THE INFLUENCE OF WORD OF MOUTH AND PRICE PERSPECTIVE ON CUSTOMER PURCHASE INTENTION. A CASE STUDY OF “INDRIVE” USERS OF FACULTY OF ECONOMICS AND BUSINESS STUDENTS

PENGARUH MULUT KE MULUT DAN PERSPEKTIF HARGA TERHADAP NIAT BELI PELANGGAN. STUDI KASUS PENGUNGA “INDRIVE” PADA MAHASISWA FAKULTAS EKONOMI DAN BISNIS.

By:
Sharon E. K Lontoh
James D. D. Massie
Merinda H. C. Pandowo

Management Department Faculty of Economics and Business
Sam Ratulangi University Manado

E-mail: shargenia36@gmail.com, jamesmassie@unsrat.ac.id, merindapandowo@unsrat.ac.id

Abstract: This study aims to determine the influence of word of mouth and price perspective on customer purchase intention. A case study of “InDrive” users of Faculty of Economics and Business students both simultaneously and partially. This study uses a quantitative method with a sample of 100 respondents and uses purposive sampling technique. Data collection using a questionnaire. Statistical data analysis using multiple linear regression analysis, hypothesis testing using the F and T tests. The results showed that, simultaneously the Word Of Mouth and Price perspective positively had influence on Customer Purchase Intention of “InDrive” users of Faculty of Economics and Business students. Partially, the Word Of Mouth and Price Perspective have a positive influence on Customer Purchase Intention of “InDrive” users of Faculty of Economics and Business students.

Keywords: word of mouth, price perspective, purchase intention

INTRODUCTION

Research Background

Technological developments that are increasingly developing and sophisticated in all areas of life make people feel that everything they need can be easily obtained, including the convenience of the transportation system. Everyone needs transportation to move from one place to another and to facilitate daily activities, along with technological developments in Indonesia have encouraged online-based companies to develop their business in Indonesia, such as online shops and online transportation. Online transportation is a transportation service that utilizes technological advances in its application, in line with the purpose of creating technology, namely to facilitate daily activities, online transportation services are also created to facilitate daily activities such as the convenience of traveling in a more effective and efficient way. The presence of online transportation will make people get a safe, comfortable, easy and inexpensive driving experience. The presence of online transportation services also answers the needs of people who want everything in a practical way.
Purchase intention is the willingness of a customer to buy a certain product or a certain service. Purchase intention is closely related to purchase interest that related to consumer decisions, if individuals have high Purchase Intention, a purchase decision will occur which ends in a purchase so that it can increase company sales. The experiences that will be conveyed in Word of Mouth are not only good experiences and news, but also about the weaknesses of these products and bad experiences when using these products. However, the degree of communicator's trust is difficult to measure, so that the perception of the person receiving the story is determined by the communicator. When indeed the communicator speaks honestly and there are no lies, then the results of word of mouth obtained will be effective. Stimuli that arise as a result of the Word of Mouth that is the desire to buy is known as purchase intention. When an individual already has an intention in purchasing this means that the individual already has a sense of trust in a product so he wants to own the product.

Pricing is also important in determining how much the extent to which a service is valued by consumers and the image building process. According to Kotler and Armstrong (2018:308), Price is the amount of money charged for a product or service; the sum of the values that customers exchange for the benefits of having or using the product or service. Price Perspective refers to how consumers perceive the value of a product or service in relation to its price. If the price of a product goes down, people's purchase intentions will go up. From this case there also be many people who are assumpt the price of InDrive which is relatively cheaper compared to the prices offered by Gojek and Grab. Information is spreading that InDrive offers cheap prices because they don't guarantee its security. According to Diamsyah and Utami (2022), Price has an effect on Purchase Intention.

