

INFLUENCE OF WORD OF MOUTH AND PRODUCT QUALITY ON PURCHASE DECISIONS AND REPURCHASING INTEREST

Ali Ahmad Yasin¹, Gusti Noorlitaria Achmad²

Faculty of Economics and business, University of Mulawarman1),
Faculty of Economics and Business, Mulawarman University 2)

E-mail: aliahmadyasin22@gmail.com, gusti.noorlitaria.achmad@feb.unmul.ac.id

Abstract : This study aims to analyze and explain the influence of word of mouth and product quality on purchasing decisions and repurchase intentions; The population in this study are consumers who have visited more than 1 time at Ichiban Sushi BigMall Samarinda. The sampling technique used was non-probability sampling with the purposive sampling method with a total sample of 90 people. Data collection techniques using questionnaires. The analysis was carried out using Partial Least Square (PLS) with the SmartPLS application version 3.8.9 and using SPSS Version 25 to test the validity and reliability of the respondents. The results showed that: Word of Mouth had a positive and significant effect on Purchase Decisions, Word of Mouth had a positive and insignificant effect on Repurchase Interest

Keyword: *Word of Mouth, Product Quality, Purchase Decision and Repurchase Interest.*

1. Introduction

In the current era, many new businesses are rapidly emerging, both food and non-food businesses. Businesses who are new or who are required to stay and continue to innovate in determining their business strategies, those who have a food business company must continue to provide their marketing strategies on a regular basis in order to attract consumers to buy and to come back both in the short and long term. In the marketing concept, companies must be able to understand their consumers as a whole in order to progress and develop. Whether or not a product is accepted depends on the needs and satisfaction of consumers for the quality of the product provided, if consumers are satisfied or their needs are met, consumers will buy it.

According to (Soim et al., nd) In general, consumer purchasing decisions are the needs and wants of the present and the future which are the interests of consumers themselves to buy. According to (Kotler & Armstrong, 2016) purchasing decisions are part of consumer behavior which is the study of how individuals, groups, and organizations involved in choosing, buying, using, and how goods and services, ideas or experiences aim to satisfy needs also. consumer desires. According to Kotler & Keller (2012).

In the community, word of mouth is also known as word of mouth communication. Personal communication is seen as a more reliable or reliable source than non-personal information (H. Susanto, 2013). Product quality (product quality) is the ability of a product to carry out its functions including durability, reliability, ease of operation and increasing accuracy, as well as other valuable attributes (Heri Purwanto, 2017).

In Indonesia, there are still many people who like things that come from the Japanese samurai country. Starting from Anime, 100 Yen Shops, Public services to food such as Sushi that many Indonesians like. For culinary, there are many places to eat or restaurants with the concept of Japanese cuisine spread throughout Indonesia, business and trade in processed foods, especially Indonesia is one of the countries that has the largest population who has thoughts or lifestyles that like to consume everything that comes from foreign countries. One of the things that makes it attractive is the fresh ingredients of good quality and the plating that matches the image that makes it attractive for consumers of Japanese cuisine in Indonesia.

2. Theoretical basis

Word Of Mouth

(Rachman et al., 2016) argues that personal communication channels in the form of words or words of mouth (word of mouth) can be an effective promotion method because they are generally conveyed from consumers by consumers and to consumers, so that satisfied consumers or customers can become advertising media for companies. When potential customers already know about products that have been offered through promotions or get information by word of mouth, then potential customers have the right to consider before they make a decision in purchasing. (Ariszani et al., 2015). Word of Mouth variable using 4 indicators (Goyette et al., 2010) :

1. WOM intensity.
2. Positive valence WOM.
3. Negative valence WOM.
4. WOM Content.

Product quality

(Augustin, 2018) Product quality is the ability of a product to perform its functions, it includes the overall durability, reliability, accuracy, ease of operation and repair of the product as well as other product attributes. The suitability of using a product is that if the product has a long durability, the product used will improve the image or status of consumers who use it. According to Wijaya (2011), product quality is a combination of the overall product characteristics produced from the marketing department, the results of production engineering and maintenance so that it becomes an item (product) that can be used according to consumer needs. According to (Garvin, 2011) there are 5 :

