

Testing Validity and Reliability of Local Products Using the Digital Market Mouth to Mouth About Purchase Decisions Consumer

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Abstrak This research is accompanied by accurate data collection. The processed data is cross section data or cross data where the data consists of one object but requires other sub objects. The cross-section data is then processed using statistical methods so that the authors will obtain results and can provide conclusions on the results of this study. The research data is taken from the respondents' answers (the number of customers who use e-commerce applications. The minimum required in this study amounted to 97.75 respondents. Data analysis technique Data analysis techniques are directed to answer the problem with a framework and formulation of the problem as well as hypotheses that can be concluded. by using data analysis data in this research method, with the Structural Equation Model approach, which is based on Partial Least Square. The questionnaire is a data collection questionnaire to analyze attitudes, beliefs, knowledge and characteristics of several people in an environment that affect an existing system. The questionnaire is a list of questions asked to people called respondents. Each item of questions made in the questionnaire must be valid in order to measure what is intended to be measured. In addition, the questionnaire must also be reliable, which means it will produce consistent results over time so that the questionnaire can be trusted or relied on.

Keywords: testing validity; local products; digital market; decisions consumer

1 Introduction

Developments in the world of technology and information and digital electronics have developed very rapidly in Indonesia. The rapid development of internet technology in Indonesia can be seen from the number of internet users which continues to increase every year. Based on data from the Indonesian Internet Service Providers Association, which conducted a survey of Internet User Penetration and Behavior in Indonesia, it is predicted that this will continue to increase every year. The phenomenon of the increasing number of internet users ultimately supports the growth of the marketplace in Indonesia. Marketing and trading through digital electronics, namely a distribution in buying or selling, and marketing of local goods and services through digital electronic systems such as on the internet or on television screens, which are made through networks and computerization. (Alfiani et al., 2021).

Mockups that may involve selling and paying through digital electronics, such as exchanges on electronic data, which use a management system to automatically inventory, and an automated data collection system as well. The information technology industry sees this marketplace activity as the application and application of e-business related to commercial transactions, such as electronic funds transfer, supply chain management, electronic marketing,

or online marketing, online transaction processing, electronic data exchange, and others. (wikipedia.org). The essence of the presence of a marketplace is to become a place for buying and selling activities that can be carried out without breaking a lot of time, distance and effort. Marketplace supports sellers to offer a wide selection of products (Ilyas, 2018).

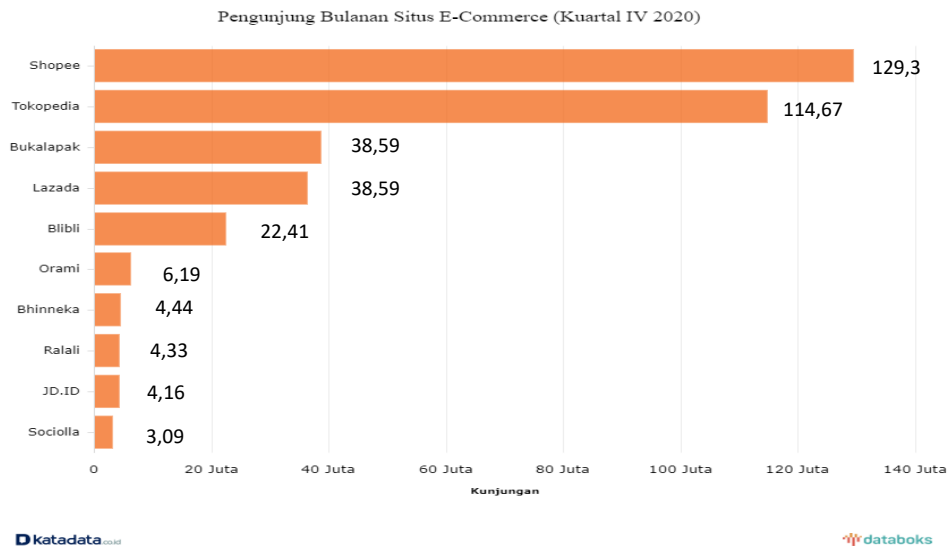


Figure 1.1. E-Commerce Site Monthly Visitors
 Source: <https://databoks.katadata.co.id>

In online purchases, consumers tend to only get information about products but cannot see directly about the products offered, so building consumer trust is an important thing for producers so shopee users do not switch to other e-commerce. There are several factors that affect customer trust, including:

That the quality of information depends on the overall description and characteristics of the local products and services offered and also depends on the ability of the producer to satisfy consumers as promised by the company and implied needs (Johan & Juwita, 2021). Information is defined as an explanation of everything in the product displayed by the seller in the market place. (Anwar & Aprillia, 2018).