InDrive (formerly known as InDriver), is an international online transportation service with more than 150 million users operating in more than 700 cities in 47 countries. Headquartered in Mountain View, California, InDrive is the world’s second-largest ride-sharing and taxi app by downloads. InDrive is present for the first time in Indonesia in 2019 and is conducting a pilot program in the Medan city. InDrive’s Director of Operations (COO) in Indonesia is Egor Fedorov. Within two years, InDrive succeeded in expanding its operational scope in more than 50 cities including Manado. Unfortunately, so far InDrive doesn’t have an office in Manado. If there is a need, users can contact the InDrive Call Center through the Help Center on the InDrive Application or via DM Instagram InDrive. Manado is one of the cities that has the potential to develop an online transportation business. Manado is one of the cities that has activities which of course cannot be separated from daily transportation activities. With the presence of InDrive, it makes it easy for the people of Manado city, which are students, employees, traders, and the general public to get transportation quickly, and always come to where they want without having to go to the main road, public places, terminals or other places and this research focuses on Faculty of Economics and Business Sam Ratulangi University students, especially with its features that can make passengers offer prices according to the ability of the user, making this application very helpful for users to have a safe trip at a cost that fits their budget. The problem with InDrive is that there are potential customers who see the results of reviews from several users on social media who argue that some drivers are not friendly and low prices are not guaranteed to make potential customers doubt. Based on these background problems, this research will be followed up under the substance of this research entitled "The Influence of Word of Mouth and Price Perspective on Customer Purchase Intention".

Research Objectives
1. To identify the influence of Word of Mouth on Customer Purchase Intention of “InDrive” Users of Faculty of Economics and Business Students partially.
2. To identify the influence of Word of Mouth on Customer Purchase Intention of “InDrive” Users of Faculty of Economics and Business Students partially.
3. To identify the influence of Word of Mouth and Price Perspective on Customer Purchase Intention of “InDrive” Users of Faculty of Economics and Business Students simultaneously.

THEORETICAL FRAMEWORK

Marketing
Kotler and Keller (2016:27) stated that marketing is the art and science of selecting target markets and getting, keeping, and increasing consumers by creating, delivering, and communicating superior consumer value.

Digital Marketing
Digital marketing is an activity of marketing or promoting a brand or product using digital media or the
internet with the aim of attracting consumers or potential customers quickly. According to Sanjaya and Tarigan (2009:47), Digital marketing is marketing activities including branding using various web-based media such as blogs, websites, e-mails, or social networks. The goal of digital marketing is to quickly attract consumers and potential customers.

**Consumer Behavior**

Consumer behavior according to Schiffman and Wisenblit (2015:30) is the study of consumer actions in searching, buying, using, evaluating and disposing of products and services that they expect will satisfy their needs.

**Purchase Intention**

Purchase intention is the willingness of a customer to buy a certain product or a certain service. Purchase intentions are a measure of the respondent’s attitude towards purchasing a product or availing a service.

**Word Of Mouth**

Kotler and Keller (2016) stated that Word of Mouth communication is people-to-people oral, written, or electronic communications that relate to the merits or experiences of purchasing or using products or services.

**Price Perspective**

Kotler and Armstrong (2018:308), price is the amount of money charged for a product or service; the sum of the values that customers exchange for the benefits of having or using the product or service. Price Perspective, on the other hand, refers to how consumers perceive the value of a product or service in relation to its price.

**Previous Research**

Diansyah and Utami (2022) examined the effect of price and promotion on buying interest moderated by consumer behavior. The research method used in this research is quantitative with Partial Least Square (PLS-SEM) technique and assisted by SmartPLS 3.0 software. The researcher chose the census technique in the sampling technique, namely all members of the general population in Jabodetabek were used as samples in this study to examine the effect of price and the direct effect of the related variables. The results of this study indicated that price has an effect on buying interest, the effect of promotion on buying interest, the influence of consumer behavior on buying interest, moderation of consumer behavior can strengthen the effect of price on buying interest, moderation of consumer behavior can strengthen the influence of promotion on buying interest. The method of determining the number of respondents' eligibility uses the Hair Method which states that respondents may be 5 to 10 times the number of indicators of research variables.

Rita and Angela (2022) determined the influence of Word of Mouth and Brand Awareness on Purchase Intention and its impact on Purchase Decision Restaurant Shaokao Station. The methods used to collect data is using questionnaire spread on 100 customer on Shaokao Station. By using path analysis, this research proves that Word of Mouth and Brand Awareness have positive and significant influence to Purchase Intention and have impact on Purchase Decision.

Temaja and Yasa (2019) determined the influence of word of mouth on purchase intention mediated by the brand image of Kakiang Garden Cafe Ubud. The sample used is 90 respondents which are determined using the purposive sampling method. The data collection technique utilized is by questionnaires with the Likert scale measurement method, while the data are analyzed using the path analysis technique. The research results show that the word of mouth and brand image variable have a positive and significant influence on purchase intention. Likewise, brand image is able to mediate the influence of word of mouth on purchase intention.