1. Features.
2. Reliability.
3. Conformance to specifications.
4. Durability.
5. Beauty.

Buying decision

Product quality is the ability of a product to perform its functions, it includes the overall durability, reliability, accuracy, ease of operation and repair of the product as well as other product attributes.(Satria, 2017), (Alim et al., 2018)Purchasing decisions are actions from consumers to want to buy or not to the product. Decision making is a cognitive process that unites memory, thinking, information processing and evaluative judgments.(Kasanti et al., 2019). (Foster, 2017) There are 5 indicators of purchasing decisions

1. Problem Introduction.
2. Information Search.
3. Alternative Evaluation.
4. Buying decision.
5. Post-Purchase Consumer Behavior.

Repurchase Interest

Repurchase interest is purchase interest based on past purchase experiences. High repurchase interest reflects a high level of satisfaction from consumers when deciding to adopt a product.(Hasan, 2013)suggested that future repurchase intention is influenced by customer experience in terms of price, brand, promotion, advertising, supply chain, combination, service quality, and location. Kotler and Keller (2012: 172) state that repurchase is when customers are satisfied with a product that meets expectations and desired performance., There are 4 indicators according to (Jones et al., 2010) :

1. Attention (goods or services).
2. Interest (Interest)
3. Desire (Desire)
4. Conviction

3. Research Hypothesis And Theoretical Framework

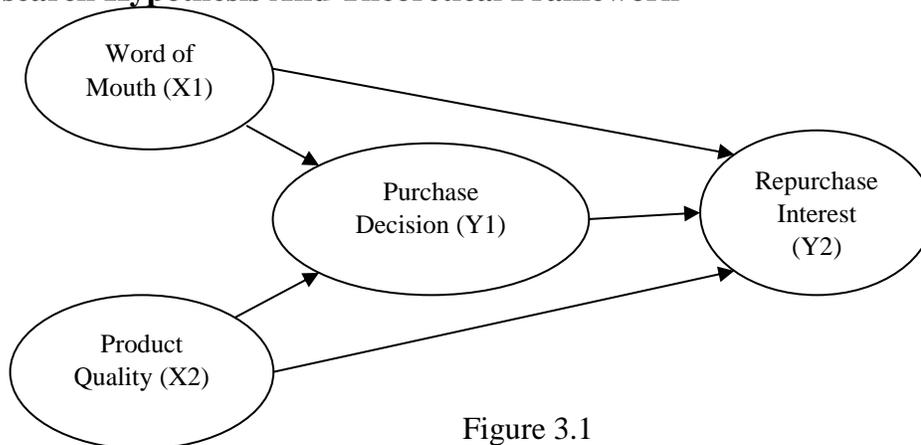


Figure 3.1
conceptual framework

Based on Figure 3.1, the variable Word Of Mouth, Product Quality as the independent variable and the dependent variable Purchasing Decision and Repurchase Interest.

1. *Word of mouth* positive and significant effect on the Purchase Decision.
2. *Word Of Mouth* positive and significant effect on Repurchase Interest.
3. Product quality has a positive and significant effect on purchasing decisions.
4. Product quality has a positive and significant effect on repurchase intention.
5. Purchase decisions have a positive and significant effect on repurchase intention.

4. Research methodology

The statistical model used is Partial Least Squares (PLS) is an analytical tool with full power or modeling software because it eliminates the assumption of OLS (Ordinary Least Square) regression, the sample data must be multivariate with normal distribution, and there is no problem of multicollinearity between exogenous variables. because it can perform a complex aggregate approach in proving the truth of the theory based on empirical facts in the field with a sample size of 100 (Hair et al., 2010: 75).

5. Results and Discussion

5.1 Results

Respondents in this study were consumers who had visited Ichiban BigMall Samarinda more than once. With an unknown population and for the sample there are 90 that have been obtained.

