

A STUDY OF WORD OF MOUTH RELATED TO CONSUMER PURCHASE DECISION OF WOODEN FURNITURE ON LEILEM VILLAGE**SEBUAH STUDI DARI MULUT KE MULUT YANG BERHUBUNGAN DENGAN KEPUTUSAN PEMBELIAN PELANGGAN MEUBEL KAYU DI DESA LEILEM**

By:

Irene Christine Tamon¹**Sifrid S. Pangemanan²****Merinda Pandowo³**

*Faculty of Economics and Business, International Business Administration (IBA),
Management Program, University of Sam Ratulangi Manado*

Email: ¹ tamonirene@yahoo.com² sspangemanan@gmail.com³ iinpan@yahoo.com

Abstract: Purchasing decisions is the selection of a decision as an act of two or more alternative option. Here it is assumed that all voluntary behavior is based on the desire generated when consumers consciously and rationally choose one among alternative actions available. Consumer choice is Alternative the expected benefits and narrowing the options until the end of the selected alternative that can meet and satisfy the needs and desires. The purpose of this study is to analyze the relationship of words of mouth and customer purchasing decision on wooden furniture From Leilem. This research is conducted qualitatively. The result of this research is the words of mouth is related to the selling of wooden products from leilem and this study also found that most of the producers in leilem village are not really familiar with internet and other sophisticated e-marketing strategies, they do not even really have idea of how marketing works in their industry. This research could be a recommendation to other manufacturers to continuously improve the quality of their products and the way they interact with their customers. This study shows that the words of the mouth is very connected to the consumer's purchasing decision.

Key words: words of mouth, purchasing decision, consumer behavior

Abstrak: Keputusan pembelian adalah pemilihan keputusan sebagai tindakan dua atau lebih pilihan alternatif. Di sini diasumsikan bahwa semua perilaku sukarela didasarkan pada keinginan yang dihasilkan ketika konsumen secara sadar dan rasional memilih satu di antara tindakan alternatif yang ada. Pilihan konsumen adalah Alternatif yang diharapkan manfaatnya dan mempersempit pilihan sampai akhir alternatif terpilih yang dapat memenuhi dan memenuhi kebutuhan dan keinginan. Tujuan dari penelitian ini adalah untuk menganalisis hubungan antara kata-kata dari mulut ke mulut dan keputusan pembelian pelanggan pada mebel kayu dari Leilem. Penelitian ini dilakukan secara kualitatif. Hasil dari penelitian ini adalah kata-kata dari mulut berkaitan dengan penjualan produk kayu dari leilem dan studi ini juga menemukan bahwa sebagian besar produsen di desa leilem tidak benar-benar akrab dengan internet dan e-Pemasaran strategi lain canggih mereka bahkan benar-benar tidak memiliki ide bagaimana pemasaran bekerja dalam industri mereka. Penelitian ini bisa menjadi rekomendasi untuk produsen lainnya untuk terus meningkatkan kualitas produk mereka dan cara mereka berinteraksi dengan pelanggan mereka. Studi ini menunjukkan bahwa kata-kata dari mulut sangat terhubung ke konsumen keputusan pembelian.

Kata kunci: mulut ke mulut, keputusan pembelian, perilaku konsumen

INTRODUCTION

Research Background

The requirement that a company needs to meet in order to be successful in the competition is trying to achieve the goal of creating and retaining customers. The survival of the company as an organization that seeks to meet the needs and desires of consumers is highly dependent on the behavior of consumers (Tjiptono, 1997: 19). Consumer decision-making process often involves multiple decisions.

Small industries can be considered as one solution to the community to survive to face the crisis through the involvement in economic activity is mainly characterized by informal businesses. Declining public income can certainly reduce the purchasing power of the products that were previously supplied by many large-scale enterprises. It is not likely the products of small industries became a substitute for the products of big businesses that went bankrupt or at least difficult times of economic crisis.

The development of small furniture industry in Indonesia still exists despite the global economic crisis and the difficulty of finding the raw material of wood (because of restrictions on logging). Local furniture industry here still controls 70% of the domestic furniture market. But the market share is threatened by furniture imports from China are growing at 200% per year in the past year. Increased imports of furniture from China that occur each year, especially for inexpensive furniture segment, for medium market. One Indonesian furniture company that is still standing today is the Wooden Furniture from Leilem. Which is the focus of the study.

