"Word Of Mouth Communication" as Online Business Promotion

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Abstract. Word of mouth communication can be used to promote products or services. This article is the result of research on "word of mouth" conducted by the Online Business School (SBO) to promote online business. The purpose of this study is to analyze the types and elements of word of mouth communication. This research uses case studies method. Data collection techniques are conducted in the form of observation, interviews, and literature. The research results find the organic and amplified word of mouth used by SBO. Alumni introduced SBO workshops to various parties and SBO actively uploads workshop information in online digital media. Elements of word of the mouth include talkers, selected alumni who have successfully run an online business. Topics include content in online digital media regarding material, learning systems, and mentoring, while tools are media used to promote workshop material on the website, Facebook, and Instagram. Instagram is the main media used because it is suitable for housewife.

Keywords: word of mouth, promotion, online business

Introduction

Digital business in Indonesia, which began in 2008, has grown significantly. Currently, there are 123 million internet users in Indonesia (Yusuf, 2014). The data shows that the business potential in the field is very large.

Entrepreneurs realize that to build a business in the digital era requires a number of aspects that need to be prepared, such as capital, networks, relations, human resource capabilities regarding facilities on the internet, integrated digital marketing, and other aspects.

One of the businesswomen who actively runs a digital business is Muri Handayani as the owner of the Online Business School (SBO). The target of SBO is housewives to be empowered, economically independent, but still consider their household. SBO offers online workshops with easy learning methods and affordable prices. In addition, alumni are accommodated in forums or Whatsapp groups for various aspects related to online business (interview with Muri Handayani, July 8, 2018).

SBO communicates with the target market using the concept of Integrated Marketing Communication, where SBO promotes the workshop material both online and offline.

Workshop participants received information about SBO from the recommendations of friends, relatives, family, and other parties. According to Muri Handayani, many participants knew about the SBO from people who had attended previous courses (Interview with Muri Handayani, July 8, 2018).

In the course of Integrated Marketing Communication concept, participants who knew about the workshop from the previous participants were referred to as word of mouth communication. Word of mouth communication is the act of giving consumers information to other consumers, from someone to someone else about a brand, product, or service (Szabo in Hasan, 2010).

Workshop participants discuss SBO offline and online. Offline activity is face-to-face communication, while online activities
include discussion of photos, captions, and status uploaded by the SBO on the website, Facebook and Instagram. Based on information from other workshop participants, Dewi knows about SBO from friends, relatives, and digital media (interview with Dewi, July 9, 2018).

Workshop participants who exchanged information and commented on each other were mostly caused by word of mouth communication. This happens because information obtained from family, friends, and relatives is more reliable than from other sources. In addition, information obtained from people who are trusted will reduce the purchase risk because consumers have testimony from their closest person who has tried the product or service purchased or used and proved satisfying. (Sutisna, 2002; Shimp, 2014).

Research on the effect of word of mouth on buying interest and its impact on purchasing decisions found that word of mouth variables had a significant effect on buying interest variables; word of mouth variable had a significant effect on purchasing decision variables; and buying interest variables had a significant effect on purchasing decision variables (Mahendrayasa, 2014).

Research on the role of brand equity in mediating the effect of word of mouth on purchase intention is done by Aditya and Wardhana (2017), which concluded that brand equity plays a role in bridging the influence that occurs from the word of mouth variable on purchase intention. The brand equity studied includes brand awareness, brand association, perceived quality, and top of mind. Word of mouth investigated about hearing positive things, obtaining recommendations, and getting persuaded to buy; while buying intention was examined in the aspects of exploratory, referential, and transactional intentions.

The results of the research on the influence of the brand community on word of mouth were carried out by Basalamah (2011), discovered that brand communities significantly affected word of mouth at the Honda Vario Club. The relationship between companies and brand customer also significantly affects word of mouth.

This study uses the theory of symbolic interaction proposed by George Herbert Mead. Symbolic interaction theory explains that social interaction is symbolic interaction. Humans interact with other humans by conveying symbols, and others give meaning to the symbol (Mead in West and Turner, 2013). This research applies one of the basic ideas in shaping meaning in the theory of symbolic interaction, which is mind. Mead defines the mind as the ability to use symbols that have the same social meaning. Mead further explained that humans must develop their minds through interaction with others (Mead in West and Turner, 2013). In accordance with Mead’s opinion, the idea of online business from SBO will be accepted by workshop participants if the management team is able to interact well. They need to convince participants that course held by SBO helps participants understand the concept of online business and guides them to own their own business that can be run at home. The online business idea is spread through word of mouth communication.

