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THE INFLUENCE OF WORD OF MOUTH ON PURCHASE BEHAVIOR IN THE FOOD INDUSTRY: A CASE STUDY

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Abstract

The type of promotion that significantly influences customer purchasing decisions is word of mouth (WOM) or what is often known as word of mouth recommendations. This research aims to examine the impact of WOM on product purchase decisions, focusing on Seblak Bibuk as the object of study. Business competition in the food industry is increasingly intense, particularly in the Seblak market, which has innovated and become more modern. Seblak is now served in a buffet-style model, allowing consumers to choose what they want. According to literature, WOM is considered an efficient and trustworthy source of information. This research uses a quantitative method with surveys and data collection method is carried out by questionnaire distribution. The research results show that WOM has a significant influence on consumer decisions. Many individuals recommend products they have tried or consumed to others, which, in turn, influences the purchase decisions of others. In this context, information obtained from others' recommendations has been shown to greatly impact purchase decisions of Seblak Bibuk. Consumers who receive recommendations often make purchases, and those who have purchased are satisfied due to the good taste, service, and cleanliness of the place. This research also shows that recommendations from others not only increase trust but also motivate individuals to purchase the recommended products. Therefore, WOM becomes a highly efficient marketing strategy to boost sales and build customer loyalty.

Keywords: effective promotion, purchase decision, word of mouth

Introduction

Business competition is becoming fiercer as times change, and the food industry is one industry that has seen a lot of progress. The emergence of a more inventive human concept is the reason for this shift. Many new business owners are encouraged by this to compete in the development of new products and the innovative use of existing products to meet consumer demand.

One of them is seblak, which is no longer strange to our ears. Seblak is a Sundanese speciality that usually consists of crackers or noodles combined with vegetables and eggs. This culinary has a spicy savoury taste and has a characteristic in the seasoning, namely kencur. Over time, many entrepreneurs have made innovations to seblak, by creating seblak buffets where buyers can choose the type of topping they want. The toppings also vary, ranging from sausages, meatballs, and other frozen food. One of the business players in this buffet is Seblak Bibuk.

In order to compete in the market, businesses must not only innovate in their food menu, but also create an effective marketing plan. One of the many ways to promote products is through electronic media, such as social media, television, or e-commerce. This method is considered successful in expanding the product's market reach. In addition, attractive advertisements can attract consumer interest to try the product. Advertising can be a consideration in deciding what to buy, and also become a benchmark to measure the effectiveness of company promotions.

Besides advertising, promotion can occur naturally. Word of Mouth is the term used to describe this promotion. According to Rusman Latief's book, Word of Mouth Communication: (2019), word of mouth marketing is considered a free medium because consumers spread information to other consumers while reaping benefits for businesses that sell products or services.

In addition, word-of-mouth transmission plays a crucial position in an individual's purchasing decision, as the information gathered is authentic and genuine, meaning that consumers tend to believe product testimonials they get from colleagues or close friends who have experienced the product more than other forms of promotion. Word-of-mouth communication, also known as word-of-mouth, happens spontaneously when someone becomes an advocate of a product because of their satisfaction by the

product they bought. They are also passionate about encourage others consumers to choose the product they have used.

A similar study was conducted by Nurvidiana, et al. (2015), word of mouth promotion occurs when customers speak well of the product to others consumers, regardless of whether they are happy or not with the product. If word of mouth can do persuade people to purchase the goods produced, then this will benefit the business. Conversely, if customers are dissatisfied with the goods they receive by word of mouth, it will have a negative effect on the business.

The purpose of this study is to examine the impact of word-of-mouth on purchasing decisions at Seblak Bibuk as a one of culinary business. Word-of-mouth marketing is very important in order to achieve overall business goals. A marketing communication must go through a process to achieve these goals, and this process will be very important in a marketing activity.

Methods

The study technique is a scientific approach that is logical and in accordance with human common sense. Tersiana Andra (2018). This research using a quantitative approach. Study techniques that measure data, usually for statistical analysis, are known as quantitative approaches. Putri and colleagues (2016) Word of Mouth (X) and purchasing decisions (Y) are the variables studied.

a. Sampling Technique

A random sample of Seblak Bibuk customers was used for sampling purposes in this study. Forty participants participated in this study as informants. Age and occupation were two of their different features.

