ABSTRACT

Word of mouth (WOM) and observational learning (OL), as two types of social interaction, have been generally discussed by researchers. And both have a significant impact on consumer purchasing decisions. Online shopping has become popular in Indonesia, but consumers are not accustomed to shopping online often. During the 19th Pandemic many consumers did online shopping from various online websites. This study aims to examine the effect of Online Social Interaction: Observational Learning and Word of Mouth Against Consumer Online Purchase Decision during the pandemic covid 19. Researcher as many as 250 respondents using online samples, using the convenience method. The results are expected to be able to test the proposed hypothesis about the interrelationships between variables. The results of testing using e views found that word of mouth has a significant effect on online purchase decisions, observational learning has a significant effect on online purchase decisions, there is an influence of word of mouth and observational learning on online purchase decisions simultaneously. The word of mouth is a factor that influences online purchase decisions with positive word of mouth, which will increase consumer online purchase decisions. Observational learning is a factor in making a purchase decision.

INTRODUCTION

The World Wide Web has driven not a few changes in the attitudes and behavior of people around the World. World. World. Thanks to this blessing, the life of ordinary people has been changed by online shopping. Online shopping in Indonesia has started too, but customers just don’t get used to online shopping. Many customers shop online from different websites during the covid 19. This study explores the possibilities of online research for evaluating the actions of consumer since the Web can help behavioural analysis and advertisers analyse different potential behaviours that are more relevant than conventional offline settings, and more easily and probably in depth. Larsen, N. M; Ménon (2015). Sigurdsson, V. The world of e-tailing has taken on social commerce. Business-to - customer sites and, more significantly, shopping intermediaries continue to provide increasingly creative technologies to encourage social networking among community members or similar friends with shopping interests. These technologies provide feedback, ratings and suggestions, which have become one of the most common social shopping channels due to their ease of operation and simplicity in sharing overall acquisition and evaluation experiences. Due to the increasing popularity of the social media , online business models have changed from traditional e-commerce based on one-stop shopping and browsing to social trading which enables consumers to digitise the way shopping decisions through two-stop communication and sound partnerships with other mouth-to-mouth consumers. With the growth of the internet, the possible influence of views of other people has increased dramatically. Very little is however known on what makes certain opinions more popular than other opinions (Sicily, Manuela, 2014). Word of mouth indicates positive or negative product reviews from consumers, colleagues, trustworthy tools or aliens. Observation learning is another phenomenon which affects the buying behaviour of a consumer and which is linked to the monitoring of others using products or services. Organizational learning operates on individuals, as individuals are a herding species that prefer to mimic other species (Gossieaux, 2011) Online client reviews aid customer decision-making, such as buying items, watching movies or joining a sports club. Online reviews have now become a major driver in marketing and are popular feature in many websites (Cui, G. Lui, H.K. and Guo 2012) and. Information from other customers , for example online analysis, is thought to be more convincing, considering the supposedly more credibility and trustworthiness of other customers rather than brand (Willemsen, L.M., Neijens, P.C & Bronner, 2012)

1. Electronic commerce is now a trend in the thousands century. E-commerce includes dissemination and sales of goods and services, including electronic funds, electronic data exchanges, automated inventories and data collection systems, via electronic systems, e-commerce. E-commerce makes the business processes of the organisation more simple, as the way businesses sell, purchase and communicate with customers and partners will easily shift as an opportunity to conduct economic activities with a very wide range of applications through an Internet infrastructure.

2. In e-commerce, all transactions that include database or database technology, e-mail, and other types of non-computer technology such as goods delivery systems and payment instruments in this e-commerce sector are carried out electronically.
Lazada is, for example, a highly popular marketplace business, which is one of the eCommerce companies that sell, purchase, pay and can also create ongoing relationships with customers through the internet by using mobile applications as ordering. It didn’t take a lot of the money. We can only open a business on Lazada with a mobile connexion and internet.

