THE INFLUENCE OF PRODUCT QUALITY, BRAND IMAGE, AND ELECTRONIC WORD OF MOUTH ON PURCHASING DECISIONS (STUDY ON MIXUE PRODUCTS IN BOGOR CITY)

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Abstract : Currently frozen beverage sales in Indonesia are indicated to change over time, fluctuating from year to year, besides that Indonesia is number one as a country that consumes the most frozen drinks and ice cream in Southeast Asia, This study is a quantitative study, conduct aims to find out whether the variable Purchasing decision is influenced by Product Quality variables, Brand Image, and Electronic Word of Mouth. By using non-probability sampling techniques and purposive sampling methods. Data collection is carried out by distributing questionnaires online and offline to prospective respondents. The analysis tool used is SmartPLS 3.0.0. Furthermore, the results obtained from this study show that product quality variables and brand image have a significant influence on purchasing decisions. Electronic Word of Mouth has no significant effect on purchasing decisions

Keywords : Product Quality, Brand Image, EWOM, Purchasing Decision

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INTRODUCTION

Background

As time goes by, in the FnB trends has become a recent phenomenon, such as boba drinks, ice cream and tea that have not disappeared as snacks or desserts for the general public. Apart from being easy to digest, the taste of Ice Cream or Tea is very varied, which is what makes us never get bored of enjoying these drinks.

Figure 1. Boba Drink Market Data in Southeast Asia
Source: databooks

According to DataBooks, Indonesia is also recorded as the largest boba drink market, with an estimated market value of US$1.6 billion or around IDR 24 trillion. This figure is equivalent to 43.7% of the total boba market value in Southeast Asia. The second largest market is Thailand which has a market value of US$749 million.

In 2020, shocking events occurred throughout the world, and this had an impact on a country's economy. The Covid-19 pandemic has affected all activities related to physical buying and selling transactions, so business actors have to change their sales methods to

make them more efficient and acceptable to the regulations set by the government.
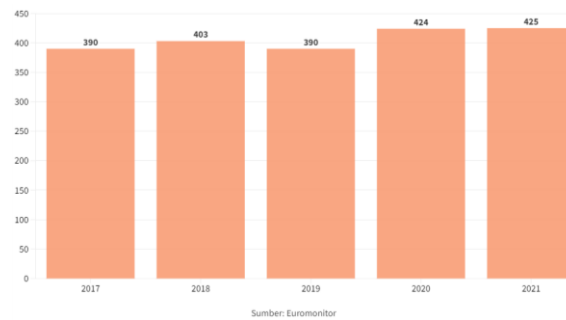

Figure 2. Data on sales of Dessert Ice Cream in Indonesia
Source: Euromonitor

In the lpm.uma.ac.id news on December 31st 2022, it was explained that Mixue Ice Cream & Tea entered Indonesia in 2020 when most people were reducing tertiary expenditure such as ice cream. Data from the Central Statistics Agency (BPS) shows that in Central Jakarta, for example, spending on ice cream fell 0.6% to IDR 5,811.84 per capita per week in 2020 from the previous year, but apart from that, the Mixue Ice Cream & Tea Company managed to expanding into Indonesia because the prices of its products are affordable, especially for consumers in Indonesia. The prices of the products range.

In news written on kumparan.com on January 3rd 2023, in interviews with several Mixue outlet owners, they said that their respective incomes were in dynamic conditions. Ina stated, "That day (Boba Sundae) can sell 50 pax, that's the best-selling menu. "Usually people who come here to work drink Boba Sundae, and people are busy with that message," said Ina when met by Kumparan, Tuesday (3/1). Meanwhile, Ferdinand said that his outlet was busiest on Friday nights, Saturdays and Sundays. Usually during the day the outlet is filled with children who have just come home from school, while at night, the outlet is filled with teenagers and families. However, the conditions experienced by Jerry, one of the outlet owners in Bandung, stated that "Actually, in terms of profit, it was quite significant at the beginning -early opening. Now it's not as significant as before. "Maybe because now Mixue outlets are everywhere, we have to compete with these outlets,"

It can be concluded that as time goes by, mixue sales are indicated to be fluctuating at this time. According to Fandy Tjiptono (2015) the definition of quality focuses on efforts to fulfill consumer needs and desires as well as the accuracy of delivery to balance consumer expectations. Product quality is the totality of the characteristics of a product or service in terms of its ability to satisfy stated implied needs. One of the advantages in competition is product quality that can fulfill consumer desires. Therefore, once they can make customers loyal and willing to always buy their products, this becomes an opportunity for the company to expand its company to reach a larger market and open up more insight for developing products in the future. Also in reference to previous research conducted by Larasati (2023) stated that product quality has a positive effect on the decision to purchase mixue products, however conditions are different from research conducted by Rega Ababil, Fauzan Muttaqien, Nwangsih (2019) showing the results that product quality has no effect. on Purchasing Decisions.

Brand Image, according to the America Marketing Association in Kotler and Keller (2016) defines a brand as a name, term, sign, symbol, or design or a combination of these five things, which is intended to be an identity for the goods or services of one seller or group of sellers and also to differentiate it from competitors who sell the same goods or

services. A brand is a product or service whose dimensions differentiate it from other products or services designed to meet the needs of both customers and sellers (Kotler & Keller, 2016b). In research conducted by Rosmayanti (2023) as a reference for this writing, it was proven that Brand Image has a positive and significant effect on Purchasing Decisions. However, the results are different in research conducted by Dini Hidayah, Idris (2019) which states that brand image has no effect on purchasing decisions.