The next factor that influences consumer trust is Electronic word of mouth according to (Azmi & Sudaryana, 2021). Electronic word of mouth is a form of marketing communication that contains positive or negative statements made by potential, actual, or former customers about a product or company, which is available to many people and institutions via the internet. Electronic word of mouth has now become an important place for consumers to express their opinions and is considered more effective because it has a greater level of accessibility and wide reach. Consumers can carry out electronic word of mouth activities through a website, discussion forum, review site, and social media or social networks. The existence of electronic word of mouth will automatically help consumers share experiences about products or services experienced in the online purchasing process (Alfiani et al., 2021).

2 Study of Theory and Hypotheses

Buying decision

Purchase decision is the final decision on which brand to buy. Purchase decisions include product types, brands, models, store or company selection, and methods (Aisyah & Engriani, 2019).

Consumer Trust

According to: Kotler and Keller (2020:219). That the level of trust is a company's willingness to depend on consumers as its business partners, so trust depends on a number of interpersonal factors between consumers and company organizations, which pay attention to competence, honesty and excellence and company integrity. Meanwhile, according to: Alfiani et al., (2021). Having defined that consumer trust depends on all the insight and knowledge possessed by these consumers, it can be concluded that consumers are objects and business partners of the company.

Information Quality

According to (Alfiani et al., 2021).information quality is defined as customer perceptions of the quality of information about products or services provided by a website. The higher the quality of the information provided to online buyers, the higher the interest of online buyers to buy these products. Information Quality, is the quality of output (output) in the form of information generated by the information system used. Indicators used to measure the quality of information are completeness, presentation of information (format), relevance (relevance), accuracy (accurate) and timeliness (timeliness).

Electronic Word Of Mouth

According to (Alfiani et al., 2021) said electronic word of mouth is a statement made by actual, potential or previous consumers about products or companies where this information is available to people or institutions through internet media. According to (Muninggar et al., 2022) states that although similar to the form of word of mouth, electronic word of mouth offers various ways to exchange information, many of which are anonymous or confidential.

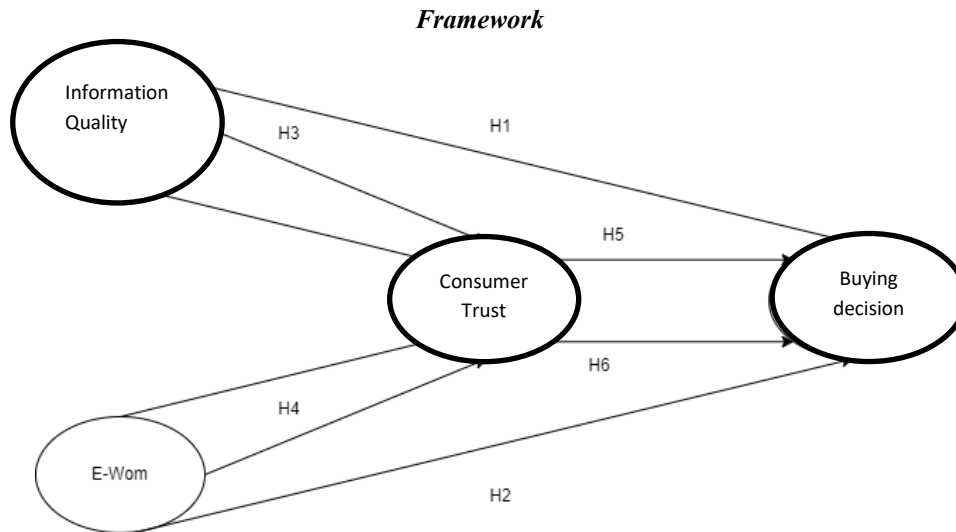


Image 1
Framework

2 Research Methods

This research is accompanied by accurate data collection. The processed data is cross section data or cross data where the data consists of one object but requires other sub objects. The cross section data is then processed using statistical methods so that the authors will obtain results and can provide conclusions on the results of this study. The research data is taken from the respondents' answers (the number of customers who use e-commerce applications). In this study, the population used is the finite population (the population is all consumers of the Ministry of Agriculture employees in the financing sector who use digital marketing applications totaling 4,361 employees. This study probability sampling technique,. This, sampling using the Lemeshow formula the sample size for an unknown or infinite number of populations as follows.