3. Lazada authorisations system automatically synchronises it directly with the IT department when the seller receives an order in order for the nominal transaction to be completed by the seller. In the middle of the Covid-19, e-commerce firms have reported a rise in sales volumes with growing numbers of people using physical distance. Allness. The government also started to view the e-commerce sector as a solution for overcoming the fiscal deficit as a result of the economic downturn. Indeed, e-commerce in Indonesia attracted a significant number of customers even before the Covid-19 outbreak. Electronic commerce is also a pioneer in making Indonesia the nation that crosses $40 billion in 2019 and forecasts the highest digital economy value in Southeast Asia in 2025 to hit $130 billion. (Denisari, 2020) The problem with online consumer buying decisions, according to President Post Indonesia, is lack of knowledge. The seller and consumer do not meet directly at the time of transactions of sales and purchases information becomes relevant in the trade system through this online shop. Many sellers do not not provide addresses which raise suspicion of possible purchasers. Not to mention the issue of many online frauds that have reduced the interest in determining online customer transactions. Many observational studies have concluded the transmission of behaviour, rather than direct evidence, from the associations between the individual behaviour, and the behaviour of others. Relation with social contact has been expanding, communication with the Word of Mouth, and observational learning. The way Knowledge-Social interactions and News Media is transferred. Consumer purchasing decisions may be affected by the views of others, or Word of Mouth, or by the behaviour of others, or by observational learning. (Khim Yong, Goh And Kai Lung, Hui and I.P.L., 2019). While IT provides more opportunity for businesses to promote and handle these two forms of social interaction. Researchers are currently facing difficulties in parsing the competitive impact of both and have minimal insights into how these two social forces will vary and communicate with each other. (Yubo Chen, 2011) Advent of Social Exchange Big on Business & Consumers Has Brought About Changes. According to earlier studies (Kristopher Floyd, Ryan Freling, Saad Alhoqail, Hyun Young Cho, 2014) Market competency awareness in the form of social exchange has become important for companies seeking to control customers better, using the power of social bunds (Z.K.Zhang, 2016). This research offers real feedback or recommendations to enhance the efficiency of sites that draw future prospective clients to use Lazada resources for Lazada. The research offers clues on topics that raise online sales for advertisers on Lazada. Whether online consumer learning decisions on Lazada have an impact, whether online consumer buying decisions are influenced, or whether online consumer buying decisions are influenced, whether Word of mouth is influenced, whether there is an impact of Word of mouth and observational learning on consumer buying decisions simultaneously on the Internet. Testing whether online consumer purchasing decisions in Lazada have been affected, examining whether online consumer decision purchase decisions in the Lazada area are affected by observational learning, and examining whether there is an effect on the purchases online on consumer decisions on Lazada and whether there is an impact on the purchases on Lazada.