Sernovitz (2012, p. 6), explained that word of mouth communication has two types: first, organic word of mouth is a conversation that naturally blends positive qualities from the company; and second, amplified word of mouth is a conversation that was started by an intentional campaign to make people talk. Then because of technological developments, these word of mouth turned into e-word of mouth.

The important elements in word of mouth include a) Talkers, it means speakers who can become friends or ambassadors of the company’s products. b) Topics, it means what they can talk about the company. c) Tools are used to produce a message that sent faster (Sernovitz, 2012, p. 19). Word of mouth is closely related to the experience of using a brand, product or service. Consumers will be satisfied if the brand used is able to meet their expectations. Therefore, positive word of mouth will be very beneficial for companies that have good image and quality.

SBO uses digital media to promote online businesses such as websites, Facebook, and Instagram. Digital media brings a combination of cyberspace scope, in online service products such as discussion forums, chart rooms, e-mail, websites, as well as community strengths built on social networks (Juju and Sulianta, 2010, p. 1). Online digital media are used by consumers to share text, image, audio and video information with each other or with the company and vice versa (Kotler and Keller, 2011, p. 568).

This research is significant to carry out because, through the word of mouth
communication, information disseminated by alumni and those managed by SBO are able to attract housewives to join and become workshop participants. The goal is for the housewives to be guided and given assistance so that they can run a business through the use of digital media and make them economically independent. In 2018, SBO has more than 4000 alumni in 15 countries (interview with Muri Handayani, 8 August 2018). This description becomes the focus of this research, that is the word of mouth communication as online business promotion.

Based on the above background, the research problems studied were: (a) What kind of word of mouth communication is used by the Online Business School in promoting online business, (b) What word of mouth communication elements that are used by Online Business Schools in promoting online businesses, (c) Why Instagram was chosen as the main media in promoting online business.

Research Methodology

This study uses qualitative methods with a case study approach. Yin (2002, p. 1) and Mulyana (2002, p. 201) explain case studies focus on contemporary phenomena in real-life contexts. Case studies try to answer the question of how and why, and at a certain level also answer the question of what in research activities (Bungin, 2005). According to Krisyantono (2006), case studies are research methods that use various data sources which can be used to research, describe, and comprehensively explain various aspects of individuals, groups, programs, organizations or events systematically. In this study, researchers used a single holistic case study that placed a case as the focus of research (Yin, 2002, p. 46).

Research data was obtained through two data sources. The primary data source is in-depth interviews conducted with Muri Handayani as the owner and trainer of SBO and the SBO management team. The questions asked in the interview included the types, elements, and reasons for using word of mouth in promoting online business. In addition, in-depth interviews using source triangulation were conducted to research informants, namely Masrura Ramidjal as chairman of the West Java IWAPI DPD, owner of Rabbani Tour, observer and practitioner of digital marketing media, and Syifa as SBO alumni and owner of Cha2mine Brand. The secondary data of this study is in the form of information and documentation from the SBO website, sboplaza.com. related to SBO word of mouth in promoting online business.

The theme of this research relates to contemporary phenomena in real-life contexts. Word of mouth communication carried out by the Online Business School as a means of promoting online business, which is a business school that many people are interested in. Word of mouth communication used by SBO has its own uniqueness because SBO markets workshop packages by means of one to one personalized through its alumni who spread the message like a virus (viral) so that it becomes buzzing. The unique word of mouth communication is conducted by SBO in attracting housewives to become workshop participants.

Based on the description in accordance with the research question, the findings of this study include types, word of mouth elements, and the reason of why Instagram was chosen as the main media in promoting online business.

Results And Discussion

Type of Word of Mouth Communication in Online Business Promotion

To find the types of word of mouth communication in SBO, researchers conducted interviews, observations, and literature studies. Based on the research findings, there are two types of word of mouth communication, namely the organic word of mouth and amplified word of mouth.

Organic word of mouth is found in the community or housewives who attend the workshop and talk about information from the SBO, for example, about previewing a free course for 2 days which can be followed by anyone, especially housewives (Interview with Muri Handayani, July 8 2018). According to Erna, a workshop participant, she explained that she talked about SBO online business workshops based on the information she received from her friends who were SBO alumni. Her friends strongly recommended her to join the workshop because SBO is very helpful in guiding prospective businessmen/women from the very start which is very important for her as a beginner who will jump into the world of online business (interview with Erna, July 10, 2018).

Amplified word of mouth was carried
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out by the SBO management team, where they delivered the messages that had been prepared in advance. The SBO team planned the choice of words, the time of dissemination, and the messages that will be informed and uploaded on the website, Facebook, and Instagram. The message is uploaded almost once a week, or adjusted to the time of the implementation of a workshop activity (Interview with Tondi, July 10, 2018).