b. Data Analysis Method

1. Descriptive Statistics
   The data collected from the survey is partially explained by this analysis. Descriptive statistics are statistics that evaluate data by providing an explanation of the data obtained without trying to generalise or draw conclusions that can be applied to other subjects. Diah, et al. (2023).
2. Linear Regression Analysis
   Diah, et al. (2023) argue that the statistical method for finding out how the input variable affects the output variable is simple linear regression analysis. The following is a simple regression equation:
   $Y = \alpha + bX$
   Description:
   - Y = Subject of the dependent variable
   - b = Regression coefficient / direction number
   - X = Independent variable subject α = Constant

c. Data Analysis Testing

1. Normality Test
   To determine if a dataset follows a normal distribution, a normality test is performed. If the significance level (p-value) exceeds 0.05, the data is deemed normally distributed. Conversely, if the data exhibits asymmetry, tests such as Shapiro-Wilk and Kolmogorov-Smirnov can be employed to assess normality. Specifically, if the p-value is less than 0.05, it indicates that the data does not conform to a normal distribution; if it is greater than 0.05, the data can be considered normally distributed.In SPSS, decision-making criteria for normality testing are as follows: a p-value below 0.05 suggests non-normality, while a p-value above 0.05 indicates normality.
2. Correlation Coefficient Test
   The correlation coefficient indicates the strength of the relationship between two variables. To assess the linear relationship and validate hypotheses regarding these variables, the Pearson correlation coefficient is employed. This relationship can be classified as either positive or negative. The variance in the input variable can help explain the variance in the output variable, and the coefficient of determination, which is the square of the correlation coefficient, quantifies this relationship. In this study, the Pearson correlation coefficient formula was applied. A significance value (sig) of less than 0.05 suggests that the data are correlated, while a value greater than 0.05 indicates that they are uncorrelated.
3. Hypothesis Testing with the t-Test
   The t-test serves as a method for evaluating hypotheses by examining the effect of one input variable on output variable. This test is performed at a significance level of 0.05 (α = 5%). To determine whether the hypothesis is supported or rejected, the following criteria are applied: If the

Significance value (Sig.) exceeds 0.05, it indicates that the input variable does not significantly affect the output variable. Conversely, if the Sig. value is below 0.05, it suggests that there is a significant influence of the input variable on the output variable (Diah et al., 2023)

Results and Discussion

a. Characteristics of the Informants

Customers of Seblak Bibuk were randomly given the questionnaire. The following descriptive table is derived from 40 informants who filled out the questionnaire:

Table 1 Descriptive Statistics Analysis Test Results

	N	Minimum	Maximum	Mean	Std. Deviation
Word of Mouth	40	20	24	21.60	0.928
Purchase Decision	40	15	19	17.03	1.143
Valid N (listwise)	40				

Source: data obtained with SPSS

From the table, there are 40 informants, the variable for Word of Mouth (X) ranges from a min of 20 to a max of 24, with an average (mean) value of 21.60 and a standard deviation of 0.928. Meanwhile, the Purchase Decision variable (Y) has a min value of 15 and a max value of 19, with an average (mean) of 17.03 and a standard deviation of 1.143.

b. Normality Test

Table 2 Normality Test Results

	Kolmogorov-Smirnov[a]			Shapiro-Wilk		
	Statistic	df	Sig.	Statistic	df	Sig.
Unstandardized Residual	0.106	40	0.200*	0.974	40	0.491
*. This is a lower bound of the true significance.						
a. Lilliefors Significance Correction						

Source: data obtained with SPSS

If the sig value is greater than 0.05, the normality test is considered normally distributed; if it is less than 0.05, the study data is not normally distributed. The following Table 2 identifies two models: Shapiro-Wilk and Kolmogorov-Smirnov. The Shapiro-Wilk method yields a Sig value. In particular, 0.491, which is greater than 0.05, indicating that the data from the administered questionnaires are regularly distributed. In addition, the Kolmogorov-Smirnov approach also produced a sig value > 0.05, specifically 0.200, which concludes that the data is also regularly distributed.

c. Correlation Coefficient Test

Table 3 Correlation Coefficient test results

		Word of Mouth	Keputusan Pembelian
Word of Mouth	Pearson Correlation	1	0.535**
	Sig. (2-tailed)		<,001
	N	40	40
Purchase Decision	Pearson Correlation	0.535**	1
	Sig. (2-tailed)	<,001	
	N	40	40
**. Correlation is significant at the 0.01 level (2-tailed).			
Source : data obtained with SPSS			

Seen from the table, the sig value is obtained. 0.001 in the Word of Mouth variable and the Purchase Decision variable, this value is <0.05. It can be concluded that there is a correlation between the

Word of Mouth variable and the Purchase Decision variable. The Pearson Correlation coefficient calculated is positive 0.535. Variable X to variable Y has a moderate degree of correlation. With a positive Pearson Correlation value, so the higher the Word of Mouth, the higher the Purchasing decision.

d. Test Coefficient of Determination R2

Table 4 Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	0.535[a]	0.286	0.267	0.460

a. Predictors: (Constant), Word of Mouth
Source :data obtained with SPSS

The correlation value is 0.535 and the coefficient of determination (R2) in the R Square column is 0.286, according to the data above. Table 4 shows that the Word of Mouth variable (X) has an influence of 28.6% or 0.286 on Purchasing Decisions (Y). The rest, however, is affected by variables not included in the test.

e. Hypothesis Test

Table 5 Coefficients

Coefficients						
Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.
		B	Std. Error	Beta		
1	(Constant)	10.339	1.714		6.031	<,001
	Word of Mouth	0.310	0.079	0.535	3.904	<,001

Dependent Variable: Purchase Decision
Source :data obtained with SPSS

The hypothesis of the study was evaluated using a t-test. To determine the t-test statistic, a significance level of α = 5% and degrees of freedom (df) calculated as df = n - k were utilized. In this context, k represents the total number of variables, while n denotes the total number of participants. For this study, the degrees of freedom were calculated as df = 40 - 2 = 38. The critical value from the t-table for this analysis is 1.685.

