



The strength of e-WOM and product quality on purchase decisions in café smile and sandwich in Palangka Raya City

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ABSTRACT

Research in the field of marketing in improving purchasing decisions at Smile and Sandwich cafes. Problems in the cafe business require active business actors to survive in uncertain business conditions, with expertise in increasing income and being able to meet consumer needs with the power of reviews from social media or the power of e-WOM. Besides that, the importance of the role of quality products to improve purchasing decisions. The research was conducted quantitatively with SPSS 22.0, on 50 cafe customer respondents. The research results prove the significance of the indicators for each variable and there is a good relationship of 58% in increasing purchasing decisions. Implications of the results for improving purchasing decisions with technology-based e-WOM and the importance of delivering quality products to consumers. Future research can test the mediation of product innovation.

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1. INTRODUCTION

In this massive technological development, the industry in the Food & Beverage sector has increased rapidly (Pranata et al., 2022). As with the business in the food and beverage sector, which was originally only to fulfill ordinary basic needs, but as time has progressed, consuming food and beverages is also accompanied by an orientation of satisfaction or pleasure in the consumption activity itself so that buyers decide to buy the product according to their wishes. The food and beverage industry sector has considerable potential for economic growth (Hasan & Uthmaputhran, 2022). This is because the food and beverage sector is supported by Indonesia's abundant natural resources and high demand. The existence of good prospects, resulting in very competitive business competition in the culinary field (Akali et al., 2019). Companies try to keep abreast of changes in consumer behavior which can change at any time and tend to compete to outperform the market which allows these companies to continue to survive so that the consistency of decisions made by consumers is always maintained.

Electronic Word of Mouth (e-WOM) is a review in the form of a website which is identified as the second most frequently used source of information to recommend products and services (Akbari et al., 2022). Therefore, service providers have begun to

utilize online consumer reviews, also known as e-WOM, as a marketing tool by inviting consumers to post their personal experiences to others.

The definition of product quality (Diputra & Yasa, 2021) is the characteristics of a product or service that supports its ability to satisfy customer needs. Product quality is the factors contained in an item or result that causes the item or result to be in accordance with the purpose for which the item or result is intended. Some of the definitions above, it can be concluded that product quality is the ability of a product to meet customer desires (Ursachi et al., 2020). These customer desires include product durability, product reliability, ease of use and other valuable attributes. Consumers trust electronic word of mouth more in assessing a product and influencing their purchasing decisions than advertising. Electronic word of mouth is an important means for consumers to obtain information about product quality (Taufik et al., 2022). Therefore, marketers need to pay attention to e-WOM on various online sites and social media because most people nowadays listen more to their close relatives and friends (Goyette et al., 2010), or other people they think understand more than the contents of advertisements made by coffee shops as material (Adam et al., 2023) considerations for using a product.

Viral marketing or also known as e-WOM is marketing that uses the internet to create word-of-mouth effects in supporting the business and goals of the marketing itself (Nabilaturrahmah & Siregar, 2022). This viral marketing can spread like a virus, which is another form of word of mouth effect or one mouse click to the next, which encourages consumers to convey the products and services developed by the company in the form of audio, video, or written information to others by online (Syuhada & Widodo, 2019). In marketing theory and previous empirical studies, product quality can be viewed from two internal and external perspectives. Because from a marketing point of view, quality is measured by the buyer's perception. Customers judge whether the quality of a product is good or bad based on their perception, a product is said to be of high quality if it meets the needs and desires of the buyer.

The definition of e-WOM is a statement that contains opinions or reviews (reviews) briefly, concisely and permanently through the assessment features (forums) that have been provided, both positive and negative on a product or service provided by consumers after experiencing the product or service that has been provided. they consume (Tekbiyik & Erdogmus, 2020). Electronic Word of Mouth is also considered very important because it can influence brand image and consumer purchasing decisions. We usually find e-WOM in e-commerce such as Tokopedia, Bukalapak, Shopee, and so on. e-WOM as a communication tool to share information about a product or service that has been consumed between consumers who do not know each other and have met before (López & Sicilia, 2014).

Electronic word of mouth (e-WOM) is the internet version of word-of-mouth advertising. (e-WOM) can take the form of websites, mobile online advertisements and applications, online videos, email, blogs, social media, and other marketing events that very interesting so that consumers are interested in sharing it with others (Vaaler & Brantley, 2016). On the Marketplace, consumers are free to give reviews of a product negatively or positively depending on the impression the consumer gets (Kang, 2010). E-WOM is considered very important because online negative reviews about a certain matter related to a product or service can affect brand equity in certain products or services and consumer purchasing decisions.

