

PURCHASING DECISIONS IN TERMS OF TRUST, WORD OF MOUTH AND REFERENCE GROUPS ON HNI HERBAL PRODUCTS IN SURAKARTA

Ida Aryati,¹ Dessyani,² Anna Probowati³

Faculty of Economics, Surakarta Batik Islamic University

STIE Rajawali Purworejo³

E-mail: aryatiida@gmail.com

Abstract: *This study aims to determine and prove both simultaneous and partial influence of HNI herbal product purchase decisions in terms of trust, word of mouth and reference groups. This study uses quantitative descriptive methods. The population of all consumers of HNI herbal products in Surakarta with a sample of 100 respondents. Sampling technique using random sampling. Data collection using questionnaires. Data analysis techniques used multiple linear regression analysis, F and R² Test. The results showed that, based on the F test of product quality, word of mouth and reference groups simultaneously and significantly affect the decision to purchase herbal products HNI in Surakarta. These results prove that the better the trust, word of mouth and Reference Group then the purchase decision at halal mart Surakarta will increase significantly.*

Keywords: *purchase decision, trust, word of mouth, group reference.*

1. Introduction

Halal products are now becoming a prima donna in our society. A new lifestyle trend that has received rave reviews from various circles with its rapid development. Indeed, this has become a reasonableness, and indeed, it should be a reality for our society that most Muslims believe halal is part of the lifestyle that must be their identity. One manufacturer of halal products in Indonesia is PT HNI Halal Network International, later known as HNI, it is one of the business companies in Indonesia that focus on herbal products, health, cosmetics, and homecare

2. Literature Review

1. Purchase Decision

Tjiptono (2014:21) states that a purchase decision is a process by which the consumer is familiar with the problem, seeks information about a particular product or brand, and evaluates how well each of these alternatives can solve the problem, which then leads to a purchase decision.

There are stages through which consumers make purchasing decisions. These stages consist of (Kotler and Armstrong, 2007: 227):

- a. Stages of problem identification
- b. Information search stage
- c. Alternative evaluation phase
- d. Stages of purchase decision
- e. Post-purchase behavior stage

Purchasing decision indicators

Indicators to determine the purchase decision (Kotler and Armstrong, 2000: 228), namely:

- a. Consistency in a product
- b. Habits in buying products
- c. Give recommendations to others

2. Trust

Definition Of Trust

Trust is one party's belief about the intentions and behavior of the other. Consumer confidence is the expectation that a service provider can be trusted or relied upon in fulfilling its promises.

Dimensions of trust

Ling et al. (2010) dimensions of trust include security, Privacy, and reliability. These three factors can be explained as follows:

- a. Safety is defined as the extent to which consumers believe that Halal Mart HNI products are safe to consume by religious rules about halal products.
- b. Privacy is defined as maintaining all consumer behavior during transactions related to Halal Mart SNI products.
- c. The reliability of the company can affect consumer confidence.

3. Word Of Mouth

Word of mouth is a method of communication with the spread of product awareness to reach consumers outside of those who are in direct contact with the promotion

Word-of-mouth indicators to encourage positive and persuasive comments, according to Lovelock, Wirtz, and Mussry include :

- a. Talk about the greatness of the service or product.
- b. Recommend customers invite others.
- c. Develop incentive schemes.
- d. Push.

4. Group Reference

A reference group is an individual or group significantly influencing a person's behavior. A person uses reference groups as a basis for comparison or a reference in shaping affective, cognitive, and behavioral responses. The reference group will provide standards and values that affect a person's behavior (Sumarwan, 2011:305).

Schiffman and Kanuk (2007: 293) measure the reference group using three dimensions, namely:

- a. Information and experience
- b. Credibility
- c. Salient properties of the product

3. Research Methods

1. Population and research sample

a) Population

The population is the whole territory, the individual objects, symptoms, and events being generalized to a conclusion imposed (Hadi, 2003:165). Poulasi,

this study is the entire consumer Pruduk Halal Mart SNI in Surakarta unknown number.

b) Sample

According to Indriantoro and Supomo (2014), the sample is all elements of the population or part of the elements of the people used. Researched. Determine the sample of this study using the formula (Sugiyono, 2009: 85) as follows:

$$n = \frac{Z^2 \cdot p \cdot q}{d^2}$$

Description:

n = number of samples.