Ho = does not have the influence of Word of Mouth on purchasing decisions
Ha = has a Word of Mouth influence on purchasing decisions

The t-count and t-table values are utilized to assess the hypothesis. The alternative hypothesis (Ha) is accepted when the t-count exceeds the t-table value, while it is rejected if the t-count is lower than the t-table. In this case, since 0.001 is less than 0.05 and the t-count (3.904) is greater than the t-table (1.685), we can conclude that Word of Mouth has a significant and positive impact on purchasing decisions. This indicates that an increase in Word of Mouth leads to more purchasing decisions being made. Therefore, we reject the null hypothesis (Ho) and accept the alternative hypothesis (Ha).

f. Simple Regression Analysis

Table 6 ANOVA[a]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	3.219	1	3.219	15.238	<,001[b]
	Residual	8.028	38	0.211		
	Total	11.247	39			

Dependent Variable: Purchase Decision
Predictors: (Constant), Word of Mouth
Source :data obtained with SPSS

Simple linear regression analysis is conducted to measure how influential the independent variable is on the dependent variable. In this situation, variable X has an impact on variable Y if the sig value is below 0.05; conversely, the impact is not significant if the sig value is more than 0.05. The basic regression analysis formula for this study is as follows: The table presented indicates that the Word of Mouth (X) variable affects the Purchase Decision (Y) variable, for an f-count value of 15.238 and a significance level of 0.001, which is lower than 0.05. The Word of Mouth (X) variable influences the Purchasing Decision (Y) variable by 28.6%.

$Y = \alpha + bX$

Y = 10.339+ 0,310 X

This calculation produces a constant value of 10.339, meaning that if Word of Mouth has a value of 0, then the choice to buy is 10.339. The choice to buy will increase by 0.310 if Word of Mouth grows by one unit. The coefficient table provides these figures.

Discussion

The objective of this research is to investigate the impact of Word of Mouth on purchasing decisions at Seblak Bibuk. To achieve this, data was collected through questionnaires that were randomly distributed to consumers of Seblak Bibuk. A total of 40 respondents who are consumers of Seblak Bibuk participated in the survey.

The data collected underwent statistical testing and analysis, which included several methods: simple regression analysis, normality tests, correlation tests, R^2 determination tests, and hypothesis testing. To assess whether the data followed a normal distribution, a normality test was conducted. Once normality was established, the next step was to examine the relationship between the two variables. The impact of the input variable on the output variable was evaluated using a t-test. The results indicated that there is a significant effect of word-of-mouth on purchasing decisions, as evidenced by a t-count value of 3.904 and a significance level (sig) of 0.001. Since the t-count (3.904) exceeds the t-table value (1.685), and the significance value (0.000) is less than 0.05, we accept the alternative hypothesis (Ha) and reject the null hypothesis (Ho).

Additionally, the R^2 coefficient of determination test was performed to further support these findings. As shown in Table 4.4, the R^2 value is 0.286, indicating that word-of-mouth (X) accounts for 28.6% of the influence on purchasing decisions (Y). Therefore, it can be concluded that customers' decisions to purchase Seblak Bibuk are indeed influenced by word-of-mouth recommendations.

Several researchers have conducted similar studies, and most of these references assume that Word of Mouth (WOM) significantly influences purchasing decisions. However, among the nine journals referenced in this study, only two by Panggabean et al. (2023) titled "Analysis of the Effect of Word of Mouth and Marketing Mix on Consumer Purchasing Decisions of Ribur Korean Cuisine" indicate that WOM has no effect on purchasing decisions at Ribur Korean Cuisine. The findings from the t-test for the WOM variable revealed a significance level of 0.352, suggesting no effect since this value exceeds the 0.05 threshold. In contrast, the remaining studies consistently demonstrate a positive impact of WOM on purchasing decisions.

Conclusions

Word-of-mouth promotion has a notable impact on purchasing decisions, as evidenced by a correlation value of 0.535. This indicates that an increase in word-of-mouth exposure regarding Seblak Bibuk correlates positively with the likelihood of consumers deciding to make a purchase. The hypothesis testing using a t-test reveals that the alternative hypothesis (Ha) is accepted while the null hypothesis (Ho) is rejected when the t-count exceeds the t-table value. Additionally, research indicates that there is a 28.6% relationship between word-of-mouth and purchasing decisions for Seblak Bibuk. Given that this influence is relatively modest, it suggests the need for optimization and integration of word-of-mouth strategies with other promotional efforts to enhance its effectiveness in driving purchase decisions.

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