Table 5.1 Sample Characteristics

No		Information	Frequency	Percentage
1	Age	17 - 25 years old	86	95.6%
2		26 - 32 years old	3	3.3%
3		33 - 39 years old	-	0
4		40 - 46 years old	-	0
5		47 - 53 years old	1	1.1%
6		54 - 60 years	-	0
7	Marital status	Single	85	94.4%
8		Married	5	5.6%
9	Gender	Man	45	50%
10		girl	45	50%
11	Education	SD	-	-
12		middle school	2	2.2%
13		high school	69	76.7%
14		BACHELOR DEGREE	19	21.1%
15	Profession	Government employees	-	-
16		Private employees	8	8.9%
17		entrepreneur	1	1.1%

18		Entrepreneur	3	3.3%
19		College student	68	75.6%
20		Student	10	11.1%
21	income	<1.000.000,-	53	58.9%
22		1,000,000 – 2,500,000	26	28.9%
23		2,600,000 – 5,000,000	6	6.7%
24		> 5,000,000,-	5	5.6%

The table shows that the average number of respondents who filled out the questionnaire was the same. of the respondents are males, around 17-25, 95.6% are aged and most of them have high school education, which is 76.7%, while in terms of employment there are 75.6% students.

The test criteria in the validity test are by looking at each value in the column compared to 00.05 in table r with degrees of freedom N-2. Where N is the number of respondents. From this study the number of respondents 30, then $30-2 = 28$. Obtained r table of 0.3061. The questionnaire is said to be valid if r count > r table, the following is the description.

Table 5.2 Validity Test Results

Indicator	Pearson Correlation	r table	Status
Y1.1	0.894	0.3061	Valid
Y1.2	0.839	0.3061	Valid
Y1.3	0.845	0.3061	Valid
Y1.4	0.871	0.3061	Valid
Y1.5	0.716	0.3061	Valid
Y2.1	0.900	0.3061	Valid
Y2.2	0.908	0.3061	Valid
Y2.3	0.920	0.3061	Valid
Y2.4	0.877	0.3061	Valid
X1.1	0.847	0.3061	Valid
X1.2	0.888	0.3061	Valid
X1.3	0.812	0.3061	Valid
X1.4	0.880	0.3061	Valid
X2.1	0.585	0.3061	Valid
X2.2	0.862	0.3061	Valid
X2.3	0.667	0.3061	Valid
X2.4	0.669	0.3061	Valid
X2.5	0.751	0.3061	Valid

(Source: Primary data processed using SPSS 25, 2021)

In table 4.2 there are no indicators that are omitted or eliminated from the structural model because all indicators are valid after going through a convergent validity test. the value of each variable is measured by knowing the AVE (Average Variance Extracted). AVE must be at least 0.5. If it is below, the indicator is not yet valid, and it is necessary to re-check the indicator value on the loading factor (Hair et al., 2014: 618).

Table 5.3 Average Variance Extracted (AVE)

Code	Variable	Average Difference Extracted (AVE)	Minimum Loading (AVE)	Category
X1	<i>Word of Mouth</i>	0.743	0.5	Valid
X2	Product quality	0.580	0.5	Valid
Y1	Buying decision	0.655	0.5	Valid
Y2	Repurchase Interest	0.707	0.5	Valid

(Source: Data held with SmartPLS3, 2021)

Reliability test is used to determine the consistency of a measuring instrument in its use, or it can be said that the measuring instrument has consistent results when used many times at different times. Cronbach alpha is used to measure reliability, where an instrument is said to be reliable if it has a Cronbach alpha value equal to or more than 0.60(Sugiyono, 2015). The following are the results of the reliability test in this study:

Table 5.4 Reliability Test Results

No.	Variable Indicator	Cronbach Alpha	Limit Value	Status
1.	<i>Word for Mouth</i>	0.920	0.884	Reliable
2.	<i>Product quality</i>	0.873	0.818	Reliable
3.	<i>Buying decision</i>	0.904	0.867	Reliable
4	<i>Repurchase Interest</i>	0.906	0.863	Reliable

(Source: Primary data processed using SPSS 25, 2021)

5.2 Evaluation of the Inner Model

Model Feasibility Test In the evaluation of the model or assessing the model with SmartPLS can be started by looking at the R-square for each dependent latent variable. Table 4.5 is the result of R-square estimation is the result of R-square estimation with using SmartPLS.