Indicator e-wom Platform Assistance, is consumer trust in the platform used. Venting Negative Feelings, is the desire to express consumer dissatisfaction with a product or service (Pasa et al., 2020). Concern Of Other Consumers is the desire of consumers to provide recommendations to other consumers regarding the decision to purchase a product and to save other consumers from negative experiences they have had. Extraversion/Positive self-enchancement, is the desire of consumers to share their

experience of a product or service with the aim of enhancing self-image as a smart consumer (Davis & Stollar, 2019). Social Benefits, is the desire of consumers to share information and also interact with the social environment by writing comments on opinion platforms as participation so that other consumers feel social benefits or benefits from their presence in the virtual community.

Basically in buying a product, a consumer does not only buy the product, but the consumer also buys the benefits or advantages that can be obtained from the product he buys. Therefore, a product must have advantages over other products, one of which is in terms of product quality offered (Arbaini, 2020). Product quality is one of the keys to competition among business actors offered to consumers.

Product in general in marketing can be interpreted "as a set of physical attributes that are actually related in an identifiable form. While broadly, the product is a set of tangible and intangible attributes which include color, packaging, price, retailer's precision, and services from manufacturers and retailers that may be received by buyers as something that can provide satisfaction for their desires (Safira Angelina & Widiawati, 2022). Product quality is an important factor that influences the decision of every customer in buying a product. The better the quality of the product, the more consumers will want to buy the product. Product quality as a whole can have characteristics as well as the nature of a product quality that can affect the ability to satisfy the quality of our products to consumers and customers (Saputra & Fadhilah, 2021). The better the product quality, we make new variants so that consumers are interested in our products. Product quality indicators: Product durability, Product features, Product reliability, Conformity with specifications, Product aesthetics.

The decision-making process is the result of thoughts experienced by humans in life which has a very dynamic nature and often experiences improvements (Trisnawati et al., 2022). The decision-making process can be influenced by the environment to humans. The considerations taken by each individual will be the beginning of determining the next life. and so there is a connection between the decision-making process and human life. The purchase decision is a performance framework or something that represents what consumers believe in making a buying decision (Lestari & Fahira, 2023). The performance framework is shaded by two main factors, namely the attitude of other people, and unexpected situations. If performance falls below expectations, the consumer is dissatisfied. Conversely, if performance meets consumer expectations, it will lead to satisfaction and pleasure.

According to the theory of consumer purchasing decisions, it is the decision to buy the most preferred brand, but two factors can arise between purchase intention and purchase decision (Amanda et al., 2021). Whereas previous empirical studies stated that purchasing decisions are problem-solving activities carried out by individuals in selecting appropriate behavioral alternatives from two or more alternative behaviors and are considered the most appropriate action in buying by first going through the stages of the decision-making process.

Cafe Smile and Sandwich in the city of Palangka Raya provides food and drinks with various variants, mainly selling drinks in fresh form with various drink variants for all people and equipped with instagramable photo spots, a gathering place with a modern design with a comfortable and pleasant atmosphere so that consumers are more comfortable to linger. The cafe's strategic location makes it easy to approach the market, which is close to offices, and easy to reach from various places. So this research has implications for increasing purchasing decisions at smile and sandwich cafes in the city of Palangka Raya with e-wom by implication being able to provide input to consumers to make purchases and good product quality can make consumers make purchases, and can be a direction for business actors café in implementing a good marketing system.

2. RESEARCH METHODS

Quantitative research methods with research methods based on the philosophy of positivism are used to examine certain populations or samples with research data in the form of numbers and analysis using statistics with the aim of testing the hypotheses that have been set in order to obtain significant differences between the variables studied (Maula & Stam, 2020). Sampling using the accidental sampling technique is a sampling method based on chance or anyone who meets the researcher can be used as a sample and if the person met is deemed suitable as a data source (Park & Park, 2016). The number of respondents is 50 with the criteria of shopping at least 3 times with the SPSS 22.0 analysis tool. The research based on the theory and previous empirical studies, the hypothesis is proposed: hypothesis 1 (H₁). e-WOM has a positive and significant effect on increasing purchasing decisions. Hypothesis 2 (H₂). Product quality has a positive and significant effect on increasing purchasing decisions.

3. RESEARCH RESULT

Questionnaires were distributed to 50 respondents and the instrument was tested for reliability and validity using Cronbach alpha (α) greater than 0.5, said to be reliable as data (Mohajan, 2020). Furthermore, the normality test aims to test the regression model, the confounding or residual variables have a normal distribution (Kristinae, 2021). The multicollinearity test aims to examine whether in the regression model there is a correlation between the independent variables, to detect whether or not multicollinearity exists in the regression model seen from the tolerance value and its opposite.

Table 1. Validity and Reliability

Variable	Coefisien (Cronbach alpha)	Colonierity (Tolerance) VIF	Results
X.1	0.618	,223	Valid, Reliable
X.2	0.696	,483	Valid, Reliable
Y	0.709	-	Valid, Reliable

Source: Authors, 2023

Variance Inflation Factor (VIF), it can be seen that there is no multicollinearity (no tolerance value is less than 0.10) so in this case there are no symptoms of multicollinearity (Kristinae et al., 2020). We can see it from the graph analysis by looking at the histogram graph which compares the observed data with a distribution that is close to the normal distribution. Here are the results of the analysis.

