ANALYZING THE EFFECT OF WORD OF MOUTH AND CONSUMER ATTITUDE ON PURCHASE INTENTION AT SILOAM HOSPITAL MANADO

ANALISIS EFEK DARI WORD OF MOUTH DAN SIKAP KONSUMEN TERHADAP KEINGINAN MEMBELI DARI SILOAM HOSPITAL MANADO

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ABSTRACT

The main objective of this study is to analyze the effect of word of mouth and consumer attitude on purchase intention of Siloam Hospital Manado. Multiple regression analysis is the tool of this research. The data were collected from 100 respondents which are Siloam Hospital Manado's consumers. The result indicated that word of mouth and consumer attitude have positive significant influence on purchase intention of Siloam Hospital Manado.

Keywords: consumer attitude, purchase intention and word of mouth

ABSTRAK

Tujuan dari penelitian ini untuk menganalisa efek dari word of mouth dan sikap konsumen terhadap keinginan membeli dari Siloam Hospital Manado. Analisis regresi digunakan sebagai alat uji untuk penelitian ini. Data dikumpulkan dari 100 responden yang merupakan konsumen Siloam Hospital Manado. Hasil menunjukkan bahwa word of mouth dan sikap konsumen memiliki pengaruh positif terhadap keinginan membeli dari Siloam Hospital Manado.

Kata kunci: sikap konsumen, keinginan membeli dan word of mouth

1. INTRODUCTION

Research Background

Health is really important in every aspect of human lives. To fulfill the demand of health care that increase day by day, there are so many available clinic and hospital. In its growth the health care industry has influenced the economic growth in the world, this industry makes so much money. The hospital sector growth really fast day by day not just the general hospitals but also the private hospitals.

According to article of market.bisnis.com (2016), data from PT Samuel Sekuritas Indonesia, population aged 65 years and over will reach 17 million by 2020. More interestingly, the age of 15 years to 64 years is predicted to reach 184 million, also in 2020. The total population in this age range increase of 17 million since 2013. Meanwhile, the age of 0 years to 14 years is projected to grow 2 million people to 71 million in 2020. Akhmad Nurcahyadi the analyst of PT Samuel Sekuritas Indonesia stated that these condition will create market potential demand for health services. Productive age (25 years-54 years) who dominate the population, namely 42.31%, and the range of adolescents and adults (15 years to 24 years) as much as 17.07% will also have a positive effect for the development of the hospital industry. Akhmad assess population growth or productive young age may encourage increasing numbers of disposable income and health spending. In 2020, the rate of annual disposable income (annual disposable income) is estimated at US $ 750 billion, up 53% from 2013. In terms infrastructure, the average growth of hospital number in Indonesia from 2011 to 2014 amounted to 10.94%. The massive growth is from private hospitals, namely 34.12% while public hospitals only 4.18%.

From those facts, private hospitals have growth so fast. It means that the demand of private hospitals also increase. It also because of people more concern about their health and want the best treatment that they can get. But as we know that private hospital is not cheap, it is expensive and people do not intent to get sick even though go to hospital not just for sick people. We also can control our health by check up to know about our health. Hospitals also not really do the promotion to attract people to use their service. Even though hospitals have their own website to promote but not many people have time to check the website.

Siloam Hospital Manado is one of the private hospital in Manado. 2012 was the opening of Siloam Hospital Manado. It is the type B hospital. It started with the treatment for outpatient department and develop with in patient department. This hospital is one of the expensive hospital in Manado. When people got sick they usually ask other about the place that give treatment no matter it is clinic or hospital or in other words they ask for recommendation. Without we realize that situation is part of marketing in this term it is word of mouth. When people got sick they have intention to get the treatment, usually after ask for recommendation they intent to go to place that recommended such as hospital.

