

THE EFFECT OF ELECTRONIC WORD-OF-MOUTH, PRODUCT FEATURES, AND LIFESTYLE ON BRAND-SWITCHING AMONG MILLENNIAL CONSUMERS IN E-COMMERCE INDUSTRY

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Abstract: The E-commerce industry was challenged with intense competition. Customers are easy to choose or switching any e-commerce websites for their reasons. This study aims to determine the effect of electronics word-of-mouth, product features, and lifestyle on brand-switching among millennial consumers in the e-commerce industry. It is explanatory research that was carried out at the millennial student of Universitas Brawijaya (University of Brawijaya), Indonesia. The data was collected using three methods: interview, questionnaire, and observation at the University of Brawijaya's students. The object of this study was millennials customers, the user of e-commerce websites, especially college students. The sample was taken using non-probability sampling with a purposive sampling technique. Based on the results of the analysis and discussion, it can be concluded that electronic word-of-mouth, product features, and lifestyle influence consumers to switch from one e-commerce website to another.

Keywords: Brand-switching, Lifestyle, electronic Word-of-Mouth, Product Features

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In facing the free market and the new industrial era, companies should know what kind of strategies they should implement to deal with today's consumers. Companies are demanded to keep being innovative in creating and developing a product. By offering innovative products, they can attract consumers to share their experiences with others.

Word-of-mouth occurs when consumers share infor-

mation on a product with other consumers spontaneously and on a non-commercial basis. Word-of-mouth is a communication process in the form of providing recommendations, both individually and in groups, for a product or service; it aims to share information about a product based on one's own experience (Kotler and Keller, 2012). Word-of-mouth is a powerful medium in communicating products or services; consumers decide valuable and important things about a particular product and service they want to share with others. A company has to strive for developing its products so that all types of consumers are interested in discussing the products further. There are many ways of word-of-mouth, and one of which is by using electronic

media (social media) as a means of sharing information with other consumers.

The use of social media (online) as a means of word-of-mouth can be categorized as electronic word of mouth (e-WOM). In this era of globalization, e-WOM will have a huge and fast impact on companies, especially for online-based companies. Today's consumers from all over the world can leave any information about products and services through many easy-to-reach online platforms. Aside from the positive impact, the development of e-WOM also puts a burden on companies in facing competition. E-WOM can be a variable that cannot be controlled by a company, however, companies should keep taking advantage of the opportunities in the word of mouth or e-WOM in improving and adjusting their products or services to meet consumer demand. Adjustments also include features which are available in a company's product or service. With online-based products such as shopping sites, the adjustment also includes ease of use, appearance, options offered, and others that lead to effectiveness and efficiency of use according to consumers. Providing good features will add value to the product, which in turn will give a good impact on the company. The form of product and service development is a product attribute in involving the benefits that will be offered from these products and services. If the features offered are good, consumers can be more loyal to the company's products or services and vice versa; when competitors have more attractive features, consumers switch to another product and service in the future.

In addition to e-WOM and product features, the lifestyle of potential customers will also influence purchasing decisions. Lifestyle is a way of life, especially how people spend their time and what they think about themselves and the world around them. Consumers have different interests, perspectives (opinions), and behavior; therefore, they have different ways and considerations in choosing and buying certain products or brands. The lifestyle of consumers can be influenced by education, income, point of view, occupation, status, and so on.

The purpose of this study is to determine the effect of electronic word-of-mouth, product feature,

and lifestyle on brand-switching, especially in deciding to switch to another e-commerce website. Three hypotheses are tested in this study, which states that e-WOM has a significant effect on the brand-switching of an e-commerce website; product features have a significant effect on the brand-switching of an e-commerce website, and lifestyle has a significant effect on the brand-switching of an e-commerce website. This research is expected to increase knowledge about marketing, especially the concept of electronic word-of-mouth, product features, and lifestyle in influencing brand-switching among millennial consumers.