LITERATURE REVIEW

According to (Robert E. Kraut, 2015) online social interaction is people who are gathered to discuss, exchange information or other sources, learn, play, or just to be together with others. The interaction is carried out in an online community, which is a virtual place where people can interact with each other which reduces time and location barriers which often limits offline transactions. From the boundaries of small groups that are connected to the site with millions of participants. Online social interaction is supported by a variety of technology and extensive, such as email lists, forums, blogs, and social networking sites. It provides an opportunity for online members to share information, learn, make friends, social support, and entertain. In the case of buying and selling products, online social interaction produces many benefits, such as product reviews, suggestions for product development and new product designs that benefit the company concerned. The internet carries out several types of word of mouth marketing activities. Includes: (1) Viral Marketing: creating messages that are designed to be informative and entertaining which will be conveyed by each recipient of the message often on a regular basis electronic or email, (2) Referral Programs: creating tools that enable satisfied consumers to recommend their friends, (3) Community Marketing: forming or supporting niche communities that tend to share interests about brands (such as user groups, fan clubs, and discussion forums) and provide tools, information and content to support the community. The word of mouth strategy is popular because it combines the promise of overcoming consumer resistance with significant lower costs and fast delivery, especially through technology such as the internet. Word of mouth has a greater impact in acquiring new consumers than traditional forms of marketing (Sernovitz, 2012) of mouth has become the focus of growing interest among marketing practitioners and consumers. (Allan J. Rimmel, 2014) According to (Cheng Hao Chen, Bang Nguyen, 2015) the process of consumer decision making - information seeking, evaluating, and purchasing this study develops a conceptual framework with three dimensions of eWOM: (1) motivation, (2) sources, and (3) content. According to (Hoffman, 2014) Word-of-mouth is widely regarded as one of the most influential factors that influence consumer behavior, but the traditional model is built not aware of the electronic potential of word of mouth and social media. Word-of-mouth is an important consideration for influencing customer behaviour. However, it remains a
significant but largely overlooked problem that encourages consumers to post good and bad buying experiments in the Online world. This research is based on expected conduct philosophy, philosophy of justice and literature on social psychology. It aims to explore the context to the intention of consumers to participate in eWOM communication. eBOM communication. (Jen-Ruei Fu, 2015) Studies in (Bin Gu, Jaehong Park, 2012) The key information sources in the buying process are online word-of-mouth (WOM) such as customer opinions, user interface and product reviews. However, some studies suggest that customers also make pre-purchasing searches for highly interactive items (e.g. digital cameras). The authors examined the relative effect of external as well as internal WOM on retail sales of high-implication goods using sales panels and WOM data for 148 Amazon.com Digital cameras and three external 4-month WOM websites. The findings show that the internal WOMs of the retailer have little repercussion on sales of highly engaged goods, while the external WOMs have a major effect on dealer sales. Studies (Junyong Kim, 2012) show that negative expressions in a negative review appear to lower the insightful value of reviews and less negative assessments of consumer goods as consumers equate negative emotions with unreasonable disposition of reviewers. In a single positive review, however, the positive emotional expression does not have a major effect on the consumer product assessment even though the consumer has a positive emotion. In addition, in some users’ reviews, both positive and negatives increase the insightful value of reviews and polarise consumer product evaluations in either direction when several converging pathology expressions are present. Whenever possible, Observational Learning is a different signal that is expressed by the actions of other consumers but not from the reasons behind their actions. Observational learning differs from word of mouth in two important aspects: the amount and credibility of information. Compared with word of mouth, observational learning contains less information. Unlike word of mouth information, which often includes both opinions and recommendations of other consumers and their reasons, observational learning information only reveals the actions of other consumers but not the reasons behind their actions. However, because the act of speaking outweighs words, actions based on observational learning are perceived to be more credible than word of mouth (Bikhchandani, Hirshleifer and Welch, 1998). However, given the price level, the product will reach a high market share only if the product has high quality and matches the preferences of most consumers. Therefore, a product with positive observational learning information is usually considered to be beneficial because consumers are more confident about the quality of the product and the general state of the product matches most of the tastes of. Therefore, a positive observational learning signal is more diagnostic for consumers than a negative observational learning signal because it makes it easier for consumers to determine whether the principal product is desired or undesirable. Thus, based on the accessibility diagnostic model, lower negative observational learning diagnostics can reduce their use in making consumer purchasing decisions. Furthermore, although the position of both positive and negative observational learning information is generally perceived as a credible signal, high credibility tends to amplify the impact of positive observational learning but offers