3 Data Analysis

Measurement Model (Outer Model)

The validity of convergent and construction test data as a reflective indicator that evaluate with the average value of the Extracted Variables. AVE value of = 0.5 or greater. With an AVE value of = 0.5 or greater, which means that the construction can explain 50% or greater in the item variance. (Furadantin, 2018).

a. Convergent Validity Test

Table 1. Convergent Validity Test Results

	<i>Outer Loadings</i>			
	X1	X2	Y	Z
KI_1	0,869			
KI_2	0,877			
KI_3	0,742			
KI_4	0,772			
KI_5	0,880			
KI_6	0,831			
EWM_1		0,748		
EWM_2		0,732		
EWM_3		0,809		
EWM_4		0,800		
KP_1			0,852	
KP_2			0,752	
KP_3			0,848	
KP_4			0,755	
KP_5			0,777	
PCY_1				0,850
PCY_2				0,748
PCY_3				0,746
PCY_4				0,832
PCY_5				0,753

Source: Primary Data Processed by the Author 2022

Based on the table above, the outer model value meets convergent validity with a value > 0.5

Discriminant Validity

The validity of discrimination contains the objective of determining for each reflection indicator which is truly the correct measure of its construction, which is in accordance with the principle that each indicator must be able to correlate with its construction, with different construction sizes and must not be correlated to high.

Table 2. Discriminant Validity Test Results

	<i>Cross Loadings</i>			
	X1	X2	Y	Z
KI_1	0,869	0,425	0,524	0,696
KI_2	0,877	0,494	0,538	0,638
KI_3	0,742	0,458	0,525	0,732
KI_4	0,772	0,600	0,446	0,645
KI_5	0,880	0,405	0,436	0,597
KI_6	0,831	0,641	0,598	0,631
EWM_1	0,248	0,748	0,278	0,463
EWM_2	0,601	0,732	0,551	0,532
EWM_3	0,633	0,809	0,320	0,613

EWM_4	0,347	0,800	0,509	0,501
KP_1	0,628	0,380	0,852	0,686
KP_2	0,444	0,531	0,752	0,386
KP_3	0,527	0,554	0,848	0,520
KP_4	0,369	0,551	0,755	0,467
KP_5	0,474	0,162	0,777	0,449
PCY_1	0,714	0,577	0,671	0,850
PCY_2	0,706	0,577	0,652	0,748
PCY_3	0,609	0,440	0,317	0,746
PCY_4	0,497	0,548	0,422	0,832
PCY_5	0,545	0,533	0,329	0,753

(Source: Primary Data Processed by the Author 2022)

From the table above, it has been shown that for each indicator and each latent variable it must be greater than the cross loading value with the latent variable of the AVE (Average Variance Extracted) value ≥ 0.5 , so that each latent variable has fulfilled discrimination validity correct.

Model Reliability Test

Pada Internal Consistency Reliability dapat mengukur beberapa indikator dan juga dapat mengukur konstruksi laten. Dengan alat yang dapat digunakan untuk menilai pada reliabilitas konfigurasi dan alfa Cronbach. Maka nilai composite reliability 0,6 – 0,7, dapat dianggap memiliki reliabilitas yang benar dan dapat diharapkan bahwa nilai Cronbach's alpha $\geq 0,7$ (Ghozali dan Latan, 2015) pada (Furadantin, 2018).

Table 3 Construction Results on Reliability and Validity Values

	Cronbach's Alpha	rho_A	Composite Reliability	Average Variance Extracted (AVE)
X1	0,909	0,910	0,930	0,689
X2	0,777	0,781	0,856	0,597
Y	0,857	0,872	0,897	0,637
Z	0,850	0,863	0,890	0,620

(Source: Primary Data Processed by the Author 2022)

Based on the table above, when viewed from the Cronbach's Alpha value, the results show > 0.7 , and so on the Composite Reliability value. So it can be said in this study. all constructs met the reliability requirements.

4 Conclusion

The questionnaire is a data collection questionnaire to analyze attitudes, beliefs, knowledge and characteristics of several people in an environment that affect an existing system. The questionnaire is a list of questions asked to people called respondents.

Each item of questions made in the questionnaire must be valid in order to measure what is intended to be measured. In addition, the questionnaire must also be reliable, which means it will produce consistent results over time so that the questionnaire can be trusted or relied on.

Based on the table above, the results of each indicator on each latent variable must be greater than the cross loading value on the other latent variables and the AVE (Average Validity Extracted) value > 0.5 . So, it can be said that each latent variable meets good discriminant validity. Seen from the Cronbach's Alpha value shows results > 0.7 , and so on the Composite Reliability value. So it can be said in this study, all constructs met the reliability requirements.

The high and low level of community participation of local brand consumers which is influenced by factors, including the quality factor of information, electronic word of mouth through the level of public trust, the large number of public participation using digital as a transaction medium can help consumers in making purchasing decisions for local brands. Each of these factors cannot be measured directly to the respondent but is measured by instruments. Based on the research that has been done, each instrument in the questionnaire is valid to measure the factors that influence the level of participation of the Indonesian people to raise local brands to become superior brands.

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