

Effect of Word of Mouth on Purchase Decision

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ABSTRACT

Word of Mouth as a marketing technique that has been around for a long time. Not only glued to word of mouth, but there is also a marketing topic in it. There is also the use of the internet in Word of Mouth. The purpose of this study was to examine the effect of Word of Mouth on purchasing decisions. This type of research is a literature study with a qualitative descriptive approach. The research findings state that the word of mouth has a significant effect on consumer purchasing decisions.

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INTRODUCTION

Marketing is a combination of interrelated activities to identify consumer needs through creating, offering and exchanging products and services of value and developing promotion, distribution, service and pricing so that consumer needs can be well satisfied at a certain level of profit.

One of the most effective and efficient ways of marketing a product or service is through word of mouth. Word of Mouth (WOM) has a very effective role in marketing because Word of Mouth can spread quickly and be trusted by potential consumers. The spread of Word of Mouth can not only be done by providing information through word of mouth communication, but it can also be disseminated through social media (Groeger & Buttle, 2014). With the rapid development of technology, it can also support the marketing promotion of Word of Mouth (Wursan, et al., 2021).

Word of mouth communication does have a very big influence on someone because the information obtained is considered real and honest (Abendroth & Heyman, 2013). Someone tends to trust product information that they hear from friends, relatives or closest people who have experience with a product compared to information from advertisements (Wursan, et al., 2021). Word of mouth or word of mouth communication will occur naturally when people become supporters of a brand or product because they are satisfied with the product they use or consume and have a desire or desire that comes from themselves and are enthusiastic to invite others to choose a brand or product that is suitable for them. has been used or can be referred to as Organic Word of Mouth (Sernovitz, 2012). Increased marketing of a category can affect consumer interest.

Satisfaction and reviews from previous consumers will be a reference for new consumers in choosing a product . (Kamil & Albert, 2020).

The purchase decision is a final decision that is owned by a consumer to buy an item or service that is preferred in a company with certain considerations (Ambolau, et al., 2015). Purchase decisions made by consumers describe how far the company is in an effort to market a product to consumers (Groeger & Buttle, 2014).

Based on the whole explanation above, this study was conducted to examine the effect of Word of Mouth on purchasing decisions.

LITERATURE REVIEW

Word of mouth is a consumer action that provides some information to others about a product, service or company in the form of comments about the product, honesty, speed of service, and others according to what is felt and experienced by consumers (Harahap, et al., 2018). Word of Mouth is a marketing activity through person-to-person intermediaries either orally, in writing, or through social media based on experience with products or services (Groeger & Buttle, 2014). When viewed from the definition above, Word of Mouth can be interpreted in general as an activity to provide information on a product, goods and services to the next potential consumer.

There are several factors that influence the occurrence of Word of Mouth. Consumer factors to talk about a product and service are psychological needs, personal factors, and concern for other consumers (Shen, et al., 2016). Psychological needs refer to the level of satisfaction with a product or service. This satisfaction makes consumers move to do word of mouth about the product or service. Personal factors refer to the desire to disseminate information obtained from a product or service. Caring refers to an empathetic attitude towards other consumers. If the product or service used is not good, this information will be conveyed to other consumers so that no one is harmed again. Conversely, if the product or service used is very good, the information will be disseminated through Word of Mouth so that other consumers can feel the benefits of the product or service. There are other opinions regarding the motivation of consumers to do Word of Mouth. The basic motivation that drives consumers to do Word of Mouth is that consumers of services and products are purchased, talks make consumers feel good, and consumers feel connected in a group (Sernovitz, 2012). Word of mouth is divided into two types (Sernovitz, 2012), namely Organic Word of Mouth is a conversation that flows naturally from the positive qualities of a company. Amplified Word of Mouth is a talk started by a deliberate campaign to get people to talk.