little help for negative observational learning because of its low diagnostics (Stephen J. Hoch, 1989) The authors conclude that Observational learning is information about consumer actions, does not include opinions and recommendations as covered in word of mouth, but does not explain the reasons behind consumer buying actions, as well as influencing consumer purchasing decisions, especially observational learning positively. Purchasing decisions according to (Schiffman and Kanuk, 2015) are the selection of two or more alternative purchasing decision choices, meaning that someone can make a decision, there must be several alternative choices. According to (Tjiptono, 2015) suggested that purchasing decisions are based on information about the advantages of a product that is arranged in such a way as to cause a pleasant feeling that will change someone to make a purchase decision. If consumers are satisfied with a product, then they will make a repeat purchase by using the product repeatedly, even further, they will do word of mouth promotions to others. Research according to (Alina and Triwardhani, 2018) by using technology, consumers can find out information and make judgments about the desired product through product reviews, product ratings, and product recommendations called electronic word of mouth. The purpose of this study was to determine whether there is a relationship between electronic word of mouth in Lazada e-commerce and purchasing decisions. Relationship of electronic word of mouth Lazada has a significant relationship with purchasing decisions, it can be seen from the many reviews of other consumer products, product ratings, positive product reviews and information about product details can lead to respondents’ buying decisions. Research according to (Fihartini, 2015) that promotion and electronic word of mouth have a positive and significant effect on consumer purchasing decisions in Bandar Lampung is not fully supported by this research, where only electronic word of mouth is proven to have a positive and significant effect. While promotion is not proven influence consumer purchasing decisions. Based on research (Chen, Christy M, K Xiao, Bo, 2010) word of mouth has a strong influence on consumer buying behavior. Recommendations, references, and information about the benefits of a product are discussed in an online forum where surely everyone can read the forum, people who read the forum will act as successors to the product (information) of the product, so that it reaches the ears of potential online consumers. This encourages more and more consumers to make purchasing decisions for the product. However, on the contrary if the word of mouth is negative word of mouth, prospective consumers hesitate to buy the product and instead switch to other substitute products. This provides strong evidence that consumer purchasing decisions are influenced by their online social interactions with others. According to (Kenneth Hendricks Tom Wiseman, 2011) other consumer decisions affect consumer confidence in products. Research suggests that consumers tend to find out what other products people buy or what products are superior at the moment. Consumers do not want to waste a lot of energy for their own observation so that customers see what products are becoming popular because many people buy it, then decide to buy the product because they believe that the product was bought a lot because it is superior. Conversely, negative observational learning will reduce online consumer purchasing decisions.
Products with little purchase records, even though quality is actually going to be lost from consideration by potential customers, in contrast to products with high purchase records will be considered by potential customers to be purchased. Therefore, observational learning influences consumer purchasing decisions online. Similar research conducted by (Davidow, 2003) The hypothesis related to the research being made is electronic word of mouth has a positive impact on consumer buying behavior, observational learning has a positive impact on consumer buying behavior, observational learning has a greater positive effect on consumer buying behavior than electronic word of mouth. The study according to (Mira Lee & Seounmi Youn, 2015) research shows that, other things being equal, participants who are exposed to reviews posted on personal blogs are more likely to associate reviews with circumstances and are less likely to recommend products to friends than consumers who are exposed to good reviews on independent review websites or sites web brand. The effect of the eWOM platform on consumers' willingness to recommend products to friends is only found when the reviews are positive. In negative evaluations, however, the readiness of customers to suggest goods to friends irrespective of the eWOM platform has adverse consequences. According to (Truong, 2018), structural equation modelling findings show that the intermediate variables hallyu 4.0, social media and customer ethnocentrism were influenced by: the topic norms, belief, attitude and conduct and influenced buying decisions. They influence buying decisions by means of mediating variables like faith, subjective standards, attitudes and actions. Social networking not only affects trust but also subjective expectations. On purchasing decision, subjective expectations impact. This research also reveals a fascinating finding that the variables of confidence and attitude have an effect on the intent and decision to make a purchase. The findings of the study (Ngoet al. 2019) show that the dairy brand and pupil decision was affected by five main factors, including: (1) the quality of products; (2) the fair price of products; (3) the marketing and customer service; (4) the comfort of products; and (5) the brand role of the community of reference. Furthermore, the product label has a clear and beneficial influence on the decision taken by the student. The findings show (Le, Nguyen and Pham 2019) that the decision to buy goods directly from mobile World storage companies in Ho Chi Minh City has been influenced by service quality factors like efficiency, reliability. Empathy, empathy, tangibility and emotions.

