

Original Article**THE ANALYSIS OF WORD OF MOUTH (WOM) AND BRAND IMAGE ON PURCHASING DECISIONS****Nur Farida^{1)*}, Muhajir Sofi²⁾, Susetyorini¹⁾**¹⁾ STIENU Gresik (College of Economics NU Gresik), Indonesia²⁾ Student of University Gresik, Indonesia

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ABSTRACT

Background. A good brand image owned by the company will make it easier for customers to decide on a purchase. Words of mouth (WOM) are positive or negative experiences communicated by someone after buying a product.

Research Purpose. This study aims to examine and prove the analysis of Word of Mouth (WOM) and brand image on purchasing decisions.

Research Method. This study used quantitative with a case study approach at Harapan Minimarket Tuban Regency, East Java Indonesia. The population was 120 respondents and the number of samples taken was 100 respondents using non-purposive sampling. Data collection was done by using questionnaires. Data analysis used multiple linear regression.

Findings. The results showed that a lot of Word of Mouth (WOM) was shown to have a positive and significant influence on increasing purchasing decisions at Harapan Minimarket. Then a quality brand image has a positive and significant effect on purchasing decisions at Harapan Minimarket.

Conclusion. Finally, Word of Mouth (WOM) and brand image simultaneously have a positive and significant effect on increasing purchasing decisions at Harapan Minimarket.

Keywords: Brand image, Purchase decision, Word of Mouth.

BACKGROUND

Retail is an important link in the distribution process of goods and is the last link in a distribution process. Through retail, a product can meet directly with its users. The retail industry here is defined as an industry that sells products and services that have been added value to meet the needs of individuals, families, groups, or end users. The products sold are mostly the fulfillment of household needs including the nine basic necessities.

The increasing number of retail industries in Indonesia has resulted in consumers being selective in choosing minimarkets. Information about the quality of trade goods greatly influences consumers to decide which minimarket to choose. Information on the quality of trade goods in minimarkets can be known from several sources, one of which is word of mouth (hereinafter abbreviated as WOM).

According to previous research by Rosario that word of mouth (WOM) is the act of consumers conveying information about goods, services, brands, or companies to other consumers[1, 2]. If this kind of information is communicated via the internet (for example reviews, tweets, blog posts, likes, pins, pictures, photos, and video testimonials), then the term used is e-WOM[3].

Research from Istiyanto & Nugroho argues that building a brand image, especially a positive image is important. Without a strong and positive image, it is very difficult for

companies to attract new customers and retain existing ones, and at the same time ask them to pay high prices[4]. Based on the above definition, it can be concluded that apart from strong word of mouth (WOM), brand image is also very influential in purchasing decisions.

Brand image is a picture or impression generated by a brand in the minds of customers, a good brand image owned by the company will make it easier for consumers to decide on a purchase.[5] According to previous research purchasing decisions are the decision-making process and physical activities that individuals carry out when evaluating, acquiring, using or producing goods and services.[6]

Minimarket Harapan is one of the companies in the retail industry that was established in 1980, located on Tambakboyo highway number 280 Tuban, East Java. Minimarket Harapan provides various needs of the community, which is selling various daily necessities and offers convenience for customers because of its complete merchandise. Be it food, drinks, accessories, children's toys, baby equipment, or household items such as soap, toothbrushes, beauty products and so on.

For Harapan minimarkets, word of mouth (WOM) is one of the most important factors to be considered. promotional media because word of mouth communication is considered more convincing to convey information. However, if the informant is wrong in providing information, it will have a negative effect on Harapan minimarket. In addition, if there are products that do not attract consumer buying interest, consumers are not interested in spreading word of mouth (WOM) to others.

Minimarket Harapan always prioritizes customer satisfaction. The products in the Harapan minimarket are mostly quality products, if the product expires it is immediately replaced, the product is immediately provided so that the consumers are not disappointed. Service quality, some consumers say the service at Harapan minimarket is satisfying because of the friendliness of the service and there is a vehicle guard. In terms of price, there are some of the same prices from other supermarkets and there are also some cheaper prices. Satisfied customers will become spokes persons for Harapan minimarket products more effectively and convincingly than any kind of advertising. Such satisfaction is impossible without excellent service. The 60 consumers in the surrounding area that I interviewed, 90% of them chose to buy at Harapan minimarket because of encouragement from family, neighbors, and friends.

In addition, the brand image at Harapan minimarket since the year of its establishment already has a well-known brand image. To make it easier for consumers to shop as stated in the Harapan minimarket motto "easy, cheap, and complete". As well as the use of Facebook and Instagram which are followed by consumers in the surrounding area, to get various forms of promotion of products sold at minimarkets.

