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Influence of promotion and word of mouth on purchasing decisions (a case study of Toko Family Cilacap consumers)

Umi Nur Khasanah
Fakultas Ekonomi, Universitas Nahdlatul Ulama Al-Ghazali, Cilacap, Indonesia

Article Info	ABSTRACT
	The purpose of this study was to analyze the effect of word of mouth on purchasing decisions (case study at the Cilacap Family Shop). The number of samples in this study were 75 respondents using the incidental sampling method. This study uses multiple linear regression analysis methods. The results showed that there was a simultaneous influence on variables (promotion and word of mouth) on purchasing decisions, seen significant values below 0.05 and calculated F value (63.522) > F table (3.12). The results of this study also show the value of t count on the promotion variable of (3.557), word of mouth amounting to (4.302) is greater than t table (1.993) so that it is stated that the purchase results are stated. In the determination test there is an effect of 62.8% of the independent variables (promotion and word of mouth) on the dependent variable (purchasing decisions). While as much as 37.2% are considered by other variables and are not included in this regression analysis, such as location, price, brand image, brand equity, product quality and others.

Corresponding Author:

Umi Nur Khasanah
Fakultas Ekonomi, Universitas Nahdlatul Ulama Al-Ghazali
Jl. Kemerdekaan Barat No.17, Gligir, Kesugihan Kidul, Kec. Kesugihan, Kabupaten Cilacap, Jawa Tengah 53274
Email: khasanahnur@gmail.com

1.   INTRODUCTION

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

Today, in line with the development of the current marketing era, it has developed rapidly even with strong competitors. This requires the company to continue to develop marketing strategies to maintain market position or increase the market. This strategy can be carried out by means of a marketing mix consisting of product, place, price and promotion.

The strategy that can be carried out by companies to introduce widely or provide memories about the products being sold is through promotions or advertisements. Promotion is a kind of communication that provides explanations that convince potential consumers about goods and services with the aim of getting attention, educating, reminding and convincing potential customers.

The role of promotion is carried out to communicate and influence potential customers to be able to accept the products produced by the company. Promotion is essentially an art to seduce customers and potential customers to buy more of the company's products. Promotion is an attempt

by marketers to inform and influence other people or parties so that they are interested in making transactions or exchanging products or services that are marketed. 3 Promotion or advertising can be done using promotional media such as newspapers, magazines, television, radio and other print media and other electronic media.

The aim of marketing is to meet and satisfy the needs and wants of target customers. To be able to achieve this, a company must know how individuals, groups and organizations select, buy, use and utilize goods, services, ideas or experiences in order to satisfy their needs and desires. Understanding consumer behavior and knowing customers is not a simple matter. Customers may state their needs and wants but act otherwise. These customers may not understand their deeper motivations. They may respond to influences that change their mind at the last minute. Consumer decisions are influenced by several factors such as environmental, organizational, interpersonal and personal factors, as well as cultural factors.

Word of mouth marketing is a form of marketing in which consumers take control and participate as marketers to influence and accelerate marketing messages. Word of mouth marketing is the oldest form of advertising, in which people provide information and make honest recommendations to others about brands, products (goods/services) and services. Consumers who are satisfied with the service received at a company will definitely voluntarily share their experiences with their relatives or other consumers. Word of mouth can also be said as story telling, namely stories from one consumer to another. Consumers actually trust information from other consumers more than advertisements distributed by companies.

Based on the above, it is important to conduct this research in order to determine whether there is influence of promotion and word of mouth on purchasing decisions".

2.   METHOD

2.1   Types of research
The type of research used is associative research with a quantitative approach and case studies. Associative Research with a Quantitative Approach The form of research used is associative research with a quantitative approach. Associative research is research conducted to find the relationship or influence of one or more independent variables with one or more dependent variables. Case Study The case study in this study used the research object, namely the Cilacap Family Store.

2.2   Location and Time of Research
This research was conducted at the Cilacap Family Store on Jalan Perintis Kemerdekaan No. 10, Gumilir, North Cilacap. In May 2019 to January 2020.

2.3   Data collection technique
Questionnaire is a data collection technique that is carried out by giving a set of questions or written statements to respondents to answer. Questionnaires are an efficient data collection technique when researchers know with certainty the variables to be measured and know what is expected of the respondents. Interviews are a way of collecting research data by asking a number of questions orally and directly to the research subject or respondent. In this study, researchers used the documentation method to obtain data or documents in the form of paper, pictures and so on and to get an overview of the general situation.