Based on the description above, the writer draws the following hypothesis:
H1: There is a significant effect of word of mouth on online consumer purchase decisions
H2: There is a significant effect of observational learning on online consumer purchase decisions
H3: There is a significant effect of word of mouth and observational learning on online consumer purchase decisions simultaneously

RESEARCH METHODS BAND MATERIALS
There are two kinds of sample designs, namely probability samples and non-probability sample designs, (Sekaran and Bougie, 2016). The method of convenience sampling is the form of not probable sample. The calculated variable is converted into the predictor variable on a Likert scale. The indicator then serves as a basis for collecting instruments that can be statements or queries. The responses of each Likert instrument item have a gradient of very positive to negative. (Bougie Sekaran, 2016). A Likert scale of 7 levels with a total of 250 respondents tests the above variables. Several steps of data analysis were carried out including classic hypotheses tests and linear regression tests. The parameter calculation is usually performed by the least square calculation approach in regression analyses with cross-sectional data or as an ordinary least square (OLS). Descriptive statistics is part of statistics used to explain data sets or findings through studies instruments, techniques or procedures. The collected data must be interpreted to make it easy for other parties to understand, interest, interact and inform. Datapresentation types are typically divided into two aspects: (1 ) data preparation that involves editing ,
coding and entering data process and (2) preliminary data collection analysis, evaluation and data compilation in an attempt to achieve a summary, trends and substantive linkage (Walpole, 2012). The jarque-bera process is one way of seeing rest of normality. The data is normally distributed if the jarque-bera values are less than 2 or if the likelihood is more than 5 percent then the data is normally distributed. In this case, by looking at the diagram, to figure out if there is heterocedasticity. If the chart shows that some patterns are present (wavy, widespread, then restricted) as are those in a normal pattern, it suggests a heterocedasticity. If the trend is ambiguous, and points above and below number 0 for y growth do not appear heterocedastic (Ghozali and Raimoro, 2017).

RESULTS AND DISCUSSION

Based on testing using eviews found that Word of mouth has a significant effect on online purchase decisions, observational learning has a significant effect on online purchase decisions. The results obtained by R-Squared ($R^2$) amounted to 0.730585. R-Squared ($R^2$) with a value of 73% indicates that the effect of observational learning and word of mouth on online purchase decisions is 73%, the remaining 27% is explained by other variables. The results obtained adjusted R-squared ($R^2$) of 0.633060 adjusted R-Squared ($R^2$) with a value of 63.3% indicates the effect of observational learning and word of mouth on online purchase decisions of 63.3%, the remaining 36.7% is explained by other variables. Prob (F-statistic) has a value of 0.000000 which indicates that there is an influence of observational learning and word of mouth on online purchase decisions simultaneously.

### Table 1: Linearity Test

<table>
<thead>
<tr>
<th>Ramsey RESET Test</th>
<th>Equation: UNTITLED</th>
</tr>
</thead>
<tbody>
<tr>
<td>Specification: OPD WOM OBL C</td>
<td>Omitted Variables: Squares of fitted values</td>
</tr>
<tr>
<td>Variables</td>
<td>Value</td>
</tr>
<tr>
<td>----------</td>
<td>-------</td>
</tr>
<tr>
<td>t-statistic</td>
<td>0.924986</td>
</tr>
<tr>
<td>F-statistic</td>
<td>0.855600</td>
</tr>
<tr>
<td>Likelihood ratio</td>
<td>0.868003</td>
</tr>
</tbody>
</table>

Source: processed data eviews (2020)

Linearity Test with Eviews above is using the Ramsey Reset Test, where the results are at the p value indicated in the probability column of the F-statistics row. The result is p-value F-statistic 0.855600 (1,246) of 0.3559> 0.05 so that it can be concluded that the independent variable is linear with the dependent variable. (observational learning variables and word of mouth linear with online purchase decision variables)

Residual normality test results above are: jarque-bera value of 1.988698 with p value of 0.369964 where> 0.05, so accept H0 or which means normal distribution of residuals

### Table 2: Multicollinearity Test

<table>
<thead>
<tr>
<th>Variance Inflation Factors</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sample: 1 250</td>
</tr>
<tr>
<td>Included observations: 250</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Variable</th>
<th>Coefficient Variance</th>
<th>Uncentered VIF</th>
<th>Centered VIF</th>
</tr>
</thead>
<tbody>
<tr>
<td>WOM</td>
<td>0.005978</td>
<td>67.43651</td>
<td>1.301270</td>
</tr>
<tr>
<td>OBL</td>
<td>0.005146</td>
<td>99.79392</td>
<td>1.000270</td>
</tr>
<tr>
<td>C</td>
<td>0.266579</td>
<td>178.8919</td>
<td>NA</td>
</tr>
</tbody>
</table>