WOM is an activity in which consumers provide information about a brand or product to other consumers. WOM is a promotional activities by marketers control level is very low but it provides an extraordinary impact on the company products or brands. Consumer's decision-making process and words of mouth marketing are believed to have impacts on the marketing of wooden furniture from Leilem. This is what the study is meant for.

Research Objective

The objective of this research is to analyze the influencing factors on consumer's decision-making process and words of mouth marketing on wooden furniture from Leilem.

THEORETICAL REVIEW

Consumer Behavior

The economic scientists as James F. Engel (1968) define consumer behavior is the actions of individuals who are directly involved in the business of acquiring and using goods economic services including decision-making process that precedes and determines action. . Based on expert opinion on the above it can be concluded that consumer behavior is the actions carried out by individuals, groups, or organizations involved in the decision-making process in obtaining, using the goods or services which can be influenced by the economic environment. Characteristics or traits buyer itself shaped by cultural factors, social, individual, and psychological. Consumer buying decision process made by stages starting from understanding the problem, find information, evaluate decision alternatives to the behavior after the purchase. After these stages through which the new buyer to make a decision about the type of product, brand, seller, time of purchase, and the amount of the purchase.

Word of Mouth Marketing

Definitions are simple Word of Mouth or WOM is the act of any information provider related products by consumers to other consumers. According WOMMA (Word of Mouth Marketing Association), WOM is an activity in which consumers provide information about a brand or product to other consumers. Word of Mouth Marketing is a marketing activity that triggers consumers to discuss, promote, recommend to sell the brand of a product to other potential consumers (Sumardy, Silviana & Melone 2011: 71). Word of mouth has strong perception in human mind, which is done by all every time by which a powerful communication can be done. It is also a part of social communication.

According (Sumardy., *et al* 2011), stating the reason for choosing WOM than on advertising:

1. God does not do advertising, marketers make sales exceeding god, marketers spend more.
 2. Advertising that is confusing, WOM was assured.
 3. Advertising is the price of boredom, WOM is an interesting fruit.
 4. Advertising is more expensive. WOM is much cheaper.
-

5. Advertising lose confidence, WOM gain credibility.
6. The ad is artificial, WOM it a reality.
7. The advertisement gives the consumer knows, WOM engage consumers
8. The ad will become history if it does not advertise, WOM will always mind and will hit the hearts of consumers.

Word of mouth has strong perception in human mind, which is done by all every time by which a powerful communication can be done. It is also a part of social communication. Word of mouth is the way of sharing ideas, believes and experiences among each other. Products or brands are often promoted and Recommended proved to have plenty of choice of tools and media that can be used by consumers to share with friends or family. Word of mouth has strong perception in human mind, which is done by all every time by which a powerful communication can be done. It is also a part of social communication.

Purchasing Decision

Purchasing decisions is the selection of a decision as an act of two or more alternative option (Sumarwan, 2004: 289). According to (Kotler, and Amstrong 2001 : 96) they defines purchase decision as the stage of the buyer decision process in which the consumer actually buys the product.

Purchasing decision has several steps:

1. Introduction of needs
2. Search of information
3. Evaluation of alternatives
4. Buying decision
5. Post-purchase behavior

The essence of the statement is a message that someone get from friends or family is more trustworthy than the hundreds of information through dozens of different media, in addition to the number of messages you received from fewer friends or family so that normally would be giving the impression. Because it is more reliable and able to give an impression, a message through WOM will be more durable in the minds of consumers.

Ad puts consumers as objects, while making consumer WOM as a subject. Advertising expense of consumers to the company's success, while WOM put the consumer as part of the company's success. Consumers prefer to buy the same brand purchased with friends. The credibility of the media is getting down. Nowadays consumers are increasingly smart not to take on an ad. One of the reasons, because the ad was too much and are all talking about the same thing.

Purchasing decisions made by consumers through five stages: the introduction of needs, information search, evaluation of alternatives, purchase decision and post-purchase behavior. It is clear that the purchase process begins long before the actual purchase is done and have an impact long after that. But consumers do not always pass through all five stages of the order when buying the product. Understanding the level of consumer involvement on a product or service means that marketers are trying to identify the things that cause a person to feel to be involved or not in the purchase of a product or service.

