

THE INFLUENCE OF WORD OF MOUTH AND SOCIAL MEDIA MARKETING ON CUSTOMER PURCHASE INTENTION AT MSMES COFEE SHOPS IN MANADO**PENGARUH DARI PEMASARAN KATA DARI MULUT DAN PEMASARAN DARI SOSIAL MEDIA TERHADAP MINAT BELI KONSUMEN PADA BISNIS UMKM RUMAH KOPI DI MANADO**

By:

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Abstract: At this time there is a lot of businesses like Micro, Small, and Medium Enterprises or usually known by MSMEs, having a shortage of income and also reducing the numbers of customer, it is because of COVID-19 pandemic. All the coffee shops MSMEs, are racing to stay being in existed. They are using the technique of marketing that having goals to pull the interest of customers for buying up. Because of that, writer wanted to know the consequence and the technique of marketing, in the perspective of the customers. Writer assumed, that there are two marketing technique like, Word of Mouth (WOM) and Social Media Marketing that could make customers having intention to purchase. Research has been done by the writer using the Quantitative Method, by spreading the Questionnaire to 100 people in respondent at Manado. Let there be the result from this result can gives us positive impact, more then it will help the continuity of MSMEs Coffee Shops in Manado.

Keywords: *word of mouth, social media marketing, purchase intention, quantitative*

Abstrak: Pada saat ini usaha Mikro, Kecil dan Menengah yang dikenal dengan UMKM mengalami kendala dalam hal pemasukan dan kekurangan pelanggan yang membeli produk yang ada, hal ini disebabkan oleh pandemi COVID-19 yang masih terjadi sampai saat ini. Semua rumah kopi yang tergabung dalam bagian UMKM berusaha keras untuk bertahan dalam keadaan saat ini. Banyak dari UMKM saat ini menggunakan teknik pemasaran untuk menarik minat konsumen agar membeli produk yang ada. Oleh karena itu penulis ingin melakukan penelitian dan melihat konsekuensi dan teknik marketing dari sudut pandang consumer. Dalam asumsi yang dibentuk ada dua teknik pemasaran yang digunakan yakni pemasaran dari mulut dan pemasaran dari sosial media, kedua pemasaran ini dapat meningkatkan minat beli dari konsumen yang ada. Penelitian dilakukan dengan metode kuantitatif, dengan cara menyebarkan 100 kuesioner kepada responden yang ada di Manado. Hasil dari penelitian diharapkan dapat memberi dampak yang positif, terlebih membantu keberlangsungan dari UMKM rumah kopi yang ada di Manado.

Kata Kunci: *pemasaran kata dari mulut, pemasaran dari sosial media, minat beli, kuantitatif*

INTRODUCTION

Research Background

Coffee is one of the global drinks that is loved by most people and has become part of the lifestyle. Coffee is very easy to find, starting from roadside stalls and exquisite cafes. By seeing this lifestyle, triggering the intention of some entrepreneurs to open coffee shops. Coffee shops are a very suitable place for us to spend time off from our daily activities. The no.1 coffee business platform in Indonesia said that coffee shops in Indonesia increased by 2,000 in the three years since August 2019 which reached more than 2,950 coffee shop outlets. The word MSMEs must be familiar to our ears. At present there are many MSMEs that are rampant in Indonesia, especially in Manado. MSMEs are explained as a small company owned and managed by someone or owned by a small group of people with a certain amount of wealth and income. MSMEs consist of three parts namely; Micro, Small and Medium Enterprises and all of them have certain criteria and requirements. Even MSMEs have a significant role in the Indonesian economy, as evidenced by MSMEs, the scale of MSMEs economic activity contributes around 60% to Indonesia's total gross income (Halberg, 2000).

However, this time with the virus spreads that causing pandemic situation, the lifestyle slowly adapting because of certain health protocols that are being implemented. Coffee shops have to survive in a situation that makes it very difficult for them to find customers to keep buying their products. Not only large coffee shops, but also with MSMEs coffee shops. In order to survive in this situation, what is needed not only the idea of services or goods that will be produced but also the MSMEs coffee shops must choose the right marketing techniques to attract the attention of customers, it is known as Marketing which certainly sounds familiar. The importance of digital marketing during a pandemic, digital marketing is a strategy that must be applied by every businessman who wants to survive in the midst of today's technological developments. In today's digital era, interacting with customers is mostly done through social media. Also, there are several marketing ideas that are suitable in this pandemic situation that can be used in order to survive in business circles. One of them is, keep in touch with customers through social media, because social media is one way to stay connected with many people. That's why, all business owners should not ignore digital marketing.

