

CHAPTER II

LITERATURE REVIEW

The second chapter will provide a comprehensive explanation of the fundamental theories that serve as the foundation for the forthcoming research. Through the utilization of the constructed conceptual framework, readers will be able to discern the interconnections among the concepts that comprise the subject of investigation. Literature review pertaining to research variable definitions, sources, and theories; table of prior research; development of hypotheses and research frameworks.

2.1 Theoretical Review

2.1.1 Viral Marketing

Jeffrey Rayport, a professor at Harvard Business School, came up with the word "viral marketing" in his 1996 article "The Virus of Marketing" for Fast Company magazine. If viruses were used as a marketing strategy the marketing message would be spread quickly, the budget wouldn't have to be too big, and the effect would be felt by many people (Firdaus, 2022). Companies have to change too because of changes in what customers do, and one of those changes is how they do promotions. Marketing these days is done by businesses using the internet, which is also known as "digital marketing." The business technique known as "viral marketing" is used by many people. According to Lim Weng (2022), viral marketing is a way of advertising that uses social networks to reach a marketing goal. This is done by constantly talking to more people to spread the word. Viral marketing is a way to get people to talk about your business. One study by Pratiwi et al. (2020) backs this up: they found that using digital marketing, especially social media marketing, has a very good effect on increasing sales and improving sales performance, which leads to more company excellence. According to Glennardo (2018), viral marketing is a type of advertising that uses new technologies in electronic media to reach a target audience. According to Hamdani and Mawardi (2018), viral marketing is a type of marketing that uses social networks to reach a specific marketing goal. This is done through a communication process that keeps going around and around. Also, Turban (2018) says that Viral marketing is a form of word-of-mouth advertising that uses electronic media to let customers or businesses share information and views about a product or service with other people.

Also according to Umashankar and Charitra (2019), by using the FIRO theory, viral marketing dimensions can be divided by 7, which is:

- A. Inclusion (need to belong): Inclusion (need to belong) refers to the natural desire of people to belong to a group or community. Viral marketing campaigns that create a sense of belonging or exclusivity can be more successful in getting people to share the content with others.
- B. Inclusion (individuation): Inclusion (individuation) refers to the desire of people to be seen as unique individuals. Viral marketing campaigns that allow people to express their individuality or creativity can be more successful in getting people to share the content with others.
- C. Affection(altruism): Affection (altruism) refers to the tendency of people to share content that they feel is helpful or valuable to others. Viral marketing campaigns that appeal to people's altruistic tendencies can be more successful in getting people to share the content with others.
- D. Control(personal growth): Control (personal growth) refers to the desire of people to feel in control of their own lives and personal growth. Viral marketing campaigns that offer opportunities for personal growth or self-improvement can be more successful in getting people to share the content with others.
- E. Curiosity consumption of online content: Curiosity refers to the natural desire of people to learn new things. Viral marketing campaigns that appeal to people's curiosity can be more successful in getting people to share the content with others. Consumption of online content refers to the amount of time people spend consuming content online. Viral marketing campaigns that offer entertaining or engaging content can be more successful in getting people to share the content with others.
- F. Forwarding online content: Forwarding online content refers to the ease with which people can share content with others. Viral marketing campaigns that make it easy for people to share the content with others can be more successful in getting people to share the content with others.

In conclusion, viral marketing is a powerful marketing strategy that can help businesses reach a wider audience and increase brand awareness. By incorporating various dimensions such as inclusion, affection, control, curiosity, consumption of online content, and forwarding

online content, businesses can create more effective viral marketing campaigns that resonate with their target audience.

2.1.2 Social Media Marketing

Chaffey (2019) in his book states that social media marketing is vital in digital marketing since it may develop communication with consumers through company websites or other media, such as Facebook, Twitter, Blogs, etc. The primary tactic used by businesses to strengthen their relationships with customers is social media involvement in both directions with current and potential customers. According to Cooley and Yancy(2019) in Jalil et al (2021), social media posts possess the capability to connect with customers worldwide. In order to contact customers and business prospects, social media marketing is considered to be the most successful strategy available to organizations of all sizes. Nowadays, almost all commercial endeavors use social media to promote their brand. In order to understand and engage customers on social media networks in a way that advances marketing objectives and company ambitions, businesses use social media marketing. According to Briana M. Trifiro (2019).As far as we are aware, a lot of people use social media on a regular basis. Examples of how social media technology has advanced are Facebook, Twitter, Instagram, Tiktok, and so on. Internet users can express themselves, engage, collaborate, share, and communicate with other users on social media, according to Rafiq (2020), Large corporations and start ups alike are now using social media to increase sales and promotions as a result of technological advancements. Kusuma et al, (2019) define social media marketing as a platform that allows customers to exchange text, photos, audio, and video content with businesses and each other. It may be inferred that social media marketing is a means for marketers to use social media. Social media marketing is marketing carried out using all socialmedia channels to develop sales markets and promote items.

