

## **CHAPTER I**

### **INTRODUCTION**

#### **A. Research Background**

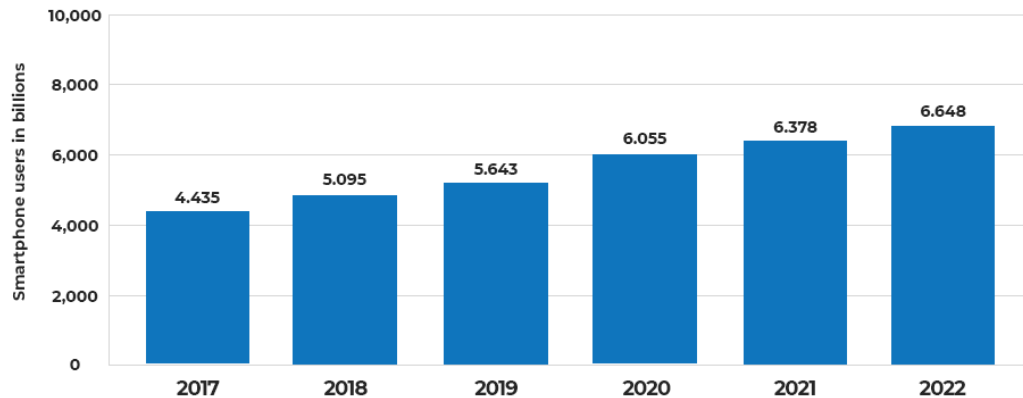
The industrial revolution and the potential digital transformation known as industry 4.0 is advancing exponentially. The digital revolution is fundamentally changing the way people live and work, and the public remains optimistic about the opportunities industry 4.0 offer for sustainable development (Morteza Ghobakhloo. 2020). We are witnessing technological advancements due to the industrial revolution, such as those involving artificial intelligence (AI), 5G connectivity, the internet of things (IoT), cloud computing, and data analytics. These technologies are available on smartphones, which have evolved into a representation of industry 4.0 due to their role in connecting end users to today's digital activities.

That is why smartphone had become the most valuable thing in society lifestyle. A smartphone is a cell phone with more advanced computing power and connectivity than the average cell phone that hit the consumer market in late 1990s (S. O'Dea. 2022). With the introduction of a touch screen interface and a virtual keyboard by IOS in 2007, the devices' general appeal skyrocketed. After that, the first smartphone that use the Android operating system entered the consumer market in late 2008. The smartphone market has been gradually expanding and advancing in terms of the number of models and suppliers since 2008. Across the eleven countries surveyed, attitudes towards smartphone are mostly positive. In most countries, the vast majority of people say smartphones are good for them personally, and many also say that mobile phones have a positive influence on

education and the economy (Laura Silver, Aaron Smith, Courtney Johnson, etc. 2019).

**Figure 1: Number of Smartphone Users Worldwide From 2017-2022**

(Source: bankmycell.com)



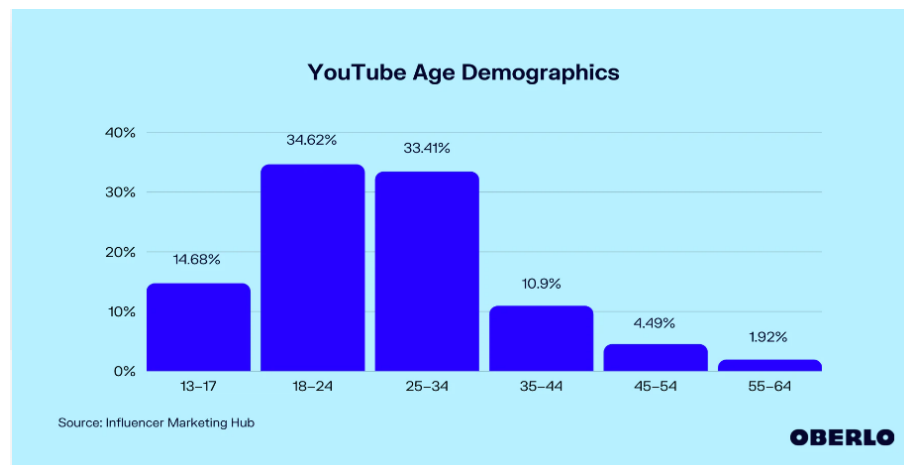
People also overwhelmingly agree that their phones help them stay in touch with their families and friends, and keep them up to date with the latest news. Because, of the importance smartphone had in our lifestyle and work needs. Today's smartphone manufacturers, like Xiaomi, Realme, and Samsung, are competing with one another by releasing devices with nearly identical features and specifications. The competition between brands is becoming more intense as the number of phone brands rises. Customer start comparing one brand to the others since they have a wide range of options. With the intention of finding out which is more worthy of their money and functions. But in the midst of all that, researcher realize that are many content creators about technology that posting some videos review about smartphone nowadays on social media platform called Youtube.