In marketing, there are several techniques that can be used to promote business but this research will be based on Word of mouth and Social Media Marketing. Word of mouth commonly referred to as word of mouth promotion. When promoting through Word of mouth, there are two things that are really needed are the volume and content that will be delivered. Observation of the direction, range, level of activity and tone of the volume is needed in promoting Word of Mouth. Word of mouth can provide valuable input for MSMEs coffee shops to increase existing sales, because buyers will be more interested in hearing opinions expressed by consumers that considered to be more honest than promotions promoted by sellers. When opinions from consumers are positive, it can boost the reputation of the brand and make the existence of MSMEs coffee shops reach more customers. Likewise with promotion through social media or commonly called Social Media Marketing which is described as the activities using social media as a means to market products and services. Social Media Marketing is becoming the most popular marketing technique by internet marketers today. The main reason is the low cost of promotion and can reach a large audience (Indra, 2018). Whether word of mouth and social media marketing have a positive impact on customer purchase intention, it can be a strong grip to improve and maintain MSMEs coffee shops, which is able to create a continuing desire for customers to buy the products and make it increasingly known by the wider community, also to survive with this present condition.

Research Objective

1. To find out if Word of Mouth (WOM) influence Customer Purchase Intention at MSMEs Coffee Shops in Manado partially
2. To find out if Social Media Marketing influence Customer Purchase Intention at MSMEs Coffee Shops in Manado partially
3. To find out if Word of Mouth (WOM) and Social Media Marketing influence Customer Purchase Intention at MSMEs Coffee Shops in Manado simultaneously

Marketing

Marketing is management process through which goods and services move from concept to the customer. Nowadays people think that marketing is only about selling and advertising, but both of them are only a little part of marketing. Marketing is the process by which companies create value for customers and built strong customer relationship in order to capture value from customers in return. In other definition, Marketing is managing profitable customer relationship. The twofold goal of marketing is to attract new customers by promising superior value and keep and grow current customers by delivering satisfaction (Keller, 2009).

Word of Mouth

Word of Mouth is defined as oral, person to person communication between a receiver and a communicator whom the receiver perceives as non-commercial concerning a brand, a product, or service. The word of mouth communication was defined as the act of telling at least one friend or acquaintance about the dissatisfaction. Word of Mouth (WOM) based on its type can be considered as a communication of speech, although it is done in web dialogs, such as blogs, message boards and e-mails also fall into this definition. WOM also act as a means when people convey genuine enthusiasm about products and services to others. The aspects to determine word of mouth are Communication, Persuasion, Positiveness, Encouragement, and Recommendation. These aspects are the main aspects which determine the way of word of mouth will go in the end (Indra, 2018).

Social Media Marketing

Social media marketing is a form of marketing directly or indirectly used to build awareness, recognition, power remember, and actions for brands, businesses, products, people, or other entities and done with using tools from the social web like blogging, microblogging, social networking, social bookmarking, and content sharing. Social media marketing is a process encourage individuals to do promotions through their website, product or service through online social channels and for communicate by utilizing the community which is far greater that has possibilities greater than marketing through traditional advertising channels. Social media marketing is a form of online advertising that is using the cultural context of the community social includes social networks, virtual worlds, sites social news, and social opinion sharing sites to meet communication purposes (Laksamana, 2018).

Customer Purchase Intention

Customer purchase intention is the tendency of consumers with the identified aim where it is usually measured in terms of real purchasing. Moreover, purchase intention refers to the possibility of purchasing a special brand in a product category during purchase. However, the implementation of the product's purchase intention depends on various factors such as customer willingness and interest to the product, imposed social pressure on the customer from others and a general sense of what is received. Purchase intention comes into deliberation when a customer is most likely attempting to purchase some product or service. For marketers purchase intention is of vast meaning as their forecasted consumer behavior is highly dependent on this purchase intention of the customers and consumers buying decision is very complex. Usually purchasing intention is related with consumers behavior, perception and their attitude (Mason, 2008).