METHOD

This is explanatory research in the field of consumer behavior and using a quantitative approach. Data collection was carried out by interview, questionnaire, and observation on students of Universitas Brawijaya (University of Brawijaya). The population in this study were students of the University of Brawijaya who had changed their use of e-commerce website for online shopping. The total population of the University of Brawijaya students who do brand switching cannot be known with certainty or infinite. so, the sample was taken using non-probability sampling with a purposive sampling technique. The criteria for respondents in this study are: 1.) Respondents are students of the University of Brawijaya who are still active 2.) Respondents taken are students of the University of Brawijaya who have used an e-commerce website for online shopping and then made brand switching from one e-commerce website to another. Brand switching is measured in three indicators, regarding stop using the current website, change to another website, and to remove the current e-commerce website. All variables measured using a Likert scale questionnaire one to five, ranging from strongly disagree, disagree, neutral, agree, strongly agree.

RESULTS

A total of 120 respondents answered the questionnaire thus provide data for this research. 53 respondents are male, while the rest, as much as 67

Table 1 Hypothesis Testing of Regression Coefficient of all Independent Variables

		Coefficients ^a						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
		B	Std. Error	Beta			Tolerance	VIF
1	(Constant)	.432	.360		1.200	.232		
	X1TOTAL	.236	.042	.257	5.560	.000	.367	2.727
	X2TOTAL	.225	.046	.243	4.881	.000	.316	3.160
	X3TOTAL	.558	.062	.523	9.055	.000	.236	4.238

a. Dependent Variable: YTOTAL

b. Source: Data processed (2019)

respondents are female students. All the sample's ages are ranging from 18 to 22 years old.

By using the SPSS program, the results show that all statistical value of the t-test is greater than the t-table (1.976) and the significance is smaller than $\alpha = 0.05$. This test shows that H_0 is rejected,

so it can be concluded that all independent variables (X1, X2, X3), namely Electronic word of mouth, product features, and lifestyle have a significant effect on variable Y, namely brand switching of an e-commerce website.

Table 2 Summary of Regression Coefficient Value

Variable	Standardized Coefficient β	Effect
Electronic word-of-mouth (X_1)	0.257	Significant
Product Feature (X_2)	0.243	Significant
Lifestyle (X_3)	0.523	Significant

Source: Processed Primary Data (2019)

From the standardized coefficients beta, it is salient that lifestyle has the largest standardized coefficient value, thus it can be seen that lifestyle has a dominant effect on the brand switching behavior.

DISCUSSION

Multiple Linear Regression Analysis

The results of this research prove that electronic word-of-mouth, product features, and lifestyle have a positive and significant effect on the brand-switching of e-commerce websites among millennial consumers. The results of this study also prove that all the hypotheses, which states that electronic word-of-mouth, product features, and lifestyle have a sig-

nificant effect on the brand-switching of e-commerce websites among students of the University of Brawijaya, is accepted. Of all the variables examined in this study, lifestyle has a dominant effect on the brand-switching of e-commerce websites among millennial consumers.

The results of the analysis conducted to prove that there is a positive and significant influence between the variables Electronic word of mouth on the shift in the use of e-commerce websites among millennial consumers. This supports previous research conducted by Khairani and Soesanto (2011), who concluded that the variable Electronics Electronic word of mouth has a positive effect on brand

switching decisions. It means, the more negative comment, more negative viral news, and more negative rating, will increase the decision to switch the e-commerce website.

The next results of the analysis conducted to prove that there is a positive and significant influence between product features variable on the shift in the use of e-commerce websites among millennial consumers. This supports previous research conducted by Sari et al. (2013) and Al-Kwafi and McNaughton (2013) who concluded that product feature variables have a positive effect on brand switching decisions. It means when the old site is more perceived as fewer features, less compact or less easy, and less complete, then more increase the switching decision.

The last results of the analysis conducted to prove that there is a positive and significant influence between lifestyle variables on the shift in the use of online shopping sites among millennial consumers. This supports previous research conducted by Sari et al. (2013) and Jih and Lee (2016) which concluded that lifestyle variables have a positive effect on brand switching decisions. This means, when respondents are more keep up with the new trend, stay updated with the newest technology news, and more intense in using the internet, then they more tend to show switching behavior.

Managerial Implication

The results obtained can be used as the basis for further studies on the relevant topic. Just as other studies, this research surely has limitations, for example regarding the scope of the study and the number of respondents involved. Therefore, further research can use a wider scope, other research places as well as a larger number of respondents, so that it can be seen whether the results obtained are still consistent or not. After obtaining the results of the discussion, the following are the managerial implications that the company can do.