Z = normal standard price (1,976)

P = estimated population (0.5)

d = interval / deviation (0,10)

q = 1-p

So the sample size can be calculated as follows:

$$n = \frac{(1,976)^2 (0,5) (0,5)}{(0,10)^2} = 97,6 \text{ rounded to } 100 \text{ respondents}$$

The calculation shows that the number of samples required in this study is 100 respondents.

a) Sampling Technique

The technique used in this study uses a convenient sampling technique that uses sampling techniques to select consumers who have purchased and consumed halal products from SNI Mart in Surakarta.

b) Data Sources

Data sources in this study are 2 data, namely primary and secondary data.

1) Primary Data

Is the data obtained directly into the research, and how to get it using questionnaires, interviews, and surveys. And for this study, using Kouesioner

2) Secondary Data

It is data that how to collect it can be done without being directly involved in the research. Usually, this data is already on the internet or in books and other literature

2. Data collection methods

The method of data collection is a method used to collect data with a specific purpose by what is researched, the techniques in this study are observation, light interviews, and questionnaires

a) Observation

It is a method of data collection to observe the object to obtain the desired data.

b) Questionnaire

It is a data collection method that uses a questionnaire or several questions that the respondents will fill in, then processed. The questionnaire method that will be used for this study is Likert scale method

4. Analysis Results

1) Multiple linear regression

Based on the calculation of the computer program SPSS obtained the following results :

$$Y = 3.874 + 0.285X_1 + 0.301X_2 + 0.277X_3 + e$$

Based on the regression equation above, the interpretation of the coefficients of each variable as follows:

- 1) If X_1 (trust) increases by one unit, and X_2 (Word of Mouth), X_3 (Group reference) is constant, then the value of Y will change up by 0.285
- 2) If X_2 (Word of Mouth) increases by one unit, and X_1 (Trust), X_3 (Reference Group) is constant, then the value of Y will change up by 0.285
- 3) If X_3 (group reference) increases by one unit, and X_1 (Trust), X_2 (Word of Mouth) is constant, then the value of Y will change by 0.277

2) F Test Results

Simultaneous Test Results (F)

Model	F	Sig	Discription
Regression	43,558	0.000	Ho rejected, Ha accepted

Source: primary Data processed, 2022 attached

The results of data analysis have been obtained. It can be seen that the value of F count is equal to 43.558 because f count $>$ F table ($24.601 > 2.70$) and the significance of $0.000 < 0.05$ then H_0 is rejected. It can be concluded that H_a is accepted, meaning that trust, Word of Mouth, and reference groups simultaneously and significantly affect purchasing decisions for SNI halal Mart products in Surakarta.

2. T Test Result

T Test Result

Variable	t count	t table	Sig.	Description
Trust	3.761	1,985	0,000	Ha Approved
Word Of Mouth	4.506	1,985	0,000	Ha Approved
mold	2.863	1,985	0,005	Ha Approved
kelompok		1.985		Ha Diterima

Source: primary Data processed, 2022, attached

Testing decision :

1) Trust

Thitung value, amounting to 3,761. The hypothesis is accepted because $3,761 \geq 1,985$ this means that the trust variable has a positive and significant effect on the purchase decision of SNI halal Mart products in Surakarta. Partially trust effect on purchasing decisions

2) Word Of Mouth

The calculated value is 4,506. The hypothesis was rejected because $4,506 > 1,985$ word of Mouth variables mean influential and significant to the purchase decision of halal products SNI Mart in Surakarta.. Word of Mouth has no effect on purchasing decisions.

3) Group reference.

Tcount value, amounting to 2,863. Ho received because $2,863 \leq 1,985$ means that the reference variables of the group have an influence and are significant to the purchase decision of SNI halal Mart products in Surakarta.. Partial reference group influence on purchasing decisions.

3. Test R^2 (coefficient of determination)

From the results of the SPSS table above can be seen unuk value coefficient of determination (R^2)

Coefficient Of Determination (R^2)

R	R Square	Adjusted R Square	Std. Error of the Estimate
0.759 ^a	0.576	0.563	1.378

Source: primary Data processed, 2022, attached

Based on Table 4.14 it is known that the Adjusted R Square is 0.563. this means that trust, Word of Mouth and Reference Group to the purchase decision of Halal products SNI Mart in Surakarta amounted to 56.3% while the remaining 3.7% is explained by other variables outside the model.

5. Conclusion

- 1) Trust, word of mouth, and Group reference simultaneously positively and significantly affected purchasing decisions at Halal Mart Stores in Surakarta.
- 2) Trust affects the purchase decision of Herbal products Mart HNI in Surakarta.
- 3) Word of mouth influences the purchase decision of Herbal products Mart HNI in Surakarta.
- 4) Reference groups influence the purchase decision of Herbal products Mart HNI in Surakarta.

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