Research Objectives

Based on the problem statements, the Objectives of this research are:
1. To analyze the effect of Word of Mouth and Consumer Attitude on Purchase Intention at Siloam Hospital Manado simultaneously.
2. To analyze the effect of Word of Mouth on Purchase Intention at Siloam Hospital Manado partially.
3. To analyze the effect of Consumer Attitude on Purchase Intention at Siloam Hospital Manado partially

2. THEORETICAL FRAMEWORK

Consumer Behavior

According to Schiffman and Kanuk (2007), consumer behavior is defined as the behavior that consumers displays in searching for, purchasing, using, evaluating, and disposing of products and services that they expect will satisfy their needs.

Purchase Intention

According to Keller (2001) in Younus, Rasheed, and Zia (2015), Purchase Intention is the preference of consumer to buy the product or service.   In another words, purchase intention has another aspect that the consumer will purchase a product after evaluation.

Word of Mouth

Arndt (1967) stated that 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 a service. The Word of Mouth communication was defined as the act of telling at least one friend or acquaintance about the dissatisfaction (Richins, 1983).

Consumer Attitude

An attitude in marketing terms is defined as a general evaluation of a product or service formed over time (Solomon, 2008). Lars Perner (2010) defines consumer attitude simply as a composite of a consumer's beliefs, feelings, and behavioral intentions toward some object within the context of marketing.

Previous Researches

Khan, Ramzan, Shoaib, and Mohyuddin (2015) in Impact of Word of Mouth on Consumer Purchase Intention stated that the factors of Word Of Mouth influencing Purchase Intention are trustworthiness, source similarity, source attractiveness, social tie strength, source expertise and information usefulness. Results showed that there was a positive impact of Word of Mouth on Consumer Purchase Intention.

Bash, Mason, Shamsudin, Dussain and Salem (2015) in Consumers Attitude Towards Organic Food stated that the reasons advocated by the consumers for buying organic food products are varied and primarily the motivations behind their decision to purchase include concerns for environment, health concern and lifestyle, food product quality and their subjective norms.

Chaudary, Furqan, Gill and Rizwan (2014) in The determinants of purchase intention of consumers towards counterfeit shoes in Pakistan indicated that Low Price, Easy Access and Past Experience have a Positive significant relationship with Attitude towards Buying Counterfeit Shoes, while Value Consciousness (negative) and Social Status found an insignificant relationship with Attitude towards Buying Counterfeit Shoes. Attitude towards Buying Counterfeit Shoes explains a considerable percentage of the variance of intention to purchase counterfeits Shoes. Low Price and Past Experience found a positive significant relation with Purchase intention while Easy Access found (negative) an insignificant relation with purchase intention.

Conceptual Framework
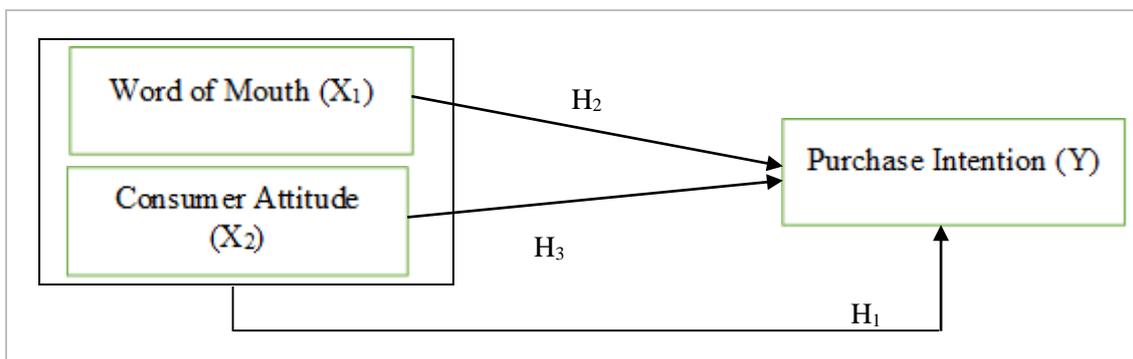
Figure 1. Conceptual Framework
Source: Data Processed, 2016

Research Hypothesis

1. H_0: Word of Mouth and Consumer Attitude have no significant effect on Purchase Intention of Siloam Hospital Manado simultaneously.
2. H_1: Word of Mouth and Consumer Attitude have significant effect on Purchase Intention of Siloam Hospital Manado simultaneously.
3. H_2: Word of Mouth has significant influence on the Purchase Intention of Siloam Hospital Manado partially.
4. H_3: Consumer Attitude has significant influence on the Purchase Intention of Siloam Hospital Manado partially.