Micro Small Medium Enterprises (MSMEs)

MSMEs statistical definition usually varies per country. However, most of the time the consideration of MSMEs criteria is based on the number of employees, value of assets or value of sales. Typically there are three categories of MSMEs: the first category is made up of small stall-holders that operate mostly in traditional markets. The second category of MSMEs are those that are part of the supply chain or the ecosystem of the existing large corporations. The third category of MSMEs are those that are independent and ready to move to the next level. These companies have an annual turnover of more than Rp. 50 billion and employ modern accounting and IT systems also still managed by family members but some professionals might also be hired to run the day-to-day business (Lang and Lawson, 2013).

Previous Research

Indra Carolus (2018) analyzed the effect of word of mouth communication on purchase intention on subsidized mortgages in Surabaya with Brand Image and Perceived service quality as intervening variables. This

research was conducted by distributing questionnaires to 150 respondents of prospective customers of subsidized mortgages in Surabaya. The analysis technique used is quantitative analysis technique with path analysis method.

Patria Laksamana (2018) explored the impact of social media marketing towards purchase intention and brand loyalty. The context of the study was retail banking in Indonesia and a questionnaire was developed with 286 respondents. It has been found that social media marketing leads to purchase intention and brand loyalty. Hence, brand loyalty affected by purchase intention.

Bagas Aji Pamungkas (2016) determined and explained the effect of promotion through social media and social media word of mouth on consumer purchasing decisions at the Bontacos shop partially good or simultaneously. This study uses a quantitative approach. The sample of this research is 100 Bontacos shop consumers using non-probability sampling methods and techniques accidental sampling. The research instrument used a questionnaire and analyzed using multiple regression analysis. The results of this study indicate that promotions use social media and word of mouth simultaneously partial and simultaneous have an influence on purchasing decisions.

Conceptual Framework

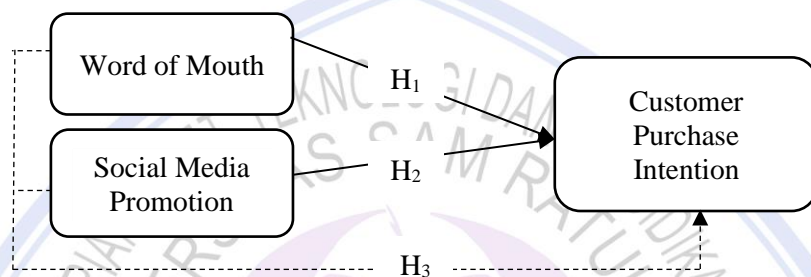


Figure 1. Conceptual Framework

Source: Data Processed, 2021

RESEARCH METHOD

Research Approach

This research uses quantitative approach that emphasizes objective measurements and the statistical, mathematical, or numerical analysis of data collected through polls, questionnaires, and surveys or by manipulating pre-existing statistical data using computational techniques. A survey was conducted to collect the primary data by distributing questionnaires to determine the influence of word of mouth and social media marketing toward customer purchase intention.

Population, Sample, and Sampling Technique

The population of this research is coffee drinker who lives in Manado City. The sample size of this research will be minimum 97 respondents of coffee drinker who lives in Manado City. The sampling method used for this research is purposive sampling. Purposive sampling can be defined as identifying and selecting individuals or groups of individuals that are especially knowledgeable about or experienced with a phenomenon of interest.

Data Collection Method

Primary data collection was acquired through questionnaires. A questionnaire is a research instrument consisting of a series of questions to gather information.