Social media marketing dimensions according to Kusuma et al, (2019), the dimension of social media marketing is divided by 4C, which is:

1. Context: How we frame our stories, describes how the company puts together a story with messages and information in one package. Companies need to be careful with the words they use when sending messages and information. They should pick words that are clear and interesting so that the message gets across well. Context indicators include how the information is presented, how it is designed, when it is delivered, and what is presented.

2. Communication: "The practice of sharing our sharing story as well as listening, responding, and growing", a practice carried out by the company by sharing stories with the audience, listening to the audience, responding to criticism and suggestions from the audience, and developing what the company receives from its audience. Communication has several indicators, such as 25 admin responses, information conveyed, message delivery style, and message effectiveness (Syahbani & Widodo, 2017)
3. Collaboration: "Working together to make things better and more efficient and effective", where the company collaborates with its audience to get more effective and efficient results. According to Syahbani & Widodo (2017), collaboration has indicators consisting of interaction, involvement, suitability, messages and benefits.
4. Connections: "The relationship we forge and maintain", companies must maintain relationships with their audiences so that there is sustainable harmony. The indicator of connection according to Syahbani & Widodo (2017) is a sustainable and reciprocal relationship.

2.1.3 Purchase Decision

Kotler & Keller (2016) define purchasing decisions as an evaluation step in which customers establish brand preferences after making a number of choices. They may also want to purchase the brand that most appeals to them. As per Rachmawati et al. (2020), consumers go through a process of evaluating several product options and selecting the necessary product after taking certain factors into account. Choosing a brand to purchase is a process that people go through. Customers will purchase the brand that they most enjoy, but their choice may be affected by two elements that fall in between their intents and actual decisions which is the opinions of others and unforeseen circumstances. When a consumer's circumstances prevent them from making a purchase or compel them to choose an alternative, their purchasing intentions may vary (Naumov, 2020). Making a purchase decision involves weighing the pros and cons of two or more options before deciding whether to buy or not. When it comes time for customers to make a decision, they need to have options. Finding or obtaining new information is necessary for the decision-making process while making a purchase (Kumar et al, 2021). Khan et al, (2019) explain that decision to buy a product chosen by the consumer is actually is a collection of a series of decisions. Kim and Lee (2020) states that every purchasing decision has a structure of seven components. These components are as follows.

1. Decision about product type

Consumers can make decisions to buy certain products. There will be many options if it comes to the product type whether is it tangible, intangible, the colour, price, packaging, or the function.

2. Decision about product shape or looks

These decisions concern size, quality, style, and so on. In this case, the company must conduct marketing research to find out consumer preferences for the product in question in order to maximize the brand's appeal.

3. Brand decisions

Consumers can make decisions about which brands to buy. Each brand has its own differences.

4. Decision about the seller

Consumers can make decisions about where the product will be purchased. In this case, manufacturers, wholesalers and retailers must know how visitors choose certain sellers.

5. Decision on product quantity

Consumers can make decisions about how much of a product to buy when the purchase may be more than one unit.

6. Decision about timing of purchase

Consumers can make decisions regarding when to make a purchase. So, companies or marketers in particular must know the factors that influence consumer decisions in determining when to purchase. This problem will involve the availability of money.

7. Decision on payment method

Consumers can make decisions about the method of payment for the products they will purchase. In this case, the company must be able to know the desires of buyers regarding how to pay for their products/goods.

2.2 Previous Journal

Table 2.1
List Of Previous Research

No.	Title & Author	Variables	Research Method	Research Results
1	The Influence Of Viral Marketing And Social Media Marketing On Instagram Adds Purchase Decisions (Razali <i>et al.</i> , 2023)	Viral marketing, social media marketing, and purchase decision	Sampling method: purposeful sampling Respondents: adults over 15 and up to 30 using the Instagram Adds Platform. Number of respondents: 159 Analytical tool:	Both viral marketing and social marketing have an impact on consumer buying decisions on Instagram Adds platform.
2	Social Media and Viral Marketing Analysis of Purchase Decisions through Tiktok Applications (Haryanto <i>et al.</i> , 2021)	Viral marketing, social media marketing, and purchase decision	Sampling method: non-probability sampling with purposive sampling type Respondents: TikTok users in Sukabumi Number of respondents:190 Analytical tool: multiple linear regression analysis	Social media has a positive and significant effect on purchase decisions, and viral marketing partially has a positive and significant effect on purchase decisions. Simultaneously, social media and viral marketing variables have a positive and significant effect simultaneously. on