2.4   Population, Sample and Sampling Technique
The population in this study were all visitors to the Family Cilacap store. Because the number of visitors to the Family Cilacap store cannot be determined, several samples will be taken from the population.

The sample is part of the number and characteristics possessed by the population. Which means that the sample in this study were some visitors to the Family Cilacap store. The sampling technique in this study used a non-probability sampling method with an accidental sampling technique, namely a sampling technique based on chance, that is, anyone who accidentally or accidentally meets the researcher.

The sampling technique for research is based on the opinion of Suharsimi Arikunto who says that "if the research population is less than 100 then all the samples are taken, but if the research population is more than 100 then the sample can be taken between 10-15% or 20-25 % or more". According to Roscue "A decent sample size in research is between 30 to 500". So according to the above opinion the number of samples in this study can be taken 25% of the total population.

The sample in this study is the consumers of the Cilacap Family Shop. The researcher took a sample of 75 respondents on the grounds that this number represented the entire population of 300 and was considered to represent the entire population because it was 25% of the total population. As stated by Suharsimi Arikunto that 25% or more is sufficient to represent for various reasons including the ability of researchers from time, place and finances.

2.5 Data analysis method

2.5.1 Multiple Regression Analysis Test

The analysis technique used in this research is multiple linear regression analysis. Multiple regression analysis is used to determine or measure the effect of the independent variables on the dependent variable. The multiple linear regression formula according to Sugiyono is as follows:

$$\dot{Y} = ß_0 + ß_1 X_1 + ß_2 X_2 + e \tag{1}$$

Where:

$\bar{Y}$ = Subject in the predicted dependent variable (Purchase Decision)

a = Regression coefficient (constant)

b = direction number or regression coefficient, which shows the increase or decrease in the dependent variable based on changes in the independent variable. If (+) the direction of the line is up and if (-) then the direction of the line is down.

X_1 = Promotion

X_2 = Word of mouth

For the measurement scale in this study, a questionnaire was prepared based on a Likert scale where the ranking values for each answer or response were added up to reach a total value. The Likert scale is used to measure attitudes, opinions and perceptions of a person or group of people about an object.

While the category answers used are: Strongly Agree (SS), Agree (ST), Undecided (RG), Disagree (TS), Strongly Disagree (STS). In general, the Likert scale uses a five-point rating, namely: Strongly agree = 5 Agree = 4 Undecided = 3 Disagree = 2 Strongly Disagree = 1.

2.5.2 Hypothesis testing

The t test is used to test the effect partially on the dependent variable. 45 In this study there are two independent variables, namely price and location, if t count > from t table then Ho is accepted, and vice versa if t count < t table then Ho is rejected. To determine the t table using the α level of 5% and the degree of confidence (dk) = α /2,nk.

The f test is used to jointly test the effect of the independent variables on the dependent variable. 46 One way to do the F test is to compare the calculated F value with the F value according to the table. If the calculated F value is greater than the table F value, then we accept the alternative hypothesis which states that all independent variables simultaneously affect the dependent variable. To find out the significance or not of the influence of the independent variables on the dependent variable, a probability of 5% (α = 0.05) is used. If Sig > α (0.05), then Ho is accepted, Ha is rejected, if Sig < α (0.05), then Ho is rejected, Ha is accepted.

The coefficient of determination is the main tool to find out how far the level of relationship between the variables X and Y.47 The magnitude of the coefficient value lies between 0 and 1. If the determinant = 0 or close to 0, this indicates that there is no relationship between the independent variable (X), namely X_1(Promotion) and X_2(Word of Mouth) to the dependent variable (Y), namely purchasing decisions. Conversely, if the determinant = 1 or close to 1, it means that there is a perfect relationship between the independent variable (X), namely Promotion and Word of Mouth to the dependent variable (Y), namely purchasing decisions. Or in other words the coefficient of determination $0 \leq r^2 \leq 1$.

3   RESULTS AND DISCUSSION

3.1 Characteristics of Respondents

The characteristics of the respondents can help get an idea of the behavioral tendencies of the respondents in the research. Characteristics of respondents grouped based on gender, age, occupation and income of respondents.

3.1.1   Characteristics of Respondents Based on Gender

Analysis of Respondent Characteristics begins with gender differences, which can be seen in the following table:

Table 1. Characteristics of Respondents Based on Gender

Gender	Amount	Percentage
Man	27	36%
Woman	48	64%
Amount	75	100%

Source: Processed primary data, 2019

Based on the table above, it can be seen that there were 27 male respondents (36%) and 48 female respondents (48%). This shows that women show as consumers who are more potential in purchasing family shop products than men.