Operational Definition of Research Variables

Table 1. Variable Definition

Variable	Definition	Indicators
Word of Mouth (X ₁)	Person-to-person communication through speech, writing, or communication related of	-Communication -Persuasion -Positiveness

	the benefit or experience of purchasing or using a product or service	-Encouragement -Recommendation
Social Media Marketing (X ₂)	A process encourages individuals to do promotions through their website, product or service through online social channels and for communicate by utilizing the community which is far greater that has possibilities greater than marketing through traditional advertising channels	-Engagement -Influence -Content Creation -Accessibility -Credibility
Customer Purchase Intention (Y)	Customer buying intention is a behavior that appears in response to objects, or also repurchase. In addition, also added that is the final stage of a complex furniture decision process.	-Finding information -Consider buying through information gathering -Interested to try after customers try to fulfill needs -Want to know the products -Desire

Source: Author's Note, 2021

Validity and Reliability

Validity test is used to measure the obtaining data are in line with the research concept. In other words, the instrument items used to obtain the data are correct and related to the concept of the research that will be conducted. Reliability test uses to measure the consistency of instrument items. Reliability test is defined as an index that showed how far instrument items could be trusted or dependable.

Multiple Linear Regression

Multiple linear regression is the most common form of linear regression analysis. As a predictive analysis, the multiple linear regression is used to explain the relationship between one continuous dependent variable and two or more independent variables. The independent variables can be continuous or categorical

RESULT AND DISCUSSION

Result

Validity and Reliability

The validity test of word of mouth (X₁), social media marketing (X₂) and customer purchase intention (Y) are all valid. The variables are reliable because the value of Cronbach's Alpha which are 0.785, 0.714 and 0.716 are bigger than 0.6.

Result of Multiple Linear Regression

Table 2. Case Processing Summary

Model		Unstandardized Coefficients		Standardized Coefficients	
		B	Std. Error	Beta	
1	(Constant)	23.021	4.083		
	Word of Mouth (X ₁)	-.047	.065		-.103
	Social Media Marketing (X ₂)	.413	.131		.451

Source: Data Processed, 2021

Constant value of 23.021 means that in a condition of ceteris paribus, if all independent variables equal to zero, then Customer Purchase Intention (Y) as dependent variable will be 23.021. X₁'s coefficient value of -0.047 means that if there is one unit increase in word of mouth (X₁) then the customer purchase intention (Y) will increase by -0.047. X₂'s coefficient value of 0.413 means that if there is one unit increase in social media marketing (X₂) then the customer purchase intention (Y) will improve and increase by 0.413.

Table 3. Table of R and R Square

Model	R	R Square	Adjusted R Square
1	.423 ^a	.179	.144

Source: Data Processed, 2021

The coefficient of determination (R²) according to the table is 0.423 which shows that the variation of all independent variable explains 42.3% of variation in the Customer Purchase Intention (Y), while the remaining 57.7% is explained by other factors outside the model or not discussed in this research.

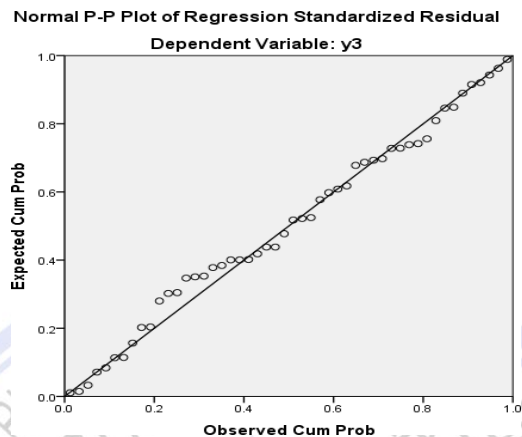


Figure 2. Normality Test

Source: Data Processed, 2021

Figure 2 shows that the dots are spreading near to the diagonal line and follow the direction of the diagonal line. Therefore, the normality test is accepted which means the data of this research is normally distributed.

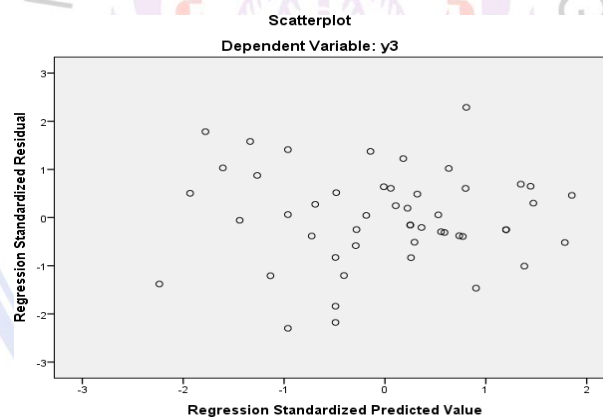


Figure 3. Heteroscedasticity

Source: Processed Data, 2021

Figure 3 shows that the dots are spreading above and below the number zero (0) in the Y axis. This proves that there is no heteroscedasticity in this regression.