The purpose of preparing the message before is that the message delivered in the media is in accordance with the purpose of the promotion. Muri Handayani as the owner of SBO (July 10, 2018) says that her team plans a message that will be uploaded on the website, Facebook and Instagram a week before, which consists of the preparation of the message, the date, the program, and the person handling it (admin online). If anyone asks for information or make a complaint, they are ready to handle that. For example, the message presented in the form of a free workshop preview; workshop participants who have passed are given time for a free consultation and for those who do not understand the material yet they may ask to repeat the material without paying. Based on this explanation, SBO uses both types organic and amplified word of mouth communication which complement each other to promote online business. Furthermore, the combination of the two types of word of mouth turned into an electronic word of mouth. The bio profile of SBO Instagram written “More than 5,048 participants spread across 15 countries”, which means it will be easier for people who want to find out about online business workshops in a region. For example, in the Bandung region, the search engine will automatically show any account that matches the search. This was an effort made by SBO to attract participants to attend the workshop. For more details, see in the following figure 1.

Based on the explanation, the model findings on the type of word of mouth communication conducted in SBO in promoting online business are presented in figure 2.

Elements of Word of Mouth Communication in Online Business Promotion

Based on the research found, SBO’s elements of word of mouth communication include talkers, topics, and tools. Talkers are SBO alumni who inform, invite, and convince family members, relatives, and friends about SBO workshops. Then interactive communication occurs between them, a face to face conversations or through online digital media, such as Facebook and Instagram, which is supported by conversations via Whatsapp.

Topics being discussed are SBO contents uploaded through the website, Facebook, and Instagram containing information on online business workshops. For example, the diverse material discussed, such as, branding, business opportunities, production management, product research and online markets, businesses development, and increasing the followers. The learning system can be implemented flexibly. The time and
place can be anytime and anywhere. SBO offers clear and easy tutorials, as well as an online mentoring group aimed at SBO alumni. While SBO activities uploaded on the website, facebook, and Instagram regarding short tutorials about online workshops or tips on running a business so that housewives can directly see the workshop activities.

SBO utilizes tools (online digital media) to promote workshop materials including the sboplaza.com website, Facebook SBO (Online Business School), and Instagram, namely schoolbisnisonline.id, as presented in Figure 3.

Based on the research findings, it can be described the research model of the element of word of mouth communication in promoting online businesses in figure 4.

Based on interviews with Muri Handayani (July 28, 2018), SBO uses a website to increase the confidence of prospective workshop participants. This is evidenced by the position of the SBO website that appears first on the search engines. This situation indicates that the website is very well managed. Website content contains testimonials, articles, SBO advertisements, personal conversations, and other things.

Furthermore, Muri Handayani (interview on July 8, 2018) said that the alumni were accommodated in a forum or Whatsapp group for the various aspects related to online business. The forum was called Kopdar which opened up market opportunities for SBOs to become wider. The Kopdar program discusses, among others, testimonials from alumni who had applied online-based learning material from SBO. The purpose of displaying testimonials from alumni is to attract the interest of prospective participants and to gain trust that the material taught can be applied by housewives and it is proven that many have succeeded in becoming entrepreneurs who have online businesses.

To attract alumni in promoting workshops, the management team provided incentives for those who were able to attract new workshop participants. The system is called the ticket system. This is to encourage alumni who have successfully invited friends, relatives, or other people (interview with Syifa, 9 July 2018). Those who were invited and became workshop participants were given incentives by the SBO management team (interview with Muri Handayani, July 8, 2018).

Instagram Chosen as the Main Media in Promoting Online Business

The rapid development of online digital media is used by Muri Handayani as a promotional media for SBO. Based on the interview (July 28, 2018), Muri chose Instagram for several reasons including the
market according to what was targeted in her business. SBO uses online digital media of Facebook, fan page, youtube, blog, and Instagram. In addition, the offline teaching was complemented by online teaching. With online teaching, there were many requests from housewives living in the region to participate in the workshop.

This opportunity was captured by Muri by further strengthening SBO’s position as an online-based teaching system, specifically focusing on its target market, namely housewives using digital media. Since 2013, Instagram has become the top choice because of the ease of use of the media and its popularity among mothers. Over time, there were more and more enthusiasts for the workshops. The material is not only about media promotion, but also about building an online business. An example of workshop material was chosen by Muri Handayani and then it uploaded it on Facebook as information about workshops to be held. Most often the information was uploaded on Instagram because SBO adjusted to the level of use of digital media where many housewives use Instagram. In order to make it clearer, the following figure 5 is the example of workshop material uploaded on Facebook and Instagram.