Previous Research

A'mirah and Ahmad (2015) stated about effect of word of mouth communication on consumer purchase decision. Word of mouth (WOM) has been acknowledged as the ultimate driver for a success of a restaurant, and few studies have examined in detail the focus attributes of WOM towards purchase decision. This study focuses on the relationship between attributes of WOM towards purchase decision in Malay upscale restaurants in Klang Valley. The study analyses service quality, food quality, physical environment quality and price as the focus attributes towards decision making of the Malay upscale post purchase.

Ahmad (2014) entitled *Impact of Word of Mouth on Consumer Buying Decision*. This research is to determine the word of mouth effects on consumers buying decision negative or positive. The collection data is primary and it is collected from different areas of Karachi city of Pakistan from student of colleges, universities and households. Sample size is one hundred. The collected information/ and data is evaluated with the help Frequency Distribution and ranking (Statics Technique). In conclusion it is revealed that for purchasing mostly consumer trust on word of mouth. The respondent seem like to have an impact on consumers decision and close family, close friend, and other associates. More result shows two things can be the reason to create difficulties for

the company such as a bitter experience of any product/service and any comments (word of mouth especially negative) because negative word of mouth or any negative comments about anything influence strongly than positive.

Conceptual Framework

This research is meant to find out whether or not there is relationship of Words of Mouth Marketing and Consumer Decision making process in purchasing wooden furniture from Leilem.

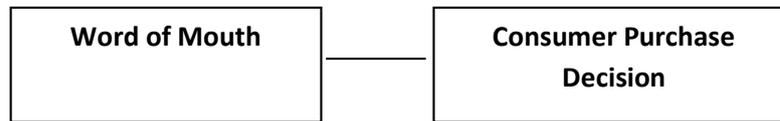


Figure 1. Conceptual Framework

Source: Data Processed 2017

RESEARCH METHOD

Type of Research

This research was conducted qualitatively. As quoted by Burns and Bush (2006), Qualitative research involves collecting, analyzing, and interpreting data by observing what people do and say. According to the objective of qualitative data analysis is to identify, examine, compare and interpret patterns and themes. This research used a descriptive study method. Sekaran & Bougie (2009:106) noted the goal of descriptive study is to offer to the researchers a profile or to describe relevant aspects of the phenomenon of interest from an individual, organizational, industry-oriented, or the perspective.

There are several characteristics of Qualitative study that separate it from the Quantitative one:

- Natural Setting – Qualitative researchers tend to collect data in the field at the site where the participants experience the issues or problems under study.
- Researcher as key instrument – Qualitative researchers collect data themselves through examining documents, observing behavior or interviewing participants.
- Multiple sources of data which is collected through documents, interview and observations.
- Case study research is a methodology which can take either a qualitative or quantitative

Approach. In the qualitative approach, case study refers to the in depth analysis of a single or small number of units. A case study unit may include a single person, a group of people, an organization or an institution. Some case study research may involve the research of a series of cases.

Case study research ranges in its complexity:

1. From a simple, illustrative description of a single event or occurrence
2. To a more complex analysis of a social situation over a period of time
3. To the most complex approach which is an extended case study which traces events involving the same actors over a period of time - enabling the analysis reflect changes and adjustments

Case studies aims to offer a richness and depth of information by capturing as many variables as possible to identify how a complex set of circumstances come together to produce a particular manifestation '...to as identify how a complex set of circumstances come together to produce a particular manifestation.'

Place and Time of Research

The study will be conducted in Manado during Mei – July, 2017. The location of the study is Manado city with the samples are those who purchase wooden furniture products from Leilem.

Social Situation

In this research, the population is 10 random people from different demographic ranges to collect various data from diverse perspectives. Sample is taken directly from observation in this case is the customers of wooden products from Leilem. According to Sugiyono (2010 : 105) purposive sampling is sample choosing technique by consideration and certain purpose. Snowball is sample choosing technique by consideration and certain purpose. Snowball sample method used for empirical data finding process.

Snowball is sample choosing technique by consideration and certain purpose. Snowball sample method used for empirical data finding process. This method of sampling the researcher make initial contact with small group of people who are relevant to the research topic and then uses to establish contact with others (Bryman and Bell, 2010 : 192). For snowball sampling it is not necessary to know the exact amount of population however the sample can be representative of the population (Bryman and Bell, 2010 : 193).