Table 4. Multicollinearity Test Result

Model	Collinearity Statistics	
	Tolerance	VIF
1 (Constant)		
Word of Mouth (X1)	.858	1.166
Social Media Marketing (X2)	.858	1.166

Source: Data Processed, 2021

Table 4 shows that the tolerance value of word of mouth is 0.858 and social media marketing is 0.858, meaning that the tolerance value of each variable is more than 0.1. The VIF value of word of mouth is 1.166 and social media marketing is 1.166 meaning that the VIF value of each variable is less than 10. Since all the tolerance values are more than 0.1 and VIF value of each independent variable is less than 10, this research is free from multicollinearity.

Table 5. F-Test

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	89.927	2	44.964	5.113	.010 ^b
	Residual	413.353	47	8.795		
	Total	503.280	49			

Source: Data Processed, 2021

Table 5 shows the value of Fcount is 5.113. The degree of freedom 1 (numerator) is 2 and degree of freedom 2 (denominator) is 47 with level of significance is 0.05 ($\alpha = 0.05$) and the level of confidence is 95% then Ftable is 3.23. The result is: Fcount (5.113) > Ftable (3.23). Since Fcount is greater than Ftable, Ho is rejected and H1 is accepted means the independent variables simultaneously influence the dependent variable. Therefore, hypothesis 1 is accepted.

Table 6. T-Test

Variable	Tcount	Ttable	Description
Word of Mouth	-.722	2.02	Rejected
Social Media Marketing	3.158	2.02	Accepted

Source: Data Processed, 2021

To test the effect of each independent variable on the dependent variable one by one or partially it can be done by T-test. From the table above, Tcount for each independent variable, which for Word of Mouth (X1) Tcount = -0.722 and Ttable = 2.02 which Tcount < Ttable 2.02. Therefore, H0 is accepted and H1 rejected, that means Word of Mouth (X1) does not significantly influence Customer Purchase Intention (Y). From the table above, Tcount for each independent variable, which for Social Media Marketing (X2) Tcount = 3.158 and Ttable = 2.02 which Tcount > Ttable 2.02. Therefore, H2 is accepted and H0 rejected, that means Social Media Marketing (X2) significantly influence Customer Purchase Intention (Y).

Discussion

The purpose of this study is to find out whether Word of Mouth (X1) and Social Media marketing (X2) influence Customer Purchase Intention (Y) partially and simultaneously at MSMEs coffee shops in Manado. Social Media Marketing (X2) has a significant influence to the Customer Purchase Intention of people who buys at MSMEs Coffee Shop in Manado. This characteristic gives a big influence to the MSMEs Coffee Shop in Manado of the Social Media Marketing, and be evaluation for all the shops to be more concern about the variable that will affect so that they can focus on that. On the other hand, from the result of data processing, word-of-mouth does not apply the same effect as Social Media Marketing gives. When the result indicates that Social Media Marketing has the strongest significant influence, it does not mean that Word-of-Mouth do not give any influence. It also gives influence toward Customer Purchase Intention in MSMEs Coffee Shop in Manado, but not as much as Social Media Marketing.

Variable Word of Mouth (X1) has no significant influence for MSMEs Coffee Shop in Manado, that can be seen at table above, based on the result of the data obtained from questionnaire, most of consumers give the point "5" (strongly agree) about the influence of Customer Purchase Intention. The result of this study is supported by the results of previous research conducted by Indra (2018) who said that Word of Mouth have no significant influence on purchase intention. Same with the result. To breakdown this result, we must realize that not all of the Word-of-Mouth activities can be come out great. By that means, there are some words that may have no effect or worse, negative effect toward the purchase intention of customer who often visits the coffee shop. In this research, it comes out with no significant influence that can means customer with so many coffees shop option, will not influenced by other people talk, since customer will still go to their favorite coffee shop. The indicator of word-of-mouth in this research are Communication, Persuasion, Positiveness, Encouragement, and Recommendation.