3.1.2   Characteristics of Respondents Based on Age

Differences in individual conditions such as age can often provide differences in behavior in making purchasing decisions. This was done to find out which age groups are more potential consumers of Family Cilacap shops. Tabulation of respondent's age can be seen as follows:

Table 2. Characteristics of Respondents Based on Age

Age	Amount	Percentage
<17	8	11%
18-30	39	52%
31-40	19	25%
41-50	6	8%
>50	3	4%
Amount	75	100%

Source: Processed data, 2019

Based on the table above, it can be seen that the highest number of respondents aged between 18-30 years, namely 39 people (52%), followed by respondents with an age range of 31-40 years, 19 people (25%). This shows that the age group of 18-30 years is a potential consumer in purchasing products available at the Cilacap Family Store, because usually at the age of 18-30 years a person will still take great care of his appearance and is of a productive age both as a worker and as a housewife.

3.1.3   Characteristics of Respondents Based on Income

A person's income also determines the choice of purchasing decisions. The composition of respondents based on the amount of income can be seen in the following table.

Table 3. Characteristics of Respondents Based on Income

Income	Amount	Percentage
< Rp. 500,000	5	7%
Rp. 500,000 – Rp. 1,000,000	11	15%
Rp. 1,000,000– Rp. 3,000,000	40	53%
> Rp. 3,000,000	19	25%
< Rp. 500,000	5	7%
Amount	75	100%

Source: Processed data, 2019

3.2 Data analysis

3.2.1   Multiple Linear Regression Analysis

Multiple regression analysis is used to determine how much influence the promotion and word of mouth variables partially or jointly have on purchasing decisions. The results of multiple linear regression tests using SPSS are as follows:

Table 4. Multiple Linear Regression Test Results

Coefficientsa

Model		Unstandardized Coefficients		Standardized Coefficients	Q	Sig.
		B	std. Error	Betas		
1	(Constant)	1030	.289		3,560	001
	Promotion	.296	083	.386	3,557	001
	WOM	.496	.115	.466	4,302	.000

a. Dependent Variable: Purchase Decision

Based on the table shown above, a regression equation can be created as follows:

$$Y = 1.030 + 0.296\ X1 + 0.496\ X2$$

From this equation, it can be seen that all of the independent variables, namely promotion and word of mouth, have an effect on purchasing decisions. Based on the equation, it can be seen that the independent variable that has the most influence is the variable word of mouth (wom) with a coefficient of 0.496, then followed by the promotion variable with a coefficient of 0.296. If the value of variable Y (purchase decision) or constants increases by 1%, then X1 (promotional variable) increases by 0.296 and X2 (word of mouth variable) increases by 0.496.

3.2.2   Hypothesis testing

The t hypothesis test was conducted to determine whether there is influence of the independent variable (promotion and word of mouth) on the dependent variable (purchasing decision) partially. The following is a table of t test results:

Table 5. Test Results t

Coefficientsᵃ

Model		Unstandardized Coefficients		Standardized Coefficients		
		B	std. Error	Betas	Q	Sig.
1	(Constant)	1030	.289		3,560	001
	Promotion	.296	083	.386	3,557	001
	WOM	.496	.115	.466	4,302	.000

a. Dependent Variable: Purchase Decision

Based on the table above, the following results are obtained: The results of the t test for the Promotion variable (X1) obtained t count = 3.557 with a significance level of 0.001. By using a significance limit of 0.05, we get a t table of 1,993, which means t count > t table, which means H_1 accepted. Thus, the first hypothesis can be accepted. The direction of the positive regression coefficient means that promotion has a significant positive influence on purchasing decisions. In other words, it can be concluded that promotions that are more suitable and frequently carried out will increase consumer purchasing decisions.

Word of Mouth variable t test results (X_2) obtained t value = 4.302 with a significance level of 0.001. By using a significance limit of 0.05, we get a t table of 1,993, which means t count > t table, which means H_2 accepted. Thus, the second hypothesis can be accepted. The direction of the positive regression coefficient means that word of mouth has a significant positive influence on purchasing decisions. In other words, it can be concluded that the wider word of mouth news from consumer to consumer, can influence consumer purchasing decisions.

