasing number of positive reviews that are widely spread, the brand image is getting stronger. Therefore, good management of customer reviews can strengthen the brand image of Kopi Janji Jiwa.

The Influence of Social Media Marketing (SMM) on Purchasing Decisions, The results of the analysis test show that Social Media Marketing (SMM) has a *path coefficient value* of 0.274, a t-value of 2.949 (>1.96), and a p-value of 0.003 (<0.05), which means that SMM has a positive and significant effect on purchasing decisions. Marketing strategies through social media can increase consumers' opportunities to buy products. However, optimization is still needed in conveying more transparent and detailed information so that marketing campaigns can be more effective.

The Influence of Electronic Word of Mouth (E-WOM) on Purchasing Decisions, The test results show that E-WOM has a path coefficient value of 0.281, a t value of 2.273 (>1.96), and a *p-value* of 0.023 (<0.05), which means that E-WOM has a significant effect on purchasing decisions, although the impact is smaller compared to SMM. Widespread information through reviews and testimonials can increase consumer purchasing intentions. However, the number of positive reviews still needs to be increased to strengthen potential buyers' trust in the product.

The Influence of Brand Image on Purchasing Decisions, Based on the results of the *bootstrapping test*, the path coefficient value of 0.419, t value of 3.799 (>1.96), and p-value of 0.000 (<0.05) indicates that brand image has a very significant influence on

purchasing decisions. Consumers tend to prefer products with a positive brand image because it reflects quality, trust, and a good reputation. Therefore, strengthening brand image is an important step in improving purchasing decisions.

The Indirect Effect of Social Media Marketing (SMM) on Purchasing Decisions through Brand Image, The results of the path analysis show that Social Media Marketing (SMM) has a significant indirect effect on purchasing decisions through brand image, with a *path coefficient value* of 0.165, a t-value of 2.100 (>1.96), and a *p-value* of 0.036 (<0.05). This means that part of the influence of SMM on purchasing decisions occurs through enhancing brand image, making it an important element in the purchasing decision-making process influenced by social media marketing strategies.

The Indirect Effect of Electronic Word of Mouth (E-WOM) on Purchasing Decisions through Brand Image, The results of the bootstrapping test on path analysis show that *Electronic Word of Mouth* (E-WOM) has a significant indirect effect on purchasing decisions through brand image, with a path coefficient value of 0.165, a t value of 2.423 (>1.96), and a *p-value* of 0.015 (<0.05). This means that positive E-WOM contributes to improving brand image, which ultimately has a significant influence on potential consumers' purchasing decisions. Thus, brand image plays an important role as a link between E-WOM and purchasing decisions.

CONCLUSION

Based on the research results, it can be concluded that *Social Media Marketing* (SMM) and *Electronic Word of Mouth* (E-WOM) play an important role in influencing purchasing decisions, both directly and through *Brand Image* as an *intervening variable*. Respondents generally gave positive responses to SMM and E-WOM, which indicates that digital marketing strategies and electronic communication have a significant impact on brand perception among consumers. The analysis results also show that SMM has a positive and significant influence on *Brand Image* and purchasing decisions, with a greater degree of influence compared to E-WOM. In addition, *Brand Image* is proven to be a significant *mediator in the relationship between SMM* and purchasing decisions, as well as between E-WOM and purchasing decisions. This confirms that a strong and positive image can increase the effectiveness of marketing strategies in attracting consumer interest in making purchases.

Based on the findings of this study, companies are advised to continue optimizing their digital marketing strategies by increasing the effectiveness of SMM and E-WOM. Increasing the quality and quantity of content presented on social media, as well as more active interaction with consumers, can strengthen *Brand Image* and ultimately increase purchasing decisions. In addition, ensuring the credibility and accuracy of information disseminated through E-WOM is also an important aspect in building consumer trust in the brand. For further research, it is recommended to expand the scope of the study by considering additional variables such as environmental factors, culture, or other aspects of digital marketing that can provide a more comprehensive understanding of the factors that influence purchasing decisions. Studies conducted in different sectors or industries can also provide broader insights into the effectiveness of digital marketing strategies in various business contexts.

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