**Conceptual Framework**

![Figure 1. Conceptual Framework](source: Literature Review)
Hypothesis
H1: Word of Mouth significant and positively influence Customer Purchase Intention of “InDrive” Users of Faculty of Economics and Business Students partially.
H2: Price Perspective significant and positively influence Customer Purchase Intention of “InDrive” Users of Faculty of Economics and Business Students partially.
H3: Word of Mouth and Price Perspective significant and positively influence Customer Purchase Intention of “InDrive” Users of Faculty of Economics and Business Students simultaneously.

RESEARCH METHOD

Research Approach
This research is using a quantitative approach. This research uses causal approach, in which the researcher tests hypotheses based on the theory that has been developed to explain the scope and nature of cause and effect relationships using statistical tests. Sugiyono (2013:80) stated that population is a generalization area consisting of objects/subjects that have certain qualities and characteristics determined by the researcher to be studied and then conclusions drawn. The population in this research are the students of Faculty of Economics and Business Sam Ratulangi University that are using inDrive application. The sample size in this research is 100 respondents. The sampling technique used in this research is Purposive Sampling. The criterias of the respondents here are: 1) An active student in Faculty of Economics and Business Sam Ratulangi University, and 2) Students who are users or have used Indrive application.

Data Collection Method
The data source that used in this research is Primary data. Primary data collection was performed to gather the research's data using questionnaires. A questionnaire is a research tool that consists of a list of questions designed to collect data from respondents. Primary collection method that used in this research is by spreading questionnaire to the respondents through Google form.

Operational Definition of Research Variables

<table>
<thead>
<tr>
<th>Variable</th>
<th>Definition</th>
<th>Indicators</th>
</tr>
</thead>
<tbody>
<tr>
<td>Word of Mouth</td>
<td>Word of Mouth communication is people-to-people oral, written, or electronic communications that relate to the merits or experiences of purchasing or using products or services (Kotler and Keller, 2016)</td>
<td>1. Talkers 2. Topics 3. Tools 4. Talking part 5. Tracking (Sernovitz, 2012)</td>
</tr>
<tr>
<td>Price Perspective</td>
<td>Price is the amount of money charged for a product or service; the sum of the values that customers exchange for the benefits of having or using the product or service (Kotler and Armstrong, 2018)</td>
<td>1. Prices are affordable by the purchasing power of consumers. 2. Conformity between price and quality. 3. Prices are competitive with other similar products. (Kotler and Armstrong, 2018)</td>
</tr>
<tr>
<td>Purchase Intent</td>
<td>Purchase Intention is consumer behavior that appears in response to objects that indicate the customer’s desire to make a purchase (Kotler and Keller, 2016)</td>
<td>1. Transactional Interest 2. Referential Interest 3. Preferential Interest 4. Explorative Interest (Ferdinand, 2014)</td>
</tr>
</tbody>
</table>

Testing of Research Instruments

Validity Test
Validity test is the extent to which a test (such as a chemical, physical, or scholastic test) accurately measures what it is supposed to measure. In the fields of psychological testing and educational testing, "Validity refers to the degree to which evidence and theory support the interpretations of test scores entailed by the proposed uses of tests". Validity test use to see the validity of the questions, whether the questions in the questionnaire are...
Validity also stated by Sugiyono (2013:121), “The research results are valid if there are similarities between the data collected and the actual data that occurs in the object under study. A valid instrument means that the measuring instrument used to obtain (measure) data is valid.” When measuring something, the validity of a test must be taken into account. In this scenario, it is important to determine whether the tests utilized actually measure what they are intended to measure.

**Reliability Test**
Reliability test is a test conducted to find out how far the measurement results remain consistent if the measurement is carried out twice or more for the same symptoms with the same measuring device. Reliability test refers to the degree to which a test is consistent and stable in measuring what it is intended to measure. Reliability also stated by Sugiyono (2013:121), “Reliable research results, if there are data similarities at different times”. The method used is the reliability coefficient method which is most often used because this coefficient uses a variation of the item for either true or false format or not, such as the format on the Likert scale.

**Classical Assumption Tests**

**Normality**
1. If the probability ≥ 0.05, then the distribution and regression model are normal.
2. If the probability is <0.05 then the distribution and regression model are not normal.