This is done by Harapan minimarket to support consumers who tend to choose shopping at modern outlets based on the reasons for the completeness of the choice of quality products, prices that are certain and competitive, as well as a comfortable atmosphere, complete with friendly service. so that it becomes a consumer consideration in choosing their products. This is indicated by sales data for the last few years that still exist. Word of mouth communication (WOM) or viral marketing arises when consumers are satisfied with a product or very disappointed with the product they bought. When consumers are satisfied. They will tell other consumers about the product.[7]

Word of mouth (WOM) has great power to impact purchasing decisions, this is usually quickly accepted by consumers because those who convey it are those they can trust, such as experts, friends, family, and mass media publications. In addition, word of mouth

(WOM) is also quickly accepted as a reference because service consumers usually find it difficult to evaluate services that they have not bought or have not experienced themselves.[2, 8] Therefore, This study aims to examine and prove the analysis of Word of Mouth (WOM) and brand image on purchasing decisions.

RESEARCH METHOD

This type of research was explanatory research with a quantitative using case study approach. In this study, researchers choose Harapan minimarket as the research location in Tuban Regency, East Java, Indonesia. The research variables are word of mouth (WOM) variables, brand image and purchasing decisions. The population was 120 respondents and then 100 respondents were selected in this study to be the research sample. The sampling method used Non-Probability Sampling technique. The data collection method uses a questionnaire and the type of data analysis used is statistical analysis descriptive and multiple linear regression analysis.

Research hypothesis were:

- H1 : It is suspected that word of mouth (WOM) partially affects purchasing decisions at Harapan minimarket.
- H2 : It is suspected that brand image partially affects purchasing decisions at Harapan minimarket.
- H3 : It is suspected that word of mouth (WOM) and brand image simultaneously influence purchasing decisions at Harapan minimarket.

FINDINGS

The results of the descriptive analysis show that the most respondents were aged 26-35 years, namely as many as 36 respondents (36%), while the smallest respondents are 17-25 years old as many as 17 respondents (17%). Characteristics of the respondents based on gender showed that 41 of the total respondents were male and 59 of the total respondents were female. Characteristics of respondents based on income who dominate are those with an income of IDR 1,000,000 to IDR 5,000,000, namely 50 people or 42%, because in Tuban district the Regional Minimum Wage (hereinafter abbreviated as UMR) is Rp. 2,532,234, - and the lowest number of respondents is respondents who have not earned as many as 2 people or 1.5%.

Table 1 Test of Multiple Linear Regression Analysis

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	25,891	3,549		7,296	,000
1 Word Of Mouth	,232	,114	,188	2,036	,044
Brand Image	,490	,132	,343	3,719	,000

Based on Table 1, the regression equation is obtained as follows:

$$Y = 25.891 + 0.232 X_1 + 0.490 X_2$$

The equation can be interpreted as follows:

a. Constant

If the word of mouth (WOM) and brand image variables are considered equal to zero, then the variable decision purchase decision of 25.891.

b. Coefficient of Word of Mouth (WOM)

If the word of mouth (WOM) variable experiences an increase by 1 unit, while brand image significance of less than 5% as table 1 then H1 is accepted with significant value 0.044. Therefore, it can be concluded that word of mouth (WOM) has a positive and significant effect on purchasing decisions at Harapan Minimarket.

c. Coefficient of Brand Image

If the Brand Image variable increases by 1 unit, while word of mouth (WOM) is considered constant, it will cause an increase in purchasing decisions by 0.490. Brand image (T-value 3.719 > t-table 1.981) then H₀ rejected.

From table 1 can be known that Word of mouth, T-value (2.038 > t-table 1.981), then H₀ is rejected and H₂ accepted); brand image affects purchasing decisions with a significance level of less than 5%. Therefore, it can be concluded that brand image has a positive and significant effect on purchasing decisions at Harapan Minimarket.

Table 2 Result of F-test

Model	Sum of Squares	df	Mean Square	F	Sig.
Regression	146,314	2	73,157	15,744	.000 ^a
Residual	543,677	117	4,647		
Total	689,992	119			

From the results of statistical calculation using SPSS listed in the table above, the Fcount value is 15.744 with a significance level of 0.000. The resulting significance value is smaller than 0.05. While F table = F (k; n-k) = F (2 ; 118) = 3,07. It can be obtained that the value of Fcount (15.744) > Ftable (3.07). This means that the purchasing decision variable (Y) can be explained significantly by Word of Mouth (WOM) (X1) and brand image (X2). It can be concluded that the word of mouth (WOM) and brand image variables simultaneously have a significant effect on purchasing decisions at Harapan Minimarket.