Data Collection Method

This research will be conducted using the Creswell (2007:118) data collection circle. The data collection circle consists of seven interrelated activities engaged by the the researcher in order to collect data. According to Creswell, Individuals can be selected by chance, emerge from a wider study, or be volunteers. Creswell describes purposeful sampling, one of the most common sampling strategies, as a technique for group participants according to pre-selected criteria relevant to a particular research question. Considerations include who/what should be sampled; what form the sampling will take; how many people/sites need to be sampled; is the sampling consistent with the information needed by one of the five approaches to inquiry.

Creswell discusses some of the field issues that researchers may encounter in the data collection process. The issues he mentions pertain to gaining access to the organization, observation, interviews, documents and audiovisual materials, and ethical issues. In order to gain access to an organization, the author recommends that the site selected should be one in which the researcher does not have a vested interest (i.e. their own place of employment) since their closeness to the organization may affect their ability to code and clearly look at all aspects of the research experience. Issues that arise in observations and interviews can be related to the mechanics of conducting these activities.

Data Analysis Method

This given section will be explained about the overall analysis methods used in this current research. Adapted from (Thomas, 2006:241-242) also arranged the inductive analysis of qualitative data in five steps like the Figure 2.

1. prepare the raw data files from the field and make in a common format. Make back-up data for an anticipation.
2. read the prepared data continuously in order the researcher to understand and familiar with the information.
3. the researcher identifies and defines the categories or themes. "The upper-level or more general categories are likely to be derived from the evaluation aims. The lower-level or specific categories will be derived from multiple readings of the raw data."
4. reduce the overlap texts that already in several categories and acknowledge the several texts are not even included in categories because of the relevancy.
5. continue revise and refine the category system, "within each category, search for sub-topics, including contradictory points of view and insights".

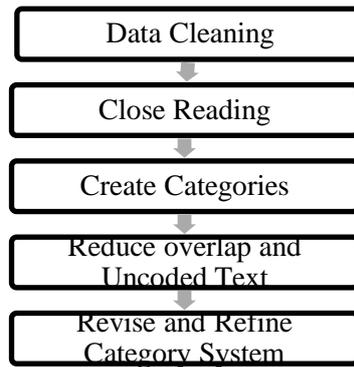


Figure 2. Inductive Analysis Process

Source: Thomas, 2006, 241-242

Data Triangulation

Triangulation refers to the use of multiple methods or data sources in qualitative research to develop a comprehensive understanding of phenomena (Patton, 1999). Triangulation also has been viewed as a qualitative research strategy to test validity through the convergence of information from different sources. Denzin (1978) and Patton (1999) identified four types of triangulation: (a) method triangulation, (b) investigator triangulation, (c) theory triangulation, and (d) data source triangulation. The current article will present the four types of triangulation followed by a discussion of the use of focus groups (FGs) and in-depth individual (IDI) interviews as an example of data source triangulation in qualitative inquiry. In qualitative methodology common forms of triangulation are by data source (parents, staff, and students) and by method (interview, document analysis, observation, survey etc.). Within the data source there is a need to be aware of the differences and variations that exist (e.g. teaching and ancillary staff; executive and non-executive staff; older or younger students; boys and girls; parents of different socio-economic levels).

Definitions of Research Variables

1. Consumer Purchase Decision is the stage whereby the consumer has chosen an intensive product or service and actually buys it.
2. Product attribute is all the characteristics and elements attached to a product that designed to communicate the information and benefit of a product to consumers.
3. Social influence are society factors which affect consumer's attitude perspective, value, and decision making.

RESULT AND DISCUSSION

Result

Based on the interview from the 10 informants it is found that 9 of them got info about the wooden furniture of Leilem from relatives, family and friends. 1 of them lives already in Leilem so that he does not get info from relatives, family or friends because he can get to the producers by himself. All of the respondents are satisfied with the products and will most likely recommend the same products to their relatives and friends. Price and quality are the main consideration of all of the respondent when purchasing the wooden furniture from Leilem. 3 of the informant mentioned the location and proximity as the additional consideration. One respondent mentioned durability of the products as one of the considerations in purchasing the products.