On the basis of making the following choices, visual testing can also be carried out using the drawing method common Probability Plots in the SPSS program. The assumption of normality can be satisfied by the data spreading around the diagonal line and following the direction of the line diagonally; If the data spreads away from the diagonal line and does not follow the direction of the line diagonally, the regression model does not satisfy the normality assumption.

**Heteroscedasticity**
The heteroscedasticity test according to Ghozali (2016: 134) aims to test whether in the regression model there is an inequality of variance from the residuals of one observation to another.
1. If a certain pattern, such as the existing dots, forms a regular pattern (wavy, widens then narrows), then heteroscedasticity has occurred.
2. If there is no clear pattern and the points spread above and below the number 0 (zero) on the Y axis, then there is no heteroscedasticity.

**Multicollinearity**
If there is a relationship, a condition known as multicollinearity exists. The tolerance value and the Variance Inflation Factor (VIF) value can be used to determine whether multicollinearity exists in the regression model. The variability of a few chosen independent variables that cannot be explained by additional independent variables is measured by tolerance values. Because VIF = 1/tolerance, a low tolerance number equals a high VIF value, indicating strong collinearity. For a tolerance value of 0.10 or a VIF value greater than 10, the cutoff value is utilized.

**Multiple Linear Regression Analysis**
The multiple linear regression analysis approach was used as the data analysis strategy in this research. According to Sugiyono (2013:277) that "Multiple linear regression analysis intends to predict how the condition (rise and fall) of the dependent variable, if two or more independent variables as predictor factors are manipulated (the value is increased or decreased). So multiple regression analysis will be carried out if the number of independent variables is at least 2. The multiple linear regression analysis equation model that was used in this study can be formulated as shown below:

\[ Y = \alpha + \beta_1X_1 + \beta_2X_2 + e \]

- \( Y \) = Purchase Intention
- \( \alpha \) = Constant, when all independent variable = 0
- \( X_1 \) = Word of Mouth
- \( X_2 \) = Price Perspective
- \( \beta_1, \beta_2 \) = Slope of each independent variable
- \( e \) = Error term
Hypothesis Testing

**t-Test**

The t-test may be referred to as a partial test, which is a test carried out on the regression coefficient individually or partially to determine the effect of each independent variables on the dependent variables. The criteria used are:

a) \( H_0 : \beta_1 = 0 \) That is, there is no partial effect on each of the independent variables.

b) \( H_1 : \beta_1 > 0 \) That is, there is a partial positive effect on each independent variable.

While the test criteria are as follows:

a. Significant Level \( (\alpha = 0.01) \)

b. \( t \) distribution with degrees of freedom \( (n) \)

c. If \( t \) count \( \geq t \) table then \( H_0 \) is rejected and \( H_1 \) is accepted.

d. If \( t \) count \( < t \) table then \( H_0 \) is accepted and \( H_1 \) is rejected.

**F-Test**

F-test may be referred to as a simultaneous test, which is a test carried out on the regression coefficient simultaneously to determine the effect of each independent variables on the dependent variables. By using a significant degree of 0.05, to find out whether there is a simultaneous significant effect or not, the F test is performed by comparing the F-count with the F-table, with the following conditions:

1. If F-count \( \geq F \)-table, then \( H_0 \) is rejected, meaning that the statistical data used shows that all independent variables (simultaneously) have an effect on the dependent variable.

2. If F-count \( < F \)-table, then \( H_0 \) is accepted, meaning that the statistical data used shows that all independent variables (simultaneously) have no effect on the dependent variable.

**Coefficient of Determination \( (R^2) \)**

The coefficient of determination \( (R^2) \), according to Ghozali (2016: 97) essentially measures how far the ability of the independent variable is to explain the variation of the dependent variable. The value of the coefficient of determination is between zero and one, or the interval between 0 and 1. A small \( R^2 \) value means that the ability of the independent variables to explain the variation in the dependent variable is very limited or small. Values that are close to one of the independent variables provide almost all the information needed to predict the variation of the dependent variable.