Electronic Word-of-mouth

According to Keller (2007), electronic word-of-mouth is a way of communication in which the speaker recommends a product or service to oth-

ers, both individually and in groups; they want to share information about the product or service personally and based on their own experience. Electronic word-of-mouth has a role in providing information about a product. Electronic word-of-mouth has 2 characteristics, positive and negative. The focus of this study is negative electronic word-of-mouth. Negative electronic word-of-mouth can affect consumers in making purchase decisions. It refers to the finding which indicates that electronic word-of-mouth has a significant effect on brand-switching, which means that consumers consider electronic word-of-mouth as deciding to switch to another e-commerce website. The finding shows that the higher the electronic word-of-mouth, the higher the brand-switching, because the coefficient of electronic word-of-mouth on the coefficient table has a positive beta.

Electronic word of mouth in the wider community will certainly affect consumer behavior towards a product, especially if the electronic word-of-mouth is negative, of course, they will reconsider, whether they will buy the product or not. To overcome this problem, the producers should give concrete evidence, in this case, is an e-commerce website that can be published. To get positive electronic word-of-mouth, a company can implement a buzz marketing strategy, namely how the products created by the company can become a topic of conversation in wider community interactions. Everyone will spread information about the product to the people around them, and if they are satisfied with the products, they may share their experience with others and exaggerate the value they perceive. The other way is by providing discussion forums through social media so that companies can control the condition of their products in the market. In this era of the globalization era, it is very easy for us to interact, so companies will also find it easier to create broad discussion forums.

Product Features

Product features may include all the details of the product's components such as features, design, and quality. Consumers certainly have a standard of product features to meet their needs. A finding

of this study shows that product feature has a significant effect on brand-switching; this proves that in brand-switching, consumers consider another factor, namely product feature. If product features of e-commerce websites are not up-to-date and do not meet the needs of consumers, it will be abandoned, sooner or later. E-commerce sites should consider this as a reference to continue providing the features needed by consumers. Therefore, the e-commerce website has to meet consumer expectations, which need features that suit their needs. A product feature is one of the factors that can influence consumer attitudes, which can lead them to do brand-switching. Thus, a company should have a strategy regarding product features that keeps abreast of technological developments so that consumers are satisfied with the product, and eventually, the company can survive in a tight competition.

Lifestyle

Lifestyle is reflected in one's activities, interests, and opinions (Kotler, 2009). Based on this definition, it can be confirmed that lifestyle affects brand-switching decisions because it involves interests. This statement is supported by the research finding, which shows that lifestyle has a significant effect on brand-switching.

Thus, e-commerce companies should consider lifestyle in developing products. They should make it easy for consumers to get and access applications related to their lifestyle. Lifestyle is one of the factors that can influence consumer attitudes towards the brand-switching decisions. Due to the importance of lifestyle for consumers, companies should have a strategy related to the lifestyle needs of consumers, so that they are satisfied and will not switch to another brand, and eventually, the company can survive in tight market competition. The good news of the lifestyle effect is that the more dynamics people, they tend to switch, it means that in the modern era, customers are so dynamics, so it is not a big problem for the company, just make sure they maximize their marketing mix, the customers that once leave, they can move back. The company also must keep up-to-date with the current trend in its millennials consumers.

CONCLUSIONS AND RECOMMENDATIONS

Conclusions

Electronic word-of-mouth, product features, and lifestyle have a simultaneous effect on the brand-switching of e-commerce websites among students of the University of Brawijaya. Electronic word-of-mouth, product features, and lifestyle also have a partial effect on the brand-switching of e-commerce websites among students of the University of Brawijaya. Lifestyle has a dominant effect on the brand-switching of e-commerce websites among students of the University of Brawijaya than electronic word-of-mouth and product features.

Recommendations

From the conclusions that have been written previously, there is a partial influence between the variables of Electronics Electronic word of mouth, product features, and lifestyle on the decision to move the use of online shopping sites among millennial consumers at the University of Brawijaya students. Companies must be able to meet consumer needs in meeting their needs. Thus the company must be able to meet lifestyle needs, for example by always updating the models, quality, the technology used. Online shopping sites must always provide technology that is continuously updated so that they are not inferior to competitors. For further research to be able to examine whether it is true that the variables electronic word of mouth, product features, and lifestyle (especially lifestyle) have a partial influence on the decision to move the use of online shopping sites that can be done in several other populations so that the results may be obtained.

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