Table 3 Determination Analysis Test Results

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.460 ^a	.212	.199	2,156

The table above explains the magnitude of the correlation value (R) which is 0.460. From this output, the coefficient of determination (R Square) of 0.212. Based on the

determination test results shown in the table 3, this means that 19.9% of the word of mouth (WOM) variable (X1) and the brand image variable (X2) can be explained by the variable word of mouth (WOM). (X2) can be explained by the variable decision purchase (Y). While the rest (100% - 19.9%) is 80.1% explained by other variables outside this study.

DISCUSSIONS

From the characteristics result we know that most of the respondents were aged 26-35 years old because respondents aged 26-35 years were more likely to respond to the survey. They usually use their thinking more valid while filling out the questionnaire and also respondents with 35 years old shop more to fulfill their needs and care for their daily needs. The smallest respondents were 17-25 years old because at this age it is most difficult to consider brand image.[9] From this study dominate of people who shopping at Harapan minimarket because people rarely earn of above the Regional Minimum Wage (UMR) of Tuban district. This study related with previous research that government policy in Indonesia to preserve wage levels and also government need to determining the right policy by looking at regional aspects to consider regional minimum wage.[10, 11]

Kotler and Keller in the theory of maketing management says that word of mouth is any form of notification of positive or negative experiences communicated by someone. Someone after buying, feel or using a product or service[12, 13]. Word of mouth (WOM) is usually quickly accepted by consumers because those who convey it are those they can trust, such as experts, friends, family, and mass media publications. In addition, word of mouth (WOM) is also quickly accepted as a reference because service consumers usually find it difficult to evaluate services that they have not purchased. Purchased or have not experienced it themselves.

Brand image is perceptions about the brand as reflected by the brand association held in consumer memory, which means customer perception towards a brand that described through brand associations that exist in the customer's memory. This is similar with research showed that the brand association is a type of brand-related knowledge that is stored in the consumer's memory and gives them a feeling of a certain brand.[14] This reason encourages companies to strengthen their brand position in order to create a positive brand image and firmly planted in the minds of consumers because through brand image, consumers are able to recognize eighteen (18) a product, evaluate quality, reduce purchase risk, and gain experience and satisfaction from certain product differentiation. User image refers to whether the brand personality matches the consumer. Meanwhile, product image is a public view of a product or product category.[5]

This research result also similar with another research said that the purchasing decision process is a consumer behavior to determine a decision development process in buying a product.[15, 16] Consumer purchasing decisions are a process of decision-making and physicalactivities that individuals do when evaluating, acquiring, using or disposing of goods and services relationship between variables.

Relationship between Word Of Mouth Word of mouth (WOM) has great power to impact purchasing decisions, this is usually quickly accepted by consumers because those who convey it are those they can trust, such as experts, friends, family, and mass media publications. Inaddition, word of mouth (WOM) is also quickly accepted as a reference because service consumers usually findit difficult to evaluate services that they have not bought or have not experienced themselves.[2]

Relationship between brand image and purchasing decision Image plays a big role in influencing consumer decision making. When consumers do not have complete information about the product, consumers will use brand image as a basis for choosing products.[4, 6] Image is the consumer's perception of the brand as a whole, which is formed by the information received and the consumer's experience of the brand. What appears when consumers are asked about the image of a brand, consumers will express their impressions and beliefs about certain brands.

Based on the results of the study, it is known that the respondents' assessment of consumers from Harapan minimarket on the variable word of mouth (WOM) and brand image has a positive effect on purchasing decisions. So that companies are expected to continue to improve and maximize word of mouth (WOM) and brand image variables by providing a higher quality brand. Minimarket Harapan must also be able to determine the quality of products sold in minimarket Harapan as high quality and attractive so that consumer purchasing decisions will also increase.

CONCLUSION

The conclusions from the results of research conducted at Harapan minimarket are:

1. Word of mouth (WOM) has an effect on purchasing decisions, this means that the better word of mouth (WOM) will increase purchasing decisions.
2. Brand image has an effect on purchasing decisions, this means that the better the brand image, the more purchasing decisions will be made.
3. Together word of mouth (WOM) and brand image have an effect on purchasing decisions, meaning that the better word of mouth (WOM) and brand image will increase purchasing decisions.

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