3. RESEARCH METHOD

Types of Research

This research is causal research which is to investigate the effect of Word of Mouth and Costumer Attitude on Consumer Purchase Intention. Causal study refer to seek whether independent variable is assumed to affect dependent variable (Sugiyono, 2010).

Place and Time of Research

This research took place at Manado, started from August to October 2016.

Population and Sample

The population in this research is Siloam Hospital's consumers. This research is using Purposive sampling method. The sample of this research is Siloam Hospital Manado's consumers which are 100 respondents.

Data Collection Method

The data that used in this research consisted of primary data (questionnaire) and secondary data (several books, journals and relevant literature from library and internet).

Operational Definition and Measurement of Research Variables

1. Word of Mouth (X_1): Word of Mouth is act of telling people (family, friends and strangers) about satisfaction or dissatisfaction about Siloam Hospital Manado through personal experience.
2. Consumer Attitude (X_2): Consumer Attitude is general evaluation about Siloam Hospital Manado.
3. Purchase Intention (Y): Purchase Intention is preference of consumer to purchase Siloam Hospital Manado's Service after evaluation.

Data Analysis Method

Validity and Reability Test

Validity is the extent to which a construct measures what it is supposed to measure (Hair, Money, Samoeul and Page, 2007). Reliability refers to the extent to which a scale produces consistent results if repeated measurements are made (Malhotra and Peterson, 2006). Alpha cronbach is reliable coeffcients that can indicate how good items in asset have positive correlation one another (Sekaran, 2006).

Multiple Regression Analysis Method

Cooper and Schindler (2001: 767) stated that multiple regression analysis is a technique to observed value or more than one X to estimate or predict corresponding Y value. The formula of multiple regression model in this research is

$$\textbf{Y} = \alpha + \beta_1\,\textbf{X}_1 + \beta_2\,\textbf{X}_2 + \textbf{e}$$

Where:

Y	= Consumer Purchase Intention
α	= the constant, when all the independent variable equal to 0
β_1, β_2	= The regression of each variable
X_1	= Word of Mouth
X_2	= Consumer Attitude
e	= error

4. RESULT AND DISCUSSION

Validity and Reliability

Validity test is aimed to test whether the question item or indicators are able to measure what is supposed to be measured. By comparing correlation index in Pearson Product Moment Correlation Coefficient to test validity of variables, with significance level of 5% it can be seen valid or not a research instrument. Reliability test is to measure if one item of question was tested several times would give consistent value. Reliability analysis was using Alfa Cronbach Analysis. If Alpha is less than 0.6 then is unreliable.

Classical Assumption
**Multicollinearity**

Table 1. Multicollinearity

	Model	Collinearity Statistics	
		Tolerance	VIF
1	Word of Mouth	.527	1.897
	Consumer Attitude	.527	1.897

Dependent Variable: Purchase Intention
Source: SPSS Output (2016)