Table 5.5 R-Square (R²)

Variable	R Square
<i>Buying decision</i>	0.786
<i>Repurchase Interest</i>	0.756

This study uses 2 (two) exogenous variables that affect 2 (two) endogenous variables, namely *Buying decision* and *Repurchase Interest*. Table 4.13 shows the R-square value for the variable *Buying decision* as big as 0.786 and to *Repurchase Interest* as big as 0.756 This means that this model explains the phenomenon *Buying decision* influenced by *Word of Mouth* and *Product quality* as big as 78.6% ($0,786 \times 100\%$) and brand loyalty influenced by *Word of Mouth* and *Product Quality* 75.6% ($0,756 \times 100\%$).

To assess the significance of the prediction model in testing the structural model, it can be seen from the t-statistic value between exogenous and endogenous variables in the path coefficient table at the SmartPLS output below:

Table 5.6 Path Coefficient

Variable Influence		Original Sample	Sample Mean	Standard Deviation	T-Statistics	P Values
Exogenous Variable	Endogenous Variable					
<i>Word of Mouth</i>	<i>Buying decision</i>	0.544	0.540	0.079	6.925	0.000
<i>Word of Mouth</i>	<i>Repurchase Interest</i>	0.060	0.061	0.118	0.512	0.609
<i>Product quality</i>	<i>Buying decision</i>	0.413	0.420	0.076	5,450	0.000
<i>Product quality</i>	<i>Repurchase Interest</i>	0.293	0.310	0.110	2,672	0.008
<i>Buying decision</i>	<i>Repurchase Interest</i>	0.565	0.550	0.144	3,925	0.000

(Source: Data held with SmartPLS3, 2021)

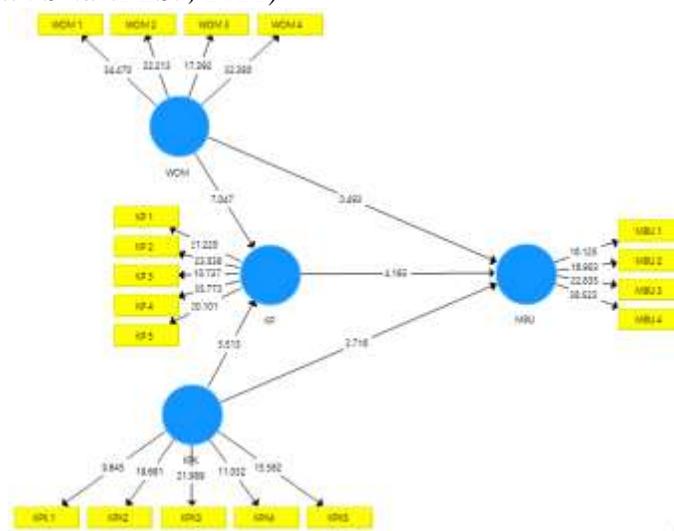


Figure 5.1
Bootstrapping Results

5.3 Hypothesis Test Results

If we look at the Path Coefficients, T Statistics, and P Value tables and the PLS Bootstrap Structural Model Path Diagram, the results of the hypothesis can be summarized as follows:

- H1: The results of testing the first hypothesis show that the influence between Word of Mouth and Purchase Decision has a positive influence with the original sample estimate value of 0.544, it can also be seen that Word of Mouth has a significant effect on Purchase Decisions because it has a t statistic of 6.925 ($>1, 96$). So the results of this study are in accordance with the first hypothesis which states that word of mouth has a positive and significant effect on purchasing decisions.
- H2: The results of testing the first hypothesis show that the influence between Word of Mouth and Repurchase Interest has a positive influence with the original sample estimate value of 0.060, it can also be seen that Word of Mouth has an insignificant and insignificant effect on Repurchase Requests because it has a t statistic of 0.512 (<1.96). So the results of this study are not in accordance with the second hypothesis which states that word of mouth has a positive and significant effect on purchasing decisions.
- H3: The results of testing the first hypothesis show that the influence between Product Quality and Purchase Decision has a positive influence with the original sample estimate value of 0.413, it can also be seen that Product Quality has a significant influence on Purchase Decisions because it has a t statistic of 5.450 (> 1.96). So the results of this study are in accordance with the third hypothesis which states that product quality has a positive and significant effect on purchasing decisions.
- H4: The results of testing the first hypothesis show that the influence between Product Quality and Repurchase Interest has a positive influence with the original sample estimate value of 0.293, it can also be seen that Product Quality has a significant effect on Repurchase Interest because it has a t statistic of 2.672 ($>1, 96$). So the results of this study are in accordance with the fourth hypothesis which states that product quality has a positive and significant effect on repurchase intention.
- H5: The results of testing the first hypothesis show that the influence between Purchase Decision and Repurchase Interest has a positive influence with the original sample estimate value of 0.565, it can also be seen that the Purchase Decision has a significant effect on Repurchase Interest because it has a t statistic of 3.925 ($>1, 96$). So that the results of this study are in accordance with the fifth hypothesis which states that purchasing decisions have a positive and significant effect on repurchase intention.