**RESULT AND DISCUSSION**

Result

**Validity and Reliability Test**

**Validity Test**

<table>
<thead>
<tr>
<th>Table 1. Validity Test Result</th>
</tr>
</thead>
<tbody>
<tr>
<td>Variable</td>
</tr>
<tr>
<td>----------</td>
</tr>
<tr>
<td>Word Of Mouth (X1)</td>
</tr>
<tr>
<td></td>
</tr>
<tr>
<td></td>
</tr>
<tr>
<td></td>
</tr>
<tr>
<td></td>
</tr>
<tr>
<td>Price Perspective (X2)</td>
</tr>
<tr>
<td></td>
</tr>
<tr>
<td></td>
</tr>
<tr>
<td>Purchase Intention (Y)</td>
</tr>
<tr>
<td></td>
</tr>
<tr>
<td></td>
</tr>
<tr>
<td></td>
</tr>
</tbody>
</table>

*Source: Data Processed 2023*

Table 1 shows that the item questionnaire is greater than or equal to 0.05 therefore it can be said that the item is valid.
Reliability Test

Table 2 shows that the the alpha is 0.50 – 0.70 then the reliability is moderate.

<table>
<thead>
<tr>
<th>Variable</th>
<th>Cronbach’s Alpha</th>
<th>Result</th>
</tr>
</thead>
<tbody>
<tr>
<td>Word Of Mouth (X1)</td>
<td>0.749</td>
<td>Reliable</td>
</tr>
<tr>
<td>Price Perspective (X2)</td>
<td>0.753</td>
<td>Reliable</td>
</tr>
<tr>
<td>Purchase Intention (Y)</td>
<td>0.612</td>
<td>Reliable</td>
</tr>
</tbody>
</table>

*Source: Data Processed 2023*

Classical Assumption Test

Normality

![Normality Test Result](image)

The graphing data (points) are spread out along the diagonal line in figure and the spread follows the diagonal line. This demonstrates that the regression model fits the normality requirement.

Heteroscedasticity

![Heteroscedasticity Test Result](image)

It can be seen from the scatterplot image above that it can be seen that the points spread randomly (not form a certain pattern) and are spread both above and below the number 0 on the Y axis, so it can be concluded that in this regression model there is no heteroscedasticity.

Multicollinearity

Table 3 provides information:

1. Word Of Mouth variable has a tolerance level of 0.953 and a VIF value of 1.049. This show that the tolerance value of the Word Of Mouth variable is > 0.10 and the VIF value is < 10.00, so that multicollinearity does not occur.
2. The Price Perspective variable has a tolerance level of 0.953 and a VIF value of 1.049. This shows that the tolerance value of the Price Perspective variable is > 0.10 and the VIF value is < 10.00, so that multicollinearity does not occur.
Table 3. Multicollinearity Test Result

<table>
<thead>
<tr>
<th>Model</th>
<th>Coefficients</th>
<th>Collinearity Statistics</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>Tolerance</td>
</tr>
<tr>
<td>1</td>
<td>(Constant)</td>
<td>.953</td>
</tr>
<tr>
<td></td>
<td>Word Of Mouth</td>
<td>.953</td>
</tr>
<tr>
<td></td>
<td>Price Perspective</td>
<td>.953</td>
</tr>
</tbody>
</table>

a. Dependent Variable: Purchase Intention

Source: Data Processed 2023

Multiple Linear Regression Analysis

Table 4. Multiple Linear Regression Analysis Result

<table>
<thead>
<tr>
<th>Model</th>
<th>Unstandardized Coefficients</th>
<th>Standardized Coefficients</th>
<th>t</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>B</td>
<td>Std. Error</td>
<td>Beta</td>
<td></td>
</tr>
<tr>
<td>1</td>
<td>(Constant)</td>
<td>6.939</td>
<td>1.499</td>
<td>4.630</td>
</tr>
<tr>
<td></td>
<td>Word Of Mouth</td>
<td>.215</td>
<td>.054</td>
<td>.354</td>
</tr>
<tr>
<td></td>
<td>Price Perspective</td>
<td>.376</td>
<td>.106</td>
<td>.315</td>
</tr>
</tbody>
</table>

a. Dependent Variable: Purchase Intention

Source: Data Processed 2023

From the multiple linear regression equation above it can be interpreted as follows:

1. The constant value is 6.939 which states that if the variable Word Of Mouth (X1) and Price Perspective (X2) is equal to 0, then the Purchase Intention (Y) is 6.939.
2. The regression coefficient value for the Word Of Mouth (X1) variable is 0.215. This value shows a positive effect between the Word Of Mouth and Purchase Intention variables. This means that if the Word Of Mouth variable has increased by 1%, then the Purchase Intention variable will increase by 0.215. Assuming that the other variables remain constant.
3. The regression coefficient value for Price Perspective (X2) variable is 0.376. This value shows a positive effect between the Price Perspective and Purchase Intention variables. This means that if the Price Perspective variable has increased by 1%, then the Purchase Intention variable will increase by 0.376. Assuming that the other variables remain constant.