Table shows that the tolerance of Word of Mouth is 0.527 and Consumer Attitude is 0.527, it means that the tolerance values of those two variables are more than 0.2. The VIF value of Word of Mouth is 1.897 and Consumer Attitude is 1.897, it means the VIF value of those two variables are less than 10. Since all the tolerance value is more than 0.2 and the VIF value is less than 10, the model concluded to be free from multicollinearity.
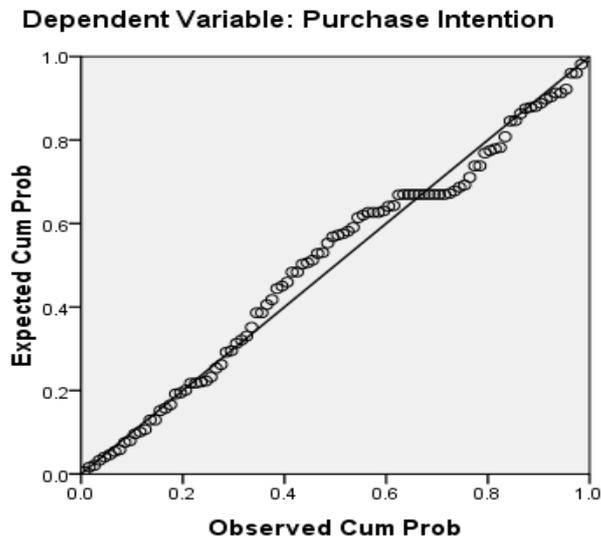
Heterocedasticity
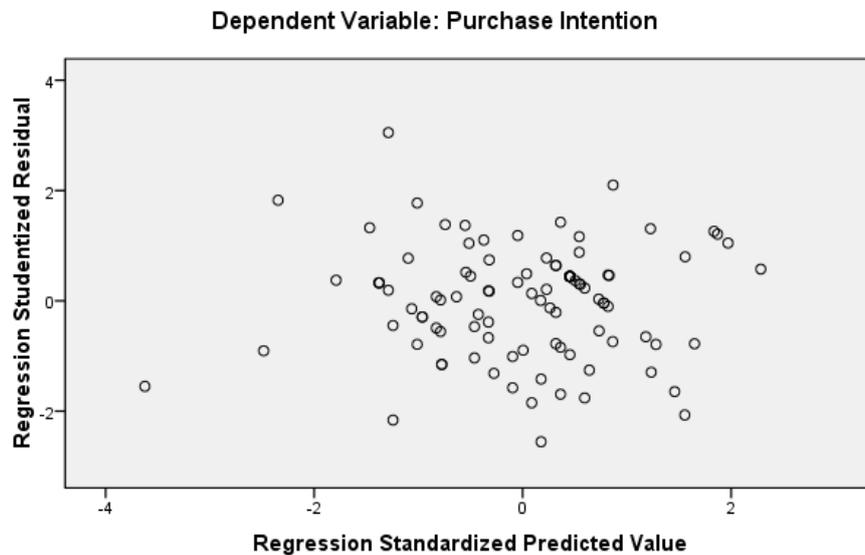
Figure 2. Heterocedasticity
Source: SPSS output (2016)

Figure 2 shows that the pattern of the dots are spreading and do not create a clear pattern, and the dots are spreading above and below 0 (zero) in the Y and this is proved that the model is free from heteroscedasticity.

Normality

Figure 3.Normality
Source: SPSS Output (2016)

Figure 3 shows the data represented by the dots are spreading near and follow the direction of diagonal line. This proves that regression model of the effect of Word of Mouth (X_1) and Consumer Attitude (X_2) on Purchase Intention (Y) fulfills the condition and passed the normality test.

Multiple Linear Regression Analysis

Table 2. Multiple Regression Result

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	.009	.256		.035	.972
	Word of Mouth	.235	.089	.206	2.643	.010
	Consumer Attitude	.724	.084	.675	8.669	.000

Note: Dependent Variable: Purchase Intention
Source: SPSS Output (2016)

Table 2 shows the result of multiple linear regression analysis. Based on the analysis result, the equation of multiple linear regression model in this research is shown as follows:

$$Y= 0.009 + 0.235 X_1 + 0.724 X_2+e$$

Multiple Coefficient and Correlation Determination

Table 3. Multiple Regression Coefficients Of Correlation

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.830[a]	.690	.683	.3549

Predictors: (Constant), Consumer Attitude, Word of Mouth
Source: SPSS Output (2016)

According to the table 3, the value of R is 0.830. It means that the independent variables (Word of Mouth and Consumer Attitude) have positive relationship with dependent variable (Purchase Intention). The coefficient of determination (R^2) measured how far the ability of a model in explaining variant of dependent variable. The value of coefficient of determination is between 0 and 1. According to the table 4.4 the value of R^2 is 0.690 or 69% means that Purchase Intention influenced by Word of Mouth and Consumer Attitude as much as 69% and the remaining percentage of 31.% is not included in this research.