Figure 5. Sample of Workshop Materials uploaded on Facebook and Instagram.

Source: Facebook and Instagram SBO, 2018.

Information displayed on SBO Instagram is updated daily with different contents. It is not only discuss the topic of building a business, but also add entertaining content of quizzes or crossword puzzles. According to Muri Handayani (interview on July 8, 2018), it was done to make the content interesting, to give a relaxing feeling for the followers, but still keep the focus on the material discussed during the SBO workshop.

SBO use Instagram as its promotional media, which can be seen from the activities held by the SBO that are always informed through Instagram. In addition, the media is used to inform Muri’s self-activity as a trainer, hijab entrepreneur, and book writer. One of the books she wrote is Effective Recipe for Building an Online Business System; this theme was closely related to the workshop she was doing as shown in the following figure 6.

Figure 6. SBO Workshop Material

Source: Instagram SBO, 2018.

Figure 6 explains one of the workshop content in the SBO Instagram, that is how to calculate the salary of an online business owner. This information is expected to be able to attract participants to attend the workshop. This is because many housewives of workshop participants have succeeded in running an online business so that they can freely regulate how much salary they want. Instagram is listed as a hashtag and the use of hashtags will make it easier for people to find information about learning business online (interview with Muri Handayani, July 8, 2018).

The other workshop material such as live events presented on Facebook and Instagram of SBO. In another occasion, the event is posted on the SBO Instagram as presented in Figure 7.

Based on the research findings, SBO word of mouth communication is a combination of organic and amplified word of mouth, where SBO gives chance to alumni to actively discuss SBO to the public or housewives to attend workshops. SBO rewards alumni who successfully invite new participants, and it called the ticket system. The research findings are in accordance with Sumardy’s opinion...
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(2011), and Sernovitz (2012, p. 19), who stated that organic word of mouth occurs because of the strength of the quality of information where people who are satisfied will positively discuss the performance of the product or service. The findings of Lee and Youn’s research (2009) explained consumers recommend products to friends if the product has positive reviews. Lickona (in Haroen, 2014, p. 84) expressed the quality of information sourced from the character of the person who conveyed the information. Characters mean everyday character, personality, or morals. Muri Handayani as a trainer seems to truly empower housewives to earn income, so SBO focuses on segmentation, specifically only targeted housewives. This indicates that the trainer has a “commitment to make changes in a better direction and has the ability to develop themselves as good teachers” (Ratnasari, Y. and A, 2015). Muri Handayani has a special positioning as a “Mother-Child Trainer” (Interview with Muri Handayani, July 8, 2018).

In communicating with its target, SBO integrates word of mouth communication with online digital media. This is called electronic word of mouth, which is a conversation that is designed offline or online, has multiple effects, non-hierarchical, horizontal, and mutational. Word of mouth is the most powerful media in communicating products or services to two or more consumers. Products include quality, brand, and good value which can encourage strong dialogue, long-term effects, and diffusion of knowledge (Hasan, 2010, p. 29).

If it is viewed from the perspective of the amplified word of mouth, conversations occur because they are deliberately made by SBO, where SBO always updates information on the website, Facebook, and Instagram on a regular basis. This was done as a form of communication with the market (Interview with Muri Handayani, July 8, 2018).

This activity is in line with the opinion of Kotler et al. (in Tjiptono, 2011, p. 234) who stated that market participants implement Integrated Marketing Communication to integrate and coordinate various communication channels carefully in delivering clear, consistent, and persuasive messages about the organization and its products.

According to the researchers, SBO’s word of mouth to promote online business is an effective marketing communication strategy because the management team interacts with consumers through online digital media, and there is word of mouth activity because of the positive experience of workshop alumni. On the other hand, the community has become increasingly intelligent, following the development of digital media, can obtain various information, data, knowledge, and networks (Fardiah, Rinawati and Kurniadi, 2014).

On the other hand, as explained by Muri Handayani (July 8, 2018), word of mouth is chosen by companies to communicate with the market because it is cheap. Disseminating information through digital media online (website, facebook, and Instagram) can cut high promotional costs. What SBO has done is in line with the opinion of Shimp (2014) stating that word of mouth requires cheap and affordable costs, and yet needs consistency, accuracy, and actual information from the company.

Regarding the use of communication media other than word of mouth, SBO once made an advertisement published in a newspaper in Bandung, but the effect was very small on the participation of housewives at the workshop offered. In addition, SBO has also made brochures distributed in a number of locations in the city of Bandung and its surroundings, for example in malls, schools, offices, etc., but the effect is relatively small (Muri Handayani, interview July 8, 2018).