Correlation of Determination (R²)

Table 5. R² Result

<table>
<thead>
<tr>
<th>Model</th>
<th>R</th>
<th>R Square</th>
<th>Adjusted R Square</th>
<th>Std. Error of the Estimate</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>.522*</td>
<td>.273</td>
<td>.258</td>
<td>1.666</td>
</tr>
</tbody>
</table>

a. Predictors: (Constant), Price Perspective, Word Of Mouth
b. Dependent Variable: Purchase Intention

Source: Data Processed 2023

Showing the value of R² or a coefficient, it can be seen that the result of R² value is 0.273. This value can be used to determine how much impact of Word Of Mouth and Price Perspective on Purchase Intention. It also means that the independent variables, namely Word Of Mouth and Price Perspective explain 25.8% of the dependent variable, namely Purchase Intention, while the remaining 74.2% is explained by other variables not included in this model.

Hypothesis Testing

Partial Hypothesis Test (t-Test)

Table 6 shows that:

1. Hypothesis 1 states that there is significant and positive influence of Word Of Mouth on Purchase Intention at InDrive application. From the table, it is known that tcount is 3.986 and ttable is 1.984, so tcount > ttable.
The significance value of $X_1$ is $0.000 < 0.05$ (significance has a less value than Alpha) even $< 0.01$, which means that the Word of Mouth ($X_1$) has significant influence on Purchase Intention ($Y$) of “InDrive” users of Faculty of Economics and Business students, therefore $H_1$ is accepted.

2. Hypothesis 2 states that there is significant and positive influence of Price Perspective on Purchase Intention at InDrive application. From the table, it is known that $t_{count}$ is 3.555 and $t_{table}$ is 1.984, so $t_{count} > t_{table}$. The significance value of $X_2$ is $0.000 < 0.05$ (significance has a less value than Alpha) even $< 0.01$, which means that the Price Perspective ($X_2$) has significant influence on Purchase Intention ($Y$) of “InDrive” users of Faculty of Economics and Business students, therefore $H_2$ is accepted.

Table 6. Partial Test (t-Test) Result

<table>
<thead>
<tr>
<th>Model</th>
<th>Unstandardized Coefficients</th>
<th>Standardized Coefficients</th>
<th>t</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>B</td>
<td>Std. Error</td>
<td>Beta</td>
<td></td>
</tr>
<tr>
<td>1 (Constant)</td>
<td>6.939</td>
<td>1.499</td>
<td></td>
<td>4.630</td>
</tr>
<tr>
<td>Word Of Mouth</td>
<td>.215</td>
<td>.054</td>
<td>.354</td>
<td>3.986</td>
</tr>
<tr>
<td>Price Perspective</td>
<td>.376</td>
<td>.106</td>
<td>.315</td>
<td>3.555</td>
</tr>
</tbody>
</table>

a. Dependent Variable: Purchase Intention

Source: Data Processed 2023

Simultaneous Hypothesis Test (F-Test)
Table 7. Simultaneous Test (F-Test) Result

<table>
<thead>
<tr>
<th>Model</th>
<th>Sum of Squares</th>
<th>df</th>
<th>Mean Square</th>
<th>F</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 Regression</td>
<td>101.001</td>
<td>2</td>
<td>50.500</td>
<td>18.194</td>
<td>&lt;.001b</td>
</tr>
<tr>
<td>Residual</td>
<td>269.239</td>
<td>97</td>
<td>2.776</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>370.240</td>
<td>99</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

a. Dependent Variable: Purchase Intention
b. Predictors: (Constant), Price Perspective, Word Of Mouth

Source: Data Processed 2023

Based on the output above, it is known that the significant value is $0.000$ with $F$ value is $18.194$. The significant value for the effect of $X_1$ and $X_2$ simultaneously on $Y$ is $0.000 < 0.05$ (the significance value is less than 0.05) even $< 0.01$, and from $F_{count} 18.194 > F_{table} 3.090$ ($F_{count}$ is greater than $F_{table}$) so it can be concluded that Word Of Mouth and Price Perspective simultaneously have significant and positive influence on Purchase Intention of “InDrive” users of Faculty of Economics and Business students, therefore $H_3$ is accepted.