Hypothesis Testing

F-Test

Table 4. F-Test

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	27.148	2	13.574	107.769	.000[a]
	Residual	12.217	97	.126		
	Total	39.365	99			

Predictors: (Constant), Consumer Attitude, Word of Mouth
Dependent Variable: Purchase Intention
Source: SPSS Output (2016)

Table 4.shows that F_{count} is 107.769 with level of significance 0.000. By using the level of significant of 0.05 ($\alpha = 0.05$), the table also shows that the significant value is 0.000< 0.05. The value of $F_{table} = 3.09$, it can be concluded that F_{count} is greater than the F_{table} (107.569 > 3.09). Since the F_{count} is greater than the F_{table}, H_0 is rejected and H_1 is accepted. It means that the independent variables significantly influence the dependent variable simultaneously.

T-Test

Table 5. T-Test

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	.009	.256		.035	.972
	Word of Mouth	.235	.089	.206	2.643	.010
	Consumer Attitude	.724	.084	.675	8.669	.000

Dependent Variable: Purchase Intention
Source: SPSS Output (2016)

Table 5 shows that t_{count} for Word of Mouth (X_1) is 2.643. Value on t_{table} = 1.66. The result for Word of Mouth (X_1) is t_{count}= 2.643 > t_{table} = 1.66 meaning that H_0 is rejected and H_2 is accepted. The result of this test can be used to declare that Word of Mouth (X_1) has significant partial influence on Purchase Intention (Y).

Table 5 shows that t_{count} for Consumer Attitude (X_2) is 8.669. Value on t_{table} = 1.66. The result for Consumer Attitude (X_2) is t_{count}= 8.669 > t_{table} = 1.66 meaning that H_0 is rejected and H_3 is accepted. The result of this test can be used to declare that Consumer Attitude (X_2) has significant partial influence on Purchase Intention (Y).

Discussion

In order to gain profit, company needs to find out some strategies to increase the sales. One of the strategy that Siloam Hospital Manado displays as the company that provides health care service is providing the best service to their consumers. So the consumer can satisfy with their service and can picture a good image of Siloam Hospital Manado that can give benefit for the consumer and Siloam Hospital Manado.

In this research, data were collected from 100 respondents that were categorized by gender, age, address, occupation and payment. The data were taken from Siloam Hospital Manado's consumer. This research is using purposive sampling method because of the respondents were selecting by the age from 17 years old. The reason why researcher use age as the factor because of the age of 17 years old the respondents have their own responsibilities to make their own decision.

F-test shows that the significant of Word of Mouth is 0.010 less than 0.05, it means that word of mouth (X_1) has significant influence on purchase intention (Y). The study confirmed with Saba Anwar Khan, Naveed Ramzan, M.Shoaib and Adam Mohyuddin (2015) study indicated that Word of Mouth has a positive impact on Consumer Purchase Intention. This research shows that word of mouth has significant impact on purchase intention of Siloam Hospital Manado. And the significant of Consumer Attitude is 0.00 less than 0.05, it means that consumer attitude (X_2) has significant influence on purchase intention (Y). The study confirmed with Mohamed Bilal Bashaa, Cordelia Masonb, Mohd Farid Shamsudinc, Hafezali Iqbal Hussainc, and Milad Abdelnabi Salemc (2015) that consumer attitude has positive impact towards purchase intention.

5. CONCLUSIONS AND RECOMMENDATIONS

Conclusion

From this research, it can be concluded that:
1. The independent variables (word of mouth and consumer attitude) significantly influence the dependent variable (purchase intention) simultaneously.
2. Word of Mouth has significant partial influence on Purchase Intention.
3. Consumer attitude has significant partial influence on Purchase Intention.

Recommendations

Recommendations given are:
1. Siloam Hospital Manado can use word of mouth to increase the profit and use it as an effective marketing strategy.
2. Siloam Hospital Manado need to improve their service quality, medical equipment and professional staff to please their customer, thus the customer can give positive feedback for Siloam Hospital Manado. Siloam Hospital Manado can build good image in public.

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