Based on studies conducted by (Kahikko, Kirsi. 2021), these video reviews assist consumers in learning more about products and improving their decision-making through the perspective of others. Consumers utilize video reviews to learn

more about products and make decisions about the goods they use. It also represented professional guidance on certain product and product groups.

**Figure 1: Youtube Age Demographics**

(Source: oberlo.com)



Additionally, the users of Youtube are diverse based on their age. Because of that video reviews are seen as helpful across a range of product categories and decision-making phases. Customer have been shown to have high expectations for the quality and work put into creating video reviews. To be seen as trustworthy and valuable sources of information, reviewers must exhibit knowledge, integrity, and fairness.

Purchase intention is a specific measure or rating of consumer stated purchase likelihood (Farris, Paul W, Neil T. Bendle, Phillip E. Pfeifer, and David J. Reibstein. 2010). Therefore, purchase intention measures a consumer's likelihood of making a purchase of a good or service. This is in line with (Kotler & Keller. 2020) customer purchase intention are forms of consumer preference among the brands in the choice set and may also form an intention to buy the most preferred brand by considering five sub-decisions such as brand, dealer, quantity, timing,

and payment method. Purchase intentions are frequently measured and used by marketing managers as an input for decision about new and existing products and service (Vicki Morwitz. 2012). Awareness, interest, desire, and action (AIDA), is one of the most well-known Hierarchy of Effects (HOE) models in purchasing decision making. Purchase intent can aid in forecasting future sales and assist in designing marketing strategy, so that they reach the target market and the product, resulting in the desired outcome of improved customer engagement and increased return on investment.

In the middle of the 1990s, when the internet was starting to alter the ways in which customer connected with one another, the idea of electronic word of mouth (eWOM) was presented. Consumer information sharing and exchange about a brand or organization over the internet, social media, and mobile communication is known as eWOM (Shu-Chuan, Juran Kim. 2018). Consumers share information online, which is visible in a variety of media including user generated content, online product reviews, private emails, and social media posts. As new technology and digital media continue to develop. eWOM is thought to be more powerful than advertising and marketing messaging in the congested environment of today. Generating positive eWOM communication has been acknowledged as a crucial promotional tactic since eWOM spread through friends and family is regarded by marketers as being more trustworthy and reliable than advertising. Based on the research background researcher wanted to find out the relation between eWOM and Customer purchase intention. Therefore, researcher conducted a study with the title "ANALYSIS THE IMPACT OF ELECTRONIC WORD OF MOUTH USING YOUTUBE REVIEW TO CUSTOMER PURCHASE INTENTION".

## **B. Research Question**

1. The current condition of electronic word of mouth using youtube review toward customer purchase intention?
2. The influence of electronic word of mouth by using Youtube review to customer purchase intention towards smartphone?
3. What is the strongest dimension of electronic word of mouth that indicate the influence of Youtube review towards customer purchase intention towards smartphone?

## **C. Research Purposes**

Based on the question above, the objective of this research is to find out:

1. The relationship of electronic word of mouth using Youtube platform especially towards purchase intention.
2. Whether or not electronic word of mouth using Youtube review had influence on customer purchase intention towards smartphone.
3. The strongest dimension of electronic word of mouth that indicated the influence of Youtube review on customer purchase intention towards smartphone.

## **D. Research Benefit**

The researcher expects for this research will be useful and give contribution to other parties, as follow:

1. For the scholar, the research can be a reference for understanding the same topic, also expanding their knowledge about electronic word of mouth, and customer purchase intention.

2. For the researchers, this research can expand their knowledge, and is expected to be one of the reference materials for understanding electronic word of mouth and customer purchase intention. And be useful to other researchers who wish to further research into electronic word of mouth and customer purchase intention issues.
3. For the University, the final results of this research are expected to be source of data for the faculty in studying the human behavior, also as a property for the economics and business department library.
4. For the practical business, the results of this research are expected to help fellow business to understand the customer purchase intention and electronic word of mouth more thoroughly, and can be a help for creating more marketing strategics towards customer purchase intention.