SBO won the trust of housewives as a place to study online business. It is in line with DeVito’s opinion (2013, p. 62) stating that someone opens himself/herself to the
In word of mouth communication, there are negative and positive things. To make word of mouth communication positive, the management must add positive stories, provide services that are more than what consumers expect, hear consumer complaints, and help them solve problems (Kismono, 2001). Research by Cheung, et al. (2009) found that prior knowledge and involvement were the determinants of online consumers. Communication should be held between trainer and workshop participants during and after the workshop. When implementing the programs, trainers communicate with participants via Facebook and Instagram combined with Whatsapp. Participants asked about the material in both media and the trainers answered their questions. A question and answer session between trainers and workshop participants means there was an intensive interaction in which the trainers should be able to answer and practice what the participants asked, for example on how to deal with consumer complaints in online businesses and create problem-solving to participants’ questions. According to Borg (2014, p. 34), one important aspect of communication skills is listening, because the power to influence begins with the ability to listen to what other people say. Thus, when the trainer listens to the participants’ questions they perform the thinking process, visualizes what is in the mind of the participants and be a solution to the online business problems faced by the participants. This is in accordance with the theory of symbolic interaction proposed by George Herbert Mead (in West and Turner, 2013), namely the concept of mind. The mind is the ability to use symbols that have the same social meaning. Each individual must develop their mind through interaction with other individuals (Hasan, 2010).

Based on this opinion, alumni who fit the SBO criteria make reviews or recommendations uploaded on digital media (Facebook and Instagram) regarding workshops or other things about SBO. This is a form of word of mouth communication through online digital media (electronic word of mouth). Furthermore, alumni tagging their Instagram pages which automatically enter the SBO Instagram column.

The reviews made by the alumni have changed the way consumers communicate and share opinions about products or services (Hasan, 2010). The reviews in the captions and tagging by alumni will benefit SBO because it gives a positive impression and fosters the trust of prospective workshop participants.

The research found that the type of word of mouth communication used by SBO was organic and implied word of mouth. The use of both types of word of mouth complements each other to promote online business. Furthermore, SBO communicates with the target by integrating word of mouth communication with online digital media, so that the activity is referred to as electronic word of mouth. Findings about word of mouth elements consist of talkers, topics, and tools. Talkers are people who inform and invite other parties to join SBO. Topics contain information uploaded, while tools are online media used by SBO, namely websites, facebook, and Instagram. Instagram is used as the main media in the promotion because it fits the target market where housewives generally use Instagram.

According to symbolic interaction theory, in electronic word of mouth processes, symbols on Instagram are used, for example, by the use of hashtags that serves to classify specific topics and makes it easy...
for Instagram users to find something needed. The SBO uses some of the following hashtag in the caption: #classonlinebusiness, #learningbusinessonline and #onlinebusinesstraining. These will make it easy for prospective workshop participants to find information about online business workshops. The other symbol is likes, which means that everyone who gives a sign of likes means likes the uploads, photos or videos.

Based on the description, it can be summarized the research finding model regarding SBO's word of mouth communication in promoting online business as presented in figure 8.

The use of Instagram by SBO as one of the online digital media is an appropriate action because it has a broad market reach and rapid dissemination of information (Interview with Masrura Ramidjal, 10 July 2018). According to the katadata.co.id survey (August 6, 2018), Instagram users in Indonesia in 2018 were 53 million people. That is the reason why the SBO uses Instagram as the main media in promoting online business.

Conclusions

The conclusions that can be drawn from the explanation above are: first, the type of word of mouth communication SBO is organic and amplified word of mouth, which are complementary to promote online business. The combination of the two types of word of mouth turned into electronic word of mouth. Second, the word of mouth communication element in promoting online businesses includes talkers, topics, and tools. Alumni activities are informing and inviting others to attend workshops through which contain communication of interactive communication, face to face, and the media. Topics discussed included SBO content ranging from materials, learning systems, and mentoring groups. The tools used to promote workshop material are websites, Facebook, and Instagram. Third, Instagram was chosen as the main media in promoting the SBO because the market on Instagram was in line with those targeted in the SBO business, namely housewives. Suggestions put forward include, firstly, online digital media that is often used by SBO is Instagram. The maximum use of this media is highly recommended by utilizing features that support it, maintaining intense interaction with other parties by replying the questions and comments will quickly fostering great trust from the followers. Secondly, the formation of a forum that was facilitated by the SBO Management Team to continue to be fostered to maintain good relations with various parties.

References