To find out whether there is a simultaneous effect of the independent variables on the dependent variable, it is necessary to carry out the F test, this test is carried out using a significance level of 0.05, if the significance value obtained from the ANOVA table is less than 0.05, it is said that all independent variables simultaneously affect dependent variable. The following are the results of the F test:

Table 6. F test results

ANOVA b

	Model	Sum of Squares	df	MeanSquare	F	Sig.
1	Regression	16,952	2	8,476	63,522	.000a
	residual	9,608	72	.133		
	Total	26,560	74			

a.   Predictors: (Constant), WOM, Promotion
b.   Dependent Variable: Purchase Decision

Based on the table above, the calculated F value is 63,522 with a significance level of 0.05 and df_1 2 and df_2 72 obtained the value of F table = 3.12 because the calculated F value (63.522) > F table (3.12) or sig 0.000 is much smaller than 0.05, it can be concluded that the two independent variables promotion and word of mouth simultaneously have a significant influence on purchasing decisions .

3.2.3   Coefficient of determination (R²)

The coefficient of determination explains the contribution made by each independent variable to the dependent variable. To find out the magnitude of the coefficient of determination of each independent

variable in a regression model, it can be done by looking at the R² value contained in the model summary table.

Table 7. Result Coefficient of Determination (R2)

| | | | Summary models | |
Model	R	R Square	Adjusted R Square	std. Error of the Estimate
1	.799a	.638	.628	.36529

a. Predictors: (Constant), WOM, Promotion

The coefficient of determination (Adjusted R²) aims to determine how much the ability of the independent variables, namely promotion and word of mouth, is able to explain the dependent variable, namely purchasing decisions. Based on the table above, it is known that the adjusted R square value is 0.628 (62.8%), this shows that by using the regression model it is obtained where the independent variables, namely promotion and word of mouth have an influence on the purchasing decision variable by (62.8%) while the remaining 100% - 62.8 % = 37.2% is explained by other variables not included in this regression analysis.

Based on the results of the study, it was found that the promotion and word of mouth variables influenced the purchase decision as follows. The interpretation of the results of the study: (1993). This proves that the more intensive the strategy or promotion is carried out, the greater the influence on purchasing decisions.

The results of the study are in accordance with the theory expressed by Danang Sunyoto which states that promotion is the spearhead of a product's business activities in order to reach the target market and sell the product. 48 Because the more often a trading company carries out promotions, the more it attaches the company to consumers' minds and this can influence consumer purchasing decisions. This is also in accordance with research conducted by Yulismar (2013) whose research results state that the promotion variable has a significant effect on consumer purchasing decisions. The results of the calculations show that there is a significant influence between promotions and consumer purchasing decisions. After processing the data using SPSS (Statistical Product and Services Solutions) software,

The results of the study stated that there was a partial influence between word of mouth on purchasing decisions based on a significant value of less than 0.05 with t count (4,302) > t table (1,993). This proves that the more word of mouth spreads to consumers, the greater the purchasing decision.

The results of the research are in accordance with the theory expressed by Ali Hasan, that word of mouth is the most powerful medium in communicating products to consumers. Because word of mouth comes from consumers and for consumers. 49 The results are also in accordance with research conducted by Fadly Siregar (2018) which obtained the result that the word of mouth variable has a significant effect on purchasing decisions. The positive influence can be seen from the regression coefficient for the word of mouth variable showing a positive value of 0.775.

The results of the study stated that there was a simultaneous influence between promotion and word of mouth variables on purchasing decisions based on a significant value of less than 0.05 with a value of Fcount (63.522) > F table (3.12). This proves that the better or more frequent promotions and word of mouth are carried out, the greater the purchasing decision.

4   CONCLUSION

This study aims to determine the effect of promotion and word of mouth variables on consumer purchasing decisions at Family Cilacap stores and to determine the greatest influence of the two independent variables. From the formulation of the research problem proposed, the data analysis that has been carried out and the discussion that has been put forward in the previous chapter, several conclusions can be drawn from this study as follows:

There is an influence between promotions on consumer purchasing decisions at Family Cilacap Stores as shown by the results of the partial test by obtaining t count (3.557) > t table (1.993) with a significant result of less than 0.05, this means proving H_1 accepted.

There is an influence between word of mouth on consumer purchasing decisions at Toko Family Cilacap as shown by the results of the partial test by obtaining t count (4,302) > t table (1,993) with a significant result of less than 0.05, this means proving H_2 accepted.

There is an influence between promotions and word of mouth together on consumer purchasing decisions at Toko Family Cilacap, shown from the simultaneous test results obtained F count (63,522) > F table (3.12) with significant results less than 0.05, it can be concluded that H_3 accepted.

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