Source: processed data eviews (2020)

Centered VIF Observational Learning (X1) value of 1.000270, Word of Mouth (X2) of 1.381270 where the value is less than 10, it can be stated that there is no multicollinearity problem in the prediction model
Observational Learning and Word of Mouth Against Consumer Online Purchase Decision during the Pandemic COVID-19

<table>
<thead>
<tr>
<th>Table 3: Heteroscedasticity Test</th>
</tr>
</thead>
<tbody>
<tr>
<td>Heteroscedasticity Test: Breusch-Pagan-Godfrey</td>
</tr>
<tr>
<td>F-statistic</td>
</tr>
<tr>
<td>Obs*R-squared</td>
</tr>
<tr>
<td>Scaled explained SS</td>
</tr>
</tbody>
</table>

Source: processed data eviews (2020)

The p value is indicated by the value Prob. chi square (2) on Obs * R-Squared with a value of 0.483395 and p value 0.7853> 0.05 then accept H0 or that means the regression model is homoskedasticity or in other words there is no problem of assumptions of non-heteroskedasticity

<table>
<thead>
<tr>
<th>Table 4: Serial Autocorrelation Test</th>
</tr>
</thead>
<tbody>
<tr>
<td>Breusch-Godfrey Serial Correlation LM Test:</td>
</tr>
<tr>
<td>F-statistic</td>
</tr>
<tr>
<td>Obs*R-squared</td>
</tr>
</tbody>
</table>

Source: processed data eviews (2020)

Prob Chi Square (2) which is the p value of the Breusch-Godfrey Serial Correlation LM Test, which is 0.5548 where> 0.05, so accept H0 or, which means there is no serial autocorrelation problem

Based on the above test using eviews, it is found that Word of mouth has a significant effect on online purchase decisions, observational learning has a significant effect on online purchase decisions, there is an influence of word of mouth and observational learning on online purchase decisions simultaneously in line with research (Davdidow, 2003). Buying and selling or marketing of products or services can be done online. Usually done through an online buying and selling site where sellers and buyers interact with each other, both discussing, opinionating, sharing reviews, and others through the internet. Lazada is one of the leading online buying and selling sites in Indonesia where buying and selling transactions can be done by the seller and buyer without having to face to face and not limited to location. In buying and selling online, there are certainly online social interactions. In this study, online social interactions that will be investigated are word of mouth and observational learning conducted by Lazada consumers. To find and measure WOM in Lazada, it can be seen from the features or facilities of Review, Rating, and Talk About It that discuss the weaknesses or strengths of the product, product information, perceived level of satisfaction, product perception, and so forth. Whereas observational learning can be seen from the number of successful transactions, the number of products sold, and stores that are featured because they reflect the purchase of the product concretely. Word of mouth and observational learning can provide input, information, and advice to prospective buyers who can change and stabilize consumer perceptions, find out the level of conformity of products to consumer preferences and influence consumer purchasing decisions on a product. Word of mouth and observational learning positively cause consumers to desire or influence consumers to buy the product, while word of mouth and observational learning negatively reduce the desire of consumers to buy the product. Thus, word of mouth and observational learning affect the purchase decision.

CONCLUSION

Based on the above test using eviews, it is found that Word of mouth has a significant effect on online purchase decisions, observational learning has a significant effect on online purchase decisions, there is an influence of word of mouth and observational learning on online purchase decisions simultaneously. The implications for this research, word of mouth is a factor that influences online purchase decisions with positive word of mouth, which will increase consumer online purchase decisions. Observational learning is an important factor in making a purchase decision with good observational learning that will increase consumer online purchase decisions. Recommendations for future researchers by adding other variables that affect online purchase decisions. This study has limitations in the sampling technique using only convenience sampling techniques

REFERENCES