By the result through SPSS, it showed that all those indicator does not bring enough points to make Word-of-Mouth became significant enough to influence the Customer Purchase Intention of MSMEs Coffee Shop in Manado. Otherwise, when this variable does not apply well enough, it will bring some negative impact since there are some uncontrollable things from the variable itself.

Social Media Marketing (X2) has significant influence for MSMEs Coffee Shop in Manado that can be seen at the table, it shows that variable Social Media Marketing (X2) does influence MSMEs Coffee Shops in Manado. Based on the result of the data obtained from questionnaire, most of consumers give the point "5" (strongly agree) about the influence of Customer Purchase Intention. In this research, the variable Social Media Marketing are measured by the influence of any factors that were included in questionnaire that may affect buyers of MSMEs Coffee Shop in Manado. Social Media Marketing will differentiate one Coffee Shop on another since everyone have their own concept and value that can be promote so that can attract customer and build their own market, each with their own capabilities. It will give big influence if their done their marketing efficiently, that also may in the same line with this research result. The indicators are Engagement, Influence, Content Creation, Accessibility and Credibility have impact that makes the Social Media Marketing influence the customers. Previous research done by Laksamana (2018) stated that social media and its indicator have an influence on customer purchase intention, basically same as what this research did. It also stated that social media marketing is significantly impacts purchase intention at Indonesia's banking industry. Social Media Marketing influences the customer purchase intention positively.

From the hypothesis which is Word of Mouth and Social media marketing is accepted it shows that simultaneously influence the Customer Purchase Intention as their variable Y. In customer purchase intention itself, there are many factors or reasons that can influence it, but in this study the factors chosen are word of mouth and social media marketing that can affect customer purchase intention. The indicators are interested in finding information, consider buying through information gathering, interested to try after customers try to fulfill needs, want to know the product and the desire to have a product. From the previous research done by Pamungkas (2016), the results of the tests that have been done, it shows that the word of mouth and social media marketing simultaneously have a positive and significant effect on customer purchase intention. Although partially word of mouth does not have a significant effect on customer loyalty, simultaneously word of mouth with social media marketing has a significant effect on customer purchase intention. This means that if viewed simultaneously, word of mouth and social media marketing have a direct influence on customer of MSMEs Coffee Shop in Manado. This follows previous research which shows that word of mouth and social media variables have a positive and significant direct effect on customer purchase intention, even though it applies on different research.

CONCLUSION AND RECOMMENDATION

Conclusion

1. Word of Mouth has no significantly influence on Customer Purchase Intention at MSMEs Coffee Shops in Manado Partially. This result comes from data that being analyzed with SPSS. It came across with this result since practically not all of words being told by people are a positive words/ review that may affect negative result sometimes. When this variable does not apply good enough, it will bring some negative impact since there are some uncontrollable things from the variable itself
2. Social Media Marketing has significant influence on Customer Purchase Intention at MSMEs Coffee Shops in Manado Partially. This result comes because lately everyone pay attention to their marketing in social media as in Instagram or else since it is a quick way to reach customer. Social Media Marketing will differentiate one Coffee Shop on another since everyone have their own concept and value that can be promote so that can attract customer and build their own market, each with their own capabilities.
3. Both Word of Mouth and Social Media Marketing Influence Customer Purchase Intention at MSMEs Coffee Shops in Manado Simultaneously. This result comes from data that being analyzed with SPSS. By being paired together these two variables simultaneously give impact to the customer purchase intention even though word-of-mouth alone does not give enough impact based on result above. This means that if viewed simultaneously, word of mouth and social media marketing have a direct influence on customer of MSMEs Coffee Shop in Manado. This follows previous research which shows that word of mouth and social media variables have a positive and significant direct effect on customer purchase intention, even though it applies on different research.

Recommendation

1. MSMEs should maintain connection and build community in order for people to keep spreading the good word-of-mouth throughout the customer.
2. MSMEs coffee shop should always follows the trend about the promotion models so it will attract customer in some ways.
3. MSMEs coffee shop should always synergize their product and keep develops what point that they already exceeded on.

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