Discussion

From the observation, direct interview with 10 informants it is obvious that word of mouth marketing is still the dominant factor in purchasing decision as 9 of the 10 respondents came to Leilem based on their relatives' suggestions. Journal of Impact of Social Influence in E-Commerce Decision Making stated that purchasing decisions are often strongly influenced by people who the consumer knows and trusts. Moreover, many online

shoppers tend to wait for the opinions of early adopters before making a purchase decision to reduce the risk of buying a new product.

Besides words of mouth, pricing also is another factor of decision-making process. In reality, consumers face a more complex situation when making a choice. They have limited economic resources and ability to seek, store and process information. For this reason, there is a skeptics regarding the economist's view of consumer behavior which hypothesize that consumers seek information until the marginal value gained is equal to, or less than, the cost of securing the information to make a choice (Engel, 1995; Blackwell, 2001).8 respondents indicated that product quality is their reason of choosing products from Leilem. A product's quality has a significant impact towards the product or service performance, thus it is linked to a customer's and satisfaction (Kotler and Armstrong, 2010: 248).

In term of choosing the furniture of home living, people will definitely weigh on everything because it is such a long-term investment. Based on the finding of this research, pricing is found to be the dominant reason of people buying the wooden product from Leilem. While Akpoyomare, Oghojarfor Ben (2012) suggested that the most important attributes (value) to consumers in purchasing a specific kind of product should be the starting point in the design of any product; this will generate consumers' inferences regarding several product attributes (Pilditch, 1976; Berkowitz, 1987; Belch 1995), whether product shape, colors, materials, and configuration that are proffered-or that engender positive product perceptions- depend on the product attributes that are important to the consumer, among the 10 interviewee, only 1 respondent indicated the attraction in the design of the furniture. Naz,(2014) stated that many people take friend's advices and remain alert of all the substitutes given to them. Many analysts say that the person can make the accurate and stable decision. Still in Naz, 2014, Cengiz and Yayla, (2007) most persons found that social set-ups have a greater influence on others than themselves, and that third person influence undesirably on individual's behavioral aim related to word of mouth communication. It is also found in this research that most of the informant that finally decided to purchase the wooden products from Leilem, was because their relatives recommended them to do so, 9 of the 10 respondents said so.

CONCLUSION AND RECOMMENDATION

Conclusion

Based on the interviews and direct observation, it is found that:

1. The Words of Mouth is related to the selling of wooden products from Leilem.
2. This study also found that most of the producers in Leilem village are not really familiar with internet and other sophisticated e-marketing strategies, they do not even really have idea of how marketing works in their industry.
3. However, in this modern and e-commerce era, their are still striving because of the good quality on their products that they have been keeping. This quality then makes the consumers satisfied of their products that most likely recommend their colleagues and relatives to come to Leilem to get the same products.

Recommendation

This research still needs more improvement and more research in the future. However, this can also be recommendation to other producers to keep improving the quality of their products as well as the way they interact with their customers. This study shows that Words of Mouth are highly connected to consumers Purchase Decision.

REFERENCES

- Ahmad Nawaz. 2014. *Impact of Word of Mouth and Consumer Buying Decision*. 6th ed. Departemen of Business Administration and Commerce. Indus University. Pakistan. <https://pk.linkedin.com/in/nawaz-ahmad-2677b41b>. accessed on 18 October 2017.
- A'mirah Nur, Hassan Basri, Roslina Ahmad, et al. 2016. Word of Mouth of Purchase Decision. *Asian Journal of Quality of Life*. *AjQoL*, 1(4). <http://www.google.com/url?sa=t&rct=j&q=&esrc=s&source=web&cd=1&cad=rja&uact=8&ved=0ahUKEwiK4tz7->

[nWAhUFvY8KHdZCDrQQFggoMAA&url=http%3A%2F%2Frepository.maranatha.edu%2F15083%2F9%2F0010144_References.pdf&usg=AOvVaw3UESvrOjic387EJ2_wYMf9](http://www.repository.maranatha.edu/2015083%2F9%2F0010144_References.pdf&usg=AOvVaw3UESvrOjic387EJ2_wYMf9).