In implementing Word of Mouth, there are five basic Word of Mouth indicators known as 5T, namely Talkers (speakers), Topics (topics), Tools (tools), Talking part (participants) and Tracking (supervision) (Sernovitz, 2012). Talkers are a collection of consumers who will talk about a product or service. Topics is a matter related to the advantages and disadvantages of a product delivered by talkers. Tools make it easier for consumers to talk about products to other consumers. The talking part is important, because it is necessary for other people and other consumers to participate in the conversation so that Word of Mouth can continue to run. Finally, tracking is a company action to monitor and monitor consumer responses. This is done so that companies can learn about positive or negative consumer input, so that companies can learn from that input.

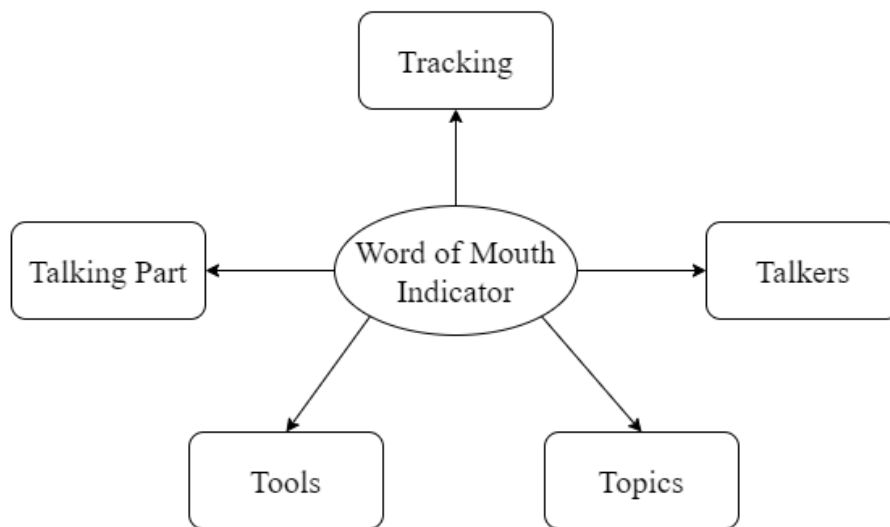


Figure 1. Word of Mouth indicator.

The development of technology can support the development of Word of Mouth marketing (Wursan, et al., 2021). The number of social media that companies can use to promote their services and products makes it easier for consumers to find brief information about the desired products and services (Wursan, et al., 2021). However, this information is still not fully trusted by consumers. Therefore, there is a review feature that allows former consumers to provide positive or negative comments about products or services that are made open to the public via the internet called Electronic Word of Mouth . (Kamil & Albert, 2020). To measure the effect of Electronic Word of Mouth, there are four indicators, namely intensity, content, positive opinion, and negative opinion . (Kamil & Albert, 2020). In . (Kamil & Albert, 2020) it is explained that the intensity in Electronic Word of Mouth is the number of opinions or comments written by consumers on social media. Content is information on social media related to products and services. Positive opinion occurs when consumers are satisfied and provide good news in testimonials and provide support to the company. Negative opinion is an unfavorable response from consumers about the product and care addressed to the company.

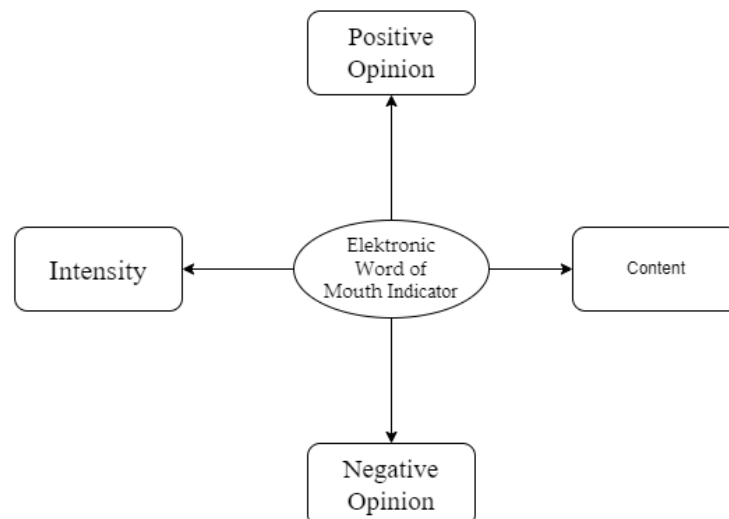


Figure 2. Electronic Word of Mouth indicator.