6. Conclusion

Based on the results of the analysis and research conducted, the following conclusions are obtained:

Word of Mouth positive and significant effect on the Purchase Decision. Where this shows that Word of Mouth in Ichiban not only mediates information but also encourages them to make purchasing decisions. Word of Mouth has a positive and insignificant effect on Repurchase Interest. Where this shows that the Word of Mouth to make repeat purchases is not effective,

triggered by feelings of displeasure and dissatisfaction with the product. Product quality has a positive and significant effect on purchasing decisions. Where shows that product quality in terms of appearance and presentation will eventually make consumers interested and buying. Product quality has a positive and significant effect on repurchase intention. Where it shows that better product quality will increase consumer buying interest when shopping because when consumers see a neat, attractive and delicious food display, consumers tend to feel happy. Purchase decisions have a positive and significant effect on repurchase intention. In this study, it was shown that even though the purchase decision was made correctly, consumers did not hesitate to come back and buy the product.

7. Suggestion

1. It is recommended that based on the results of the data obtained Judging from the highest indicator of Positive Valence WOM, therefore the process of delivering information by word of mouth carried out by one individual to another must always be considered through the quality of the products on offer, maintaining consumer confidence that will or has been buying Ichiban products will affect consumer purchasing decisions.
2. It is recommended that based on the results of the data obtained, Ichiban BigMall already has a good impression in the eyes of consumers through word of mouth that will positively affect repurchase interest, therefore it is good to maintain product quality so that it remains consistent at all times.
3. It is recommended that based on the results of the data, the beauty of the product on the Ichiban is good but it must be improved again in the arrangement when presenting it so that it can attract the attention of consumers.
4. It is recommended that based on the results of the data obtained, the beauty of the product gives consumers confidence to make a repurchase, therefore by improving the form of order and also durability, it can provide attractiveness for consumers.
5. It is suggested that based on the results of the data obtained, the consumer's decision to repurchase the product is a big decision, therefore Ichiban must be able to increase consumer confidence in its food products both in terms of packaging, product and taste.

Reference

- Agustin, CI (2018). The Influence of Product Quality, Service Quality, and Brand Image on Customer Loyalty of Jawa Pos Radar Kediri Newspaper. *Simki-Economic*, 02(03).
- Alim, SA, Mawardi, MK, & Bafadhal, AS (2018). The Influence of Perception of Halal Label and Product Quality on Muslim Fashion Product Purchase Decisions (Survey on Zoya Muslim Product Customers in Malang City). *Journal of Business Administration*, 62(1), 127–134.
- Ariszani, M., Suharyono, & Kumadji, S. (2015). The influence of corporate image on trust and its impact on buying interest. *Journal of Business Administration*, 3(1), 1–6.
- Hasan, A. (2013). *MARKETING AND CHOICE CASES*. CAPS.
- Kasanti, N., Wijaya, A., & Sundry. (2019). The Influence of Price and Product Quality on

- Purchase Decisions for Proguard Brand Safety Products at PT AIM Safety Indonesia. Asian Journal of Innovation and Entrepreneurship, 04(1), 43–51.
- Rachman, BR, Totok, D., & Abadi, W. (2016). Word of Mouth Communication.
- Satria, AA (2017). The Influence of Price, Promotion, and Product Quality on Consumer Purchase Interest in Companies a-36. Journal of Management and Business Start-Ups.
- Sugiyono, M. (2015). TEST_VALIDITY_AND_RELIABILITY.pdf.crdownload.