Discussion

Word Of Mouth on Purchase Intention of “InDrive” users of Faculty of Economics and Business students

Word Of Mouth (WOM) is the act of sharing information about a product or service with others, particularly with friends and family. WOM can have a significant influence on consumer behavior, as it can provide social proof and build trust in a product or service. Based on the partial and regression analysis test results, word of mouth ($X_1$) has significant and positively influence purchase intention ($Y$). Word of mouth (WOM) communication is a communication process in the form of providing recommendations both individually and in groups for a product or service that aims to provide personal information. Word of mouth has always been the main concern of business people, because word of mouth is closely related to the success of a business in terms of its future business image in achieving its goals. Word of mouth is giving incentives to potential consumers to make purchases of recommended products Jerram (2003:1) in the research conducted by Raesita (2015) entitled “The Effect of Word Of Mouth Promotion and Brand Image on Android Cell Phone Purchasing Decisions” stated “Word of Mouth has such an important influence. WOM is a force because of humans social beings, like to talk to one another about good or bad things. The results showed that Word Of Mouth significant and positively influence Purchase Intention of “InDrive” users of Faculty of Economics and Business students. This means that word of mouth promotion is carried out by students influencing purchasing intentions for the InDrive application, meaning that the more people talk about the InDrive application, the more consumers have
the intention to make a purchase. The result supported by the research conducted by Fifaldyovan and Astuti (2021) that WOM have a positive effect on trust and purchase intention, and trust mediates the influence of WOM on purchase intention. Kotler and Armstrong (2018:163) stated that word-of-mouth influence can have a powerful impact on consumer buying behavior. The personal words and recommendations of trusted friends, family, associates, and other consumers tend to be more credible than those coming from commercial sources, such as advertisements or salespeople. Where the consumer has an important meaning for the company because it will help the company in promoting the product in addition to advertising in the mass media. People tend to believe more in word-of-mouth marketing than any promotion method that is more formal in nature. With word of mouth communication someone will easily believe in a product that can form a buying interest for consumers. As with word of mouth between friends, family and other closest people, it will be accepted more quickly, where this can encourage consumer buying interest and can affect community and efficiency because it does not require large costs to promote a product. This similar with the research by Sahirir, Bua, and Sukotjo (2019) that word of mouth obtained by customers through trusted people such as experts, friends, family tends to be accepted more quickly. Utilizing other consumer recommendations can increase consumer motivation to repurchase. Those who have high motivation will be more affected than those who have not received recommendations that foster motivation to make repeat and new purchases. Facts in the field show that the description of research variables is an empirical condition of the implementation of word of mouth which focuses on recommending to other people. Febiana, Kumadji, dan Sunarti (2014) states that word of mouth variable influences consumer purchase intention, where purchase intention can arise due to word of mouth as measured by reference group indicators (family, close friends, and acquaintances). Rita and Angela (2022) showed the result of this research proves that Word of Mouth and Brand Awareness have positive and significant influence to Purchase Intention. Most word of mouth occurs naturally, consumers start talking about a brand or product they use to other people. The results is similar to the previous study by Mantiri, Mangantar, and Tumewu (2022) that indicates Word of Mouth (WOM) have a significant effect on Purchase Intention.

Price Perspective on Purchase Intention of “InDrive” users of Faculty of Economics and Business students