			using SPSS	purchase decisions through Tiktok.
3	<p>The Effect of Social Media Marketing and Brand Awareness on Purchase Decisions With Viral Marketing As Intervening Variables on Janji Jiwa Coffee Consumers Among Students Using Social Media Area Jabodeta</p> <p>(Awaludin, M. N., & Sukmono, S)</p>	<p>Viral Marketing, Social Media Marketing, Brand Awareness, and Decision Purchase</p>	<p>Sampling method: non-probability sampling</p> <p>Respondents: students using social media in Jabodeta</p> <p>Number of respondents: 214</p> <p>Analytical tool: multiple linear regression analysis mode using SPSS</p>	<p>Social media marketing and viral marketing directly has a significant positive effect on purchasing decisions.</p> <p>Social media marketing indirectly has a significant positive effect on purchasing decisions through viral marketing.</p>
4	<p>Influences Online Purchasing Decision: Study of the Viral Marketing and</p>	<p>Viral marketing, perceived ease of use, online purchase decision</p>	<p>Sampling method: non-probability sampling method with judgmental sampling technique</p>	<p>There is a significant positive influence on the decision variable viral marketing online purchases in Kaskus. Perceived ease of use also influencing</p>

	Perceived Ease of Use (Artanti <i>et al.</i> , 2019)		Respondents: s Kaskus users who have ever made a purchase in trading forum Kaskus Number of respondents: 110 Analytical tool: SPSS	purchasing decisions online at Kaskus.
5	The Influence Of Social Media Marketing And Brand Awareness On Cafe Yuma Bandung Purchase Decisions (Sudirjo <i>et al.</i> , 2023)	Social media marketing, brand awareness, and purchase decisions	Sampling method: purposive sampling Respondents: 17 years of age and have a social media account and know Cafe Yuma Bandung through social media. Number of respondents: 89 Analytical tool: PLS	The perception of social media marketing is very important for the purchase decision on the product Cafe Yuma Bandung, consumers could get an interesting offer with social network marketing. The brand awareness developed by Cafe Yuma Bandung has been quite good and has produced a positive response from consumers.
6	The influence of Viral Marketing	Viral marketing on social media,	Sampling method: purposive	Viral marketing through social media

	<p>on social media and Online Community on Purchasing Decision in the Pandemic Era (Case Study of BTS Meal McDonald's Product, Bandung Area)</p> <p>(Wijaya <i>et al.</i>, 2021)</p>	<p>online community, and purchase decision</p>	<p>sampling</p> <p>Respondents: residents of Bandung as consumers of McD</p> <p>Number of respondents: 100</p> <p>Analytical tool: SPSS</p>	<p>and online communities has a positive and significant effect on purchasing decisions on BTS meal</p> <p>McD products with the value of the influence of social media viral marketing on purchasing decisions of 24.9% and the value of the influence of the online community on purchasing decisions of 60.1%.</p>
7	<p>The Effect of Celebrity Endorsement, Review, and Viral Marketing on Purchase Decision of X Cosmetics</p> <p>(Ganisasmara & Mani, 2020)</p>	<p>Celebrity endorsement, reviews by beauty blogger, and viral marketing</p>	<p>Sampling method: Slovin formula</p> <p>Respondents: followers of the X cosmetic's YouTube channel in Jakarta</p> <p>Number of respondents: 400</p> <p>Analytical tool: SPSS</p>	<p>The celebrity endorsement, review, and viral marketing variable has a significant effect on cosmetic purchasing decisions directly. The celebrity endorsement, review, and viral marketing variables together have an effect on purchasing</p>

				decisions.
8	The Influence of Social Media Marketing on Consumers' Purchase Decision: Investigating the Effects of Local and Nonlocal Brands (Hasan & Sohail, 2020)	Social media marketing (brand trust, brand community, brand awareness, interaction, and emotional attachment), purchase intention, brand loyalty	Sampling method: questionnaire Respondents: respondents who had purchased at least one product of the brand of which brand page they followed and who had experienced in following the brand page for at least three months Number of respondents: , 343 respondents participated and 314 valid responses Analytical tool: SEM-PLS	Brand trust, brand community, brand awareness and interaction were found to influence purchase intention. Brand origin had a moderating effect in the relationships between brand trust and interaction with purchase intention. Social media marketing and branding research by integrating the contingent effect of brand localness and non-localness.