Based on the results of data analysis using a computer program, namely SPSS version 22, multiple linear regression calculations between variables are obtained.

Table 2. Results of Multiple Linear Regression Analysis

Model	Coefficients				
	Unstandardized Coefficients		Standardized Coefficients		Sig.
	B	Std. Error	Beta	t	
(Constant)	,571	,358		2,116	,025
e-WOM (X1)	,589	,183	,506	3,358	,000
Product Quality (X2)	,402	,119	,315	3,327	,001

a. Dependent Variable: purchase decision (Y). Source: Authors, 2023

The hypothesis is a temporary answer to the research problem formulation that aims to direct and provide guidance in the subject matter and research objectives. Furthermore, to find out whether the hypothesis proposed in this study is accepted or

rejected, hypothesis testing will be carried out using the t-test and f-test. The results of hypothesis testing are explained as follows:

The results of the t-statistic test, also known as the individual significant test. This test shows how far the influence of the independent variables, namely electronic word of mouth and product quality partially on the dependent variable, namely purchasing decisions. An independent variable can be said to have a significant effect on the dependent variable if its probability value is less than 0.05.

Based on the data analysis in table 2. it is proven that: (a). The coefficient of the e-WOM variable (X1) is significant at $\alpha = 0.05$, because $t \text{ count} > t \text{ table}$ ($3.358 > 1.677$) or $\text{sig. } 0.00 < 0.05$. This means that the effect of electronic word of mouth (X1) on purchasing decisions is significant. This means that the hypothesis which states that e-word of mouth (X1) has an effect on purchasing decisions is acceptable. (b). The coefficient of the product quality variable (X2) is significant at $\alpha = 0.05$, because $t \text{ count} > t \text{ table}$ ($3.276 > 1.677$) or $\text{sig. } 0.001 < 0.05$. This means that the effect of the product quality variable (X2) on purchasing decisions is significant. It means that the hypothesis which states that product quality (X2) has an effect on purchasing decisions is acceptable.

Furthermore, the results of the f test, this test basically shows whether all the independents included in this model have a simultaneous effect on the dependent variable. In this test $F_{\text{count}} > F_{\text{table}}$ then the hypothesis is accepted, which means that the independent variables simultaneously have a real influence on the dependent variable, and vice versa if $F_{\text{count}} < F_{\text{table}}$ then the hypothesis is rejected. The results of the F test can be seen in table 3 below:

Table 3. Simultaneous Test (f-test)

Model	Sum of Squares	Df	Mean Square	F	Sig.
Regression	19,712	2	4,117	25,355	,000b
Residual	13,236	48	,182		
Total	32,948	50			

a. Dependent Variable: Purchase Decision (Y)

b. Predictors: (Constant), electronic word of mouth (X1), Product Quality (X2).

Source: Authors, 2023

This test is used with the aim of proving whether the independent variables jointly affect the dependent variable. The results of calculations via SPSS show that F_{count} is 25.355 and $F_{\text{table}} = 3.20$ (using a significance level of 0.05% and degrees of freedom (df); $n - (k+1)$; $50 - (2+1) = 47$). This states that $f_{\text{count}} (25.355) > F_{\text{table}} (3.20)$ so that the hypothesis is accepted. This means that the independent variables consist of electronic word of mouth and product quality and simultaneously influence purchasing decisions at Smile and Sandwich Cafes in the city of Palangka Raya.

Table 4. Coefficient of Determination

Model	R	R-Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
	,741a	,630	,580	,41792	1,819

a. Predictors: (e-WOM (X1) Product quality (X2),

b. Dependent Variable: Purchase Decision (Y).

Source: Authors, 2023

The coefficient of determination (r^2) of 0.580 indicates that variations in purchasing decisions are explained by electronic word of mouth and quality variables and are 58% while 42% are explained by other variables not analyzed in the model. These results prove that the important role of e-WOM and product quality variables in improving purchasing decisions at smile and sandwich cafes in the city of Palangka Raya, Indonesia.

4. CONCLUSION

The field of marketing is very important in applying technology and innovation in the ability of business actors to maintain relationships with consumers. Based on the results, it proves that the importance of the e-WOM relationship with purchasing decisions is 58.9% which has an important role in increasing purchasing decisions. Furthermore, the influence of product quality can increase purchasing decisions by 40.2%. Purchasing decisions require business factors that are able to synergize with the business environment, according to the needs of society. The novelty in research is that eWOM indicators can be the direction and foundation for business actors which have an impact on increasing business income. Several previous empirical studies have also stated the importance of e-WOM and product quality. Thus it can be concluded that e-WOM and product quality are the ability of business actors to develop product markets to reach a wider market. The usefulness implications of the results state that consumer desires for products from product durability, product reliability, ease of use and reviews from previous consumers, are very influential for consumers to increase consumers. For future researchers, they can utilize and develop the results of this study by using product innovation variables.

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