- Akpyomare, Oghojafor Ben. 2012. The Influence of Product Attributes on Consumer Purchase Decision in the Nigerian Food and Beverages Industry: A Study of Lagos Metropolis. *American Journal of Business and Management*. Vol. 1, No. 4, 2012, 196-201. University of Lagos, Lagos State, Nigeria. <https://www.coursehero.com/file/24226209/211-491-1-SMpdf/>. Accessed on 18 October 2017.
- Blackwell, R., 2001. *Consumer Behavior*. 9th ed. Harcourt College Publishers. London
- Belch, G.E., 1995. *Introduction to advertising and promotion. An integrated marketing communication perspective*. 3rd ed. Amazone Try Prime. Boston.
- Berkowitz, M.. 1987. Product Shape as a Design Innovation Strategy. *Journal of Product Innovation Management*. Volume 4, issue 4. [https://doi.org/10.1016/0737-6782\(87\)90031-2](https://doi.org/10.1016/0737-6782(87)90031-2). Accessed on 18 October 2017.
- Burns, A. C., & R.F., Bush., 2016. *Marketing Research*. 5th ed. Pearson Education, Inc, New Jersey.
- Cengiz, Ekrem, dan Yayla, Hilmi Erdogan. 2007. The effect of marketing mix on positive word of mouthcommunication: evidence from accounting offices in Turkey. *Innovative Marketing*, Volume 3, Issue4. <http://www.google.com/url?sa=t&rct=j&q=&esrc=s&source=web&cd=1&cad=rja&uact=8&ved=0ahUKEwjU6OqigvrWAhXMr48KHfGqAxQQFggoMAA&url=http%3A%2F%2Fetd.repository.ugm.ac.id%2Fdownloadfile%2F65806%2Fpotongan%2FS2-2013-263784-bibliography.pdf&usg=AOvVaw3trv3IoaEDdFuZfkFvoe13>. Accessed on 18 October 2017.
- Denzin, Norman K., and Yvonna S. Lincoln.. 1978. *The SAGE Handbook of Qualitative Research (Sage Handbooks)* 4th Edition. Thousand Oaks Sage.
- Engel, J., 1995. *Consumer Behavior*. International ed. Dryden. Florida.
- Fatima Naz, 2014. Word of Mouth and Its Impact on Marketing. *International Journal of Scientific and Research Publications*. Volume 4, Issue 1. <http://www.ijsrp.org/research-paper-0114.php?rp=P252240>. Accessed on 18 October 2017.
- Kotler, P and G Amstrong., 2001. *Principles of Marketing*. 9th ed. Prentice-Hall : New Jersey.
- Kotler and G Amstrong., 2010. *Consumer Behavior and Marketing Strategy*. 8th ed. Pretience- Hall. New Jersey.
- Patton M. Q. 1999. *Enhancing the quality and credibility of qualitative analysis*. *Health Services Research*. http://www.google.com/url?sa=t&rct=j&q=&esrc=s&source=web&cd=3&cad=rja&uact=8&ved=0ahUKEwi3keKR_nWAhXFNo8KHcz7CsUOFgg3MAI&url=http%3A%2F%2Fpubmedcentralcanada.ca%2Fpmcc%2Farticles%2FPMC1089059%2Fpdf%2Fhsresearch00022-0112.pdf&usg=AOvVaw2zE-IFWXU4diyaubre8OcO. Accessed on 18 October 2017.
- Patton, MQ. (1999). " ." *HSR: Health Services Research*. 34 (5) Part II. pp. 1189-1208.
- Pilditch, J., 1976. "Talk About Design". Barric and Jenkins. London.
- Sekaran, U. and R Bougie. 2009. *Research Methods for Business: a Skill-Building Approach*. 5th Edition. John Wiley and Sons Inc. Hoboken.

Sugiyono., 2010. *Metode Penelitian Bisnis (pendekatan Kuantitatif, Kualitatif, dan R&R)*. 15th ed. Alfabeta Bandung.

Sumarwan, Ujang. 2004, *Perilaku Konsumen Teori dan penerapannya dalam Pemasaran*,. Ghalia Indonesia.Bogor

Sumardy, Marlin Silviana and Melina Melone. (2011). *The Power of Word Of Mouth Marketing*. Gramedia Pustaka. Jakarta

Tjiptono Fandi. 1997. *Prinsip - Prinsip Total Quality Service*. Andi. Jogjakarta.