Word of Mouth communication cannot just happen to consumers (Hanaysha, 2022). Each stage has an importance that should not be ignored. As written in paper (Gunawan, et al., 2020) in the traditional view, the word of mouth communication process starts from information conveyed through

mass media, then informed by opinion leaders who have followers and influence. The information captured by the opinion leader is disseminated to his followers through word of mouth. In fact, the model broadly includes gatekeepers as parties involved in the communication process. A broader Word of Mouth communication model in Figure 3.

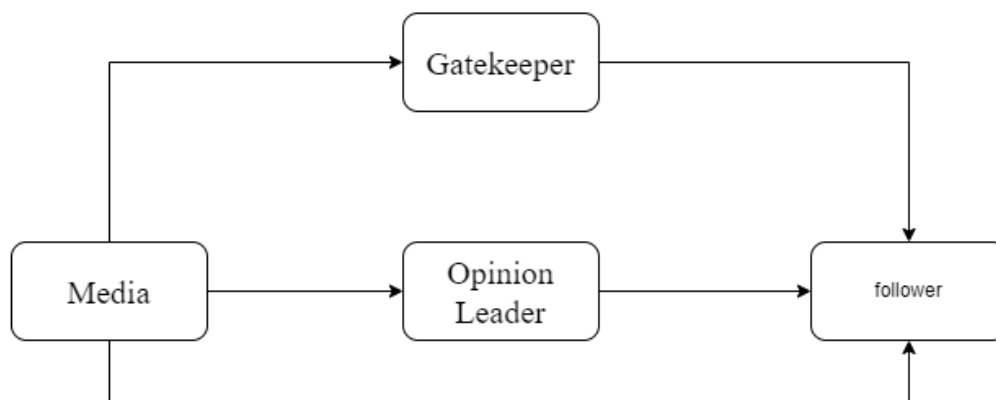


Figure 3. Word of Mouth communication.

Word of Mouth and Electronic Word of Mouth have an impact on consumer buying behavior (Hanaysha, 2022). In addition, word of mouth can influence and provoke consumers to buy a product or service (Harahap, et al., 2018). Based on (Groeger & Buttle, 2014) and (Wursan, et al., 2021), the level of consumer purchasing decisions is strongly influenced by Word of Mouth and Electronic Word of.

In previous studies, purchasing decisions were expressed as a person's decision to choose a particular product or service introduced by the company (Hanaysha, 2022). The purchase decision is the final stage in the buying decision process where consumers actually buy . (Kamil & Albert, 2020). Furthermore, purchasing decisions are influenced by several factors, namely, cultural, social, personal and psychological . (Kamil & Albert, 2020). Cultural factors are complex things, which include science, belief, art, morals, customs, habits, and norms that apply to society. Cultural factors have the most widespread and profound influence on consumer behavior. It can be seen the role played by the buyer's culture, sub-culture and social class. Social factors such as reference groups, family, and roles and social status consist of all groups that have a direct or indirect influence on a person's stance or behavior in the place where the person interacts. The position of people in each group can be defined in terms of roles or status in many groups such as families, clubs, and organizations. A buyer's decision is also influenced by personal characteristics, namely the age of the buyer and the stage of the work cycle, economic circumstances, lifestyle and the personality and personal concept of the buyer. A person's buying choice is influenced by four main psychological factors, namely motivation, perception, knowledge, belief and conviction.