2.3 Hypothesis Development

2.3.1 The Effect of Viral Marketing Towards Consumers Purchase Decision

Viral marketing is a powerful tool that can significantly influence consumer purchasing decisions. It is a marketing strategy that involves creating and sharing content that spreads rapidly among internet users, particularly through social media. The use of social media in viral marketing can increase purchase decisions. According to Razali et al. (2023), the results of their study indicate that the use of social media in viral marketing can increase purchase decision. According to the study by Ganisasmara and Mani (2020), a well-known brand that is using viral marketing strategy through social media will positively affect the consumer purchase decision. Furthermore, the study by Haryanto et al. (2022) found that viral marketing has a positive impact on consumer purchase intention. The study also found that brand image plays a moderator role in the relationship between viral marketing and consumer purchase intention. Based on these statements, it can be concluded that viral marketing has content that can spread quickly and therefore it can be recognized by the consumer and finally can influence consumer purchasing decisions.

Therefore, based on the above studies, the hypothesis can be developed as follows:

H1: Viral marketing has a positive and significant influence on consumer purchase decisions.

2.3.2 The Effect of Social Media Marketing Towards Consumers Purchase Decision

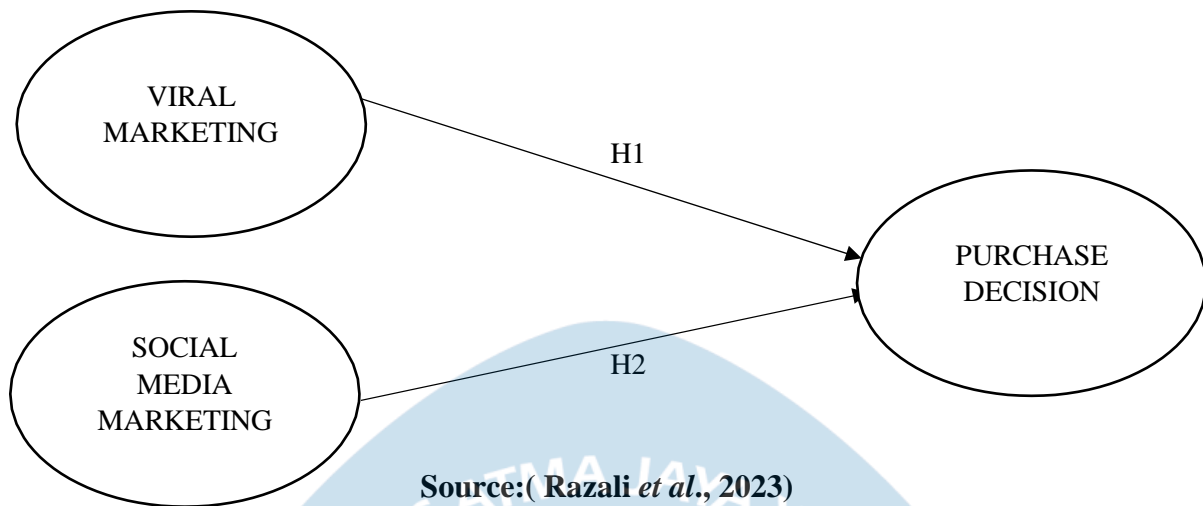
Social media marketing has emerged as a powerful tool for influencing consumer purchase decisions. According to a study by Artanti et al (2019), social media marketing has a significant impact on online purchasing decisions, with viral marketing and perceived ease of use being key factors. Another study by Awaludin (2020) found that social media marketing have a positive effect on purchase decisions, with viral marketing serving as an intervening variable. Additionally, a study by Hasan et al (2020) found that social media marketing has a significant influence on consumers' purchase decisions, with local and nonlocal brands being affected differently. Therefore it can be concluded that Social media marketing is a powerful tool for influencing consumer purchase decisions, with studies by Artanti et al. (2019) and Awaludin (2020) highlighting its significant impact through viral marketing and perceived ease of use, and Hasan et al. (2020) further emphasizing its varied influence on consumers' purchase decisions for local and nonlocal brands.

Therefore, based on the above studies, the hypothesis can be developed as follows:

H2: Social media marketing has a positive and significant influence on consumer purchase decisions.



2.4 Research Framework



Source: (Razali *et al.*, 2023)

Figure 2.1 Research Model