Price Perspective refers to how consumers perceive the value of a product or service in relation to its price. Based on the partial and regression analysis test results, price perspective (X2) has significant and positively influence purchase intention (Y) of “InDrive” users of Faculty of Economics and Business students. This means that price is one of the factors that plays an important role in determining consumer attitudes, in this case students of the Faculty of Economics and Business, who have purchase intentions on the InDrive application. The results similar to Diansyah and Utami (2022) that there is an influence of price on purchase intention. Price is one of the determinants of the success of a company because price determines how much profit the company will get from selling its products in the form of services or goods. High prices can be formed by the prices offered by product or service providers. If the price has a low value compared to other stores, then the customer will increase their purchase intention, and vice versa. Setting a price that is too high will cause sales to decrease, because it will reduce the customer purchase intention to a product. But if the price is too low, it will reduce the profits that can be obtained by the organization or company but it will increase the customer purchase intention. The result also similar to the research by Kaunang (2013) that price is influencing the Customers Purchase Intention in Planet Surf Manado. The influence of price on purchase intention is positive, meaning that when a price is more attractive, the purchase intention is stronger, and when the price is not attractive, the purchase intention is weaker. Research by Sari (2020) that pricing is a strategy that is key within the company as a form of concentration from deregulation and increasingly fierce global market competition. Prices are in accordance with the ability and price competitiveness, consumers when buying prices must compare prices with other products, in online transportation itself many service applications are the same but the prices offered are different, so consumers use their perceptions in buying and determining cheap or expensive prices to buy. Prices that are economical and considered competitive according to consumers are the appropriate prices to be issued to obtain the goods and services that will be used. Comparison of price suitability is an indicator to be able to increase someone's purchase intention. Consumers may be willing to pay a higher price for a product or service that they perceive as having high value, while they may not be willing to pay as much for a product or service that they perceive as having low value. Just as students they do not have their own income to buy a product at a high price, students will consider each price of a product and compare the facilities obtained when buying a product. From the results above, it can be seen that price has positively influence purchase intention of “InDrive” users of Faculty of Economics and Business students. The results also similar to the research by Wowiling (2014) and Rajasekar and Murasoli (2021) that price significantly simultaneously and partially influence green purchasing intentions.

ISSN 2303-1174

S. E. K. Lontoh., J. D. D. Massie., M. H. C. Pandowo

Jurnal EMBA

Vol. 11 No. 3 September 2023, Hal. 1157-1169

1166
Word Of Mouth and Price Perspective on Purchase Intention of “InDrive” users of Faculty of Economics and Business students

Partial and regression analysis test results showed that word of mouth (X1) and price perspective (X2) have significant and positively influence purchase intention (Y) of “InDrive” users of the Faculty of Economics and Business students. Research by Temaja and Yasa (2019) that the word of mouth have a positive and significant influence on purchase intention. The result also similar to the research by Wowiling (2014) that stated price significantly simultaneously and partially influence green purchasing intentions in Manado. The purpose or benefit of having word of mouth communications is to increase one's knowledge and information so as to influence one's interest in making a purchase. If the price is low, people's purchase intention can also be high. And if the price offered is high then people's purchase intention will decrease. With all these advantages, it's no wonder that online transportation users are increasing. This proves that the better the word of mouth and the more affordable the price, the greater the customers purchase intention. So it can be concluded that Word Of Mouth and Price Perspective simultaneously have positive and significant influence on Purchase Intention. It explains that independent variables, Word Of Mouth and Price Perspective simultaneously have positive and significant influence on Purchase Intention of “InDrive” users of Faculty of Economics and Business students. The results also similar to the research by Lestari and Rahmidani (2019) that showed that word of mouth and price perspective have significant influence on customer purchase intention.

CONCLUSION AND RECOMMENDATION

Conclusion
1. Word Of Mouth significant and positively influence the Purchase Intention of “InDrive” Users of Faculty of Economics and Business students partially. This shows someone will believe more with opinion of others who have experience towards a product compared to advertising and promotional media launched by company.
2. Price Perspective significant and positively influence the Purchase Intention of “InDrive” Users of Faculty of Economics and Business students partially. This shows that when a price is more attractive, the purchase intention is stronger, and when the price is not attractive, the purchase intention is weaker.
3. Word Of Mouth and Price perspective significant and positively influence Purchase Intention of “InDrive” Users of Faculty of Economics and Business students simultaneously. This shows that these two independent variables can simultaneously affect the intention in purchasing of InDrive application. In comparison, partially, each of Word Of Mouth and Price Perspective positively influence Purchase Intention “InDrive” Users of Faculty of Economics and Business students.

Recommendations
1. InDrive must issue the better service of the drivers to prevent similar cases from happening in 2022 so that consumers feel more secure in using InDrive application and creating information that spreads has a good impact on InDrive itself.
2. Do the daily check of the vehicle eligibility. To create a sense of comfort for passengers, InDrive should return to routinely check vehicles that are suitable for use by drivers for customers to ride on, because the more good information spreads, the more InDrive users will increase.
3. Set a good standard for the vehicles to be used. As previously explained, passengers expect to get a safe and comfortable trip with a perfect budget when using online transportation. Currently there are still some drivers who modify their vehicles so that they become less comfortable to ride on, so in this case researcher recommend InDrive to pay attention to this issue.

REFERENCES