Referring to previous research, the relationship between Word of Mouth, use of social media, and Electronic Word of Mouth plays an important role in having a positive impact on purchase decision engagement and offline and online trust (Vongurai, et al., 2018). There are five variables in this framework, namely Word of Mouth, Social Media and Internet, Electronic Word of Mouth, Trust, and Purchase Decision Involvement. This is done to learn whether Word of Mouth can be applied offline or online. In addition, it will be seen how the impact of using Word of Mouth offline and online, as well as the influence of Word of Mouth on trust and also on purchasing decisions.

Empirically, the influence of Word of Mouth on purchasing decisions has been reviewed by several previous researchers. As in (Groeger & Buttle, 2014) and (Gunawan, et al., 2020) that marketing using Word of Mouth has a significant effect on purchasing decisions. This finding, showing the effect of Word of Mouth on purchasing decisions, also shows the relationship of these two variables to the level

of sales. Similar results were found by (Hanaysha, 2022), that Word of Mouth has a significant effect on consumer purchasing decisions.

Furthermore, (Kamil & Albert, 2020) also proves that marketing using Electronic Word of Mouth has a significant effect on product sales. As in (Wursan, et al., 2021) it was also found that promotion using social media by means of Word of Mouth can increase consumer purchasing decisions. In (Fan & Miao, 2012) proves that Word of Mouth has a positive effect on all genders, but the level of significance of each gender is different in purchasing decisions. In (Vongurai, et al., 2018) it is explained that the use of offline and online marketing has a positive effect on purchasing decisions, but Electronic Word of Mouth marketing is significantly more influential than only using offline Word of Mouth. However, (Harahap, et al., 2018) found that Word of Mouth is not a solution to increase consumers.

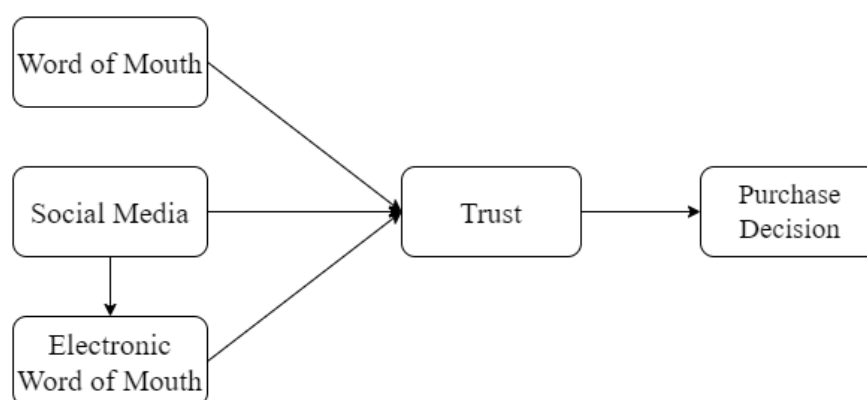


Figure 4. Relationship between WOM, eWOM and purchase decision.

METHODS

This research is a type of descriptive research using a qualitative approach. Descriptive research aims to provide a detailed description of the research focus (Muri, 2016). A qualitative approach is a research approach that does not use statistical procedures in data analysis, but prioritizes data interpretation in the form of descriptions (Anggito & Setiawan, 2018).

The research data is secondary data in the form of journals that have relevance to the topic under study, namely the influence of Word of Mouth on purchasing decisions. Data were collected using research literature and analyzed using qualitative analysis techniques in three stages, namely: data reduction, data presentation and closing (Creswell, 2014).

CONCLUSION

The conclusion that can be drawn from this research is that most of the previous studies have proven that there is a significant influence of Word of Mouth on consumer purchasing decisions. The use of social media in implementing Word of Mouth or commonly called Electronic Word of Mouth can also influence purchasing decisions. However, previous research has also shown that Word of Mouth has little effect on consumer purchasing decisions. Inconsistencies in previous studies indicate that further research is needed on the effect of Word of Mouth on consumer purchasing decisions. Further research can use primary data obtained from the questionnaire, so that it can be tested using statistical procedures to know better how the influence of Word of Mouth on consumer purchasing decisions.

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