This word of mouth promotional strategy is not foreign to our ears, it has long existed and been implemented by companies to reach the market with a minimal budget. However, because of this era of digitalization, the word of mouth strategy has developed into a strategy that is in line with digitalization, and has developed into electronic word of mouth. So today e-WoM can be part of a viral promotion strategy, because it gets a response very quickly. Furthermore, in research conducted by Anisa Sekar Ningrum, Btari Mariska Purwaamijaya, Adi Prehanto (2022) stated that e-WOM has a positive effect on purchasing decisions. Meanwhile, the results of research by Rico Febriwan Kasakeyan et.al (2021) show that e-WOM has no effect on purchasing decisions.

By looking at the phenomena and contradictions that exist in previous research and existing data, this research was conducted to see the influence of product quality, brand image and electronic word of mouth on purchasing decisions.

Research purposes
1. To prove, analyze and determine the influence of product quality on purchasing decisions
2. To prove, analyze and determine the influence of brand image on purchasing decisions
3. To prove, analyze and determine the influence of electronic word of mouth on purchasing decisions

Research Uses

It is hoped that the results of this research can be used as material for future research on issues related to consumer purchasing decisions through product quality, brand image and electronic word of mouth and as a reference source for the academic community and the general public. Through the publication of the work, it is hoped that this research can be used as a source of reference and consideration for companies.

METHODS

This research is a quantitative research with the variables studied, namely Product Quality, Brand Image, and Electronic Word of Mouth with the research object being Mixue in Bogor City. The population in this study are people who live or are active in the city of Bogor, have purchased or tasted mixue products, and are over the age of 17 years. Meanwhile, to draw this sample using the Questionnaire method via Google Form so that the number of samples used as respondents was 103. Respondent data was measured using a Likert scale. The data was then analyzed using PLS (Partial Least Square) with the help of SmartPLS 3.0 software as a statistical analysis tool to test the data that had been collected. Data were analyzed descriptively, interpreting data from respondents' responses and inferentially for broad generalizations or drawing conclusions.

RESULTS AND DISCUSSION

Descriptive Analysis

Descriptive analysis is useful for explaining and describing the collected data but not for forming general conclusions(Sugiyono, 2013).

Table 1. Average Index Value of Respondents

Variable	Index Value	Interpretation
Buying decision	69.19	Currently
Product quality	71.03	Currently
Brand Image	70.60	Currently
Electronic Word of Mouth	68.08	Currently

Source: processed data (2022)

Inferential Analysis

The analysis used to evaluate this research is through evaluation of the outer model, inner model, and hypothesis testing
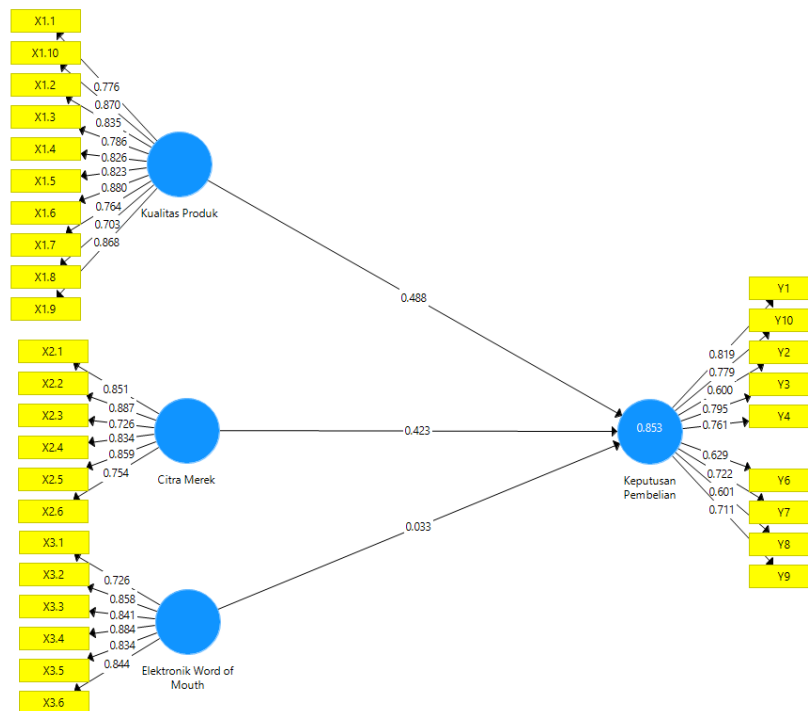

Figure 3. Outer Loading Output

Source: processed data (2022)

The outer loading output results in Figure 3 show that the value for each question item for each variable is > 0.5, but there is one item below it so that re-estimation is carried out according to the rule of thumb where the loading factor value is required to be greater than 0.5 to be declared valid.

Table 2. Results of Average Variance Extracted

	Average Variance Extracted (AVE)
Product quality	0.664
Brand Image	0.673
Electronic Word of Mouth	0.693
Buying decision	0.515

Source: processed data (2023)

Based on the results obtained from SmartPLS 3.3.0 output as in the table above for variables Y1, X1,

This means that after being tested through testing discriminant validity and also convergent validity, both have been measured and are precise between the data that actually occurs on the object and the data collected by the researcher so that the truth of the variables that the researcher wants to examine is valid and this research can be continued to the next stage. .

Table 3. Cronbach's Alpha and Composite Reliability Testing

	Cronbach's Alpha	Composite Reliability
Product quality	0.943	0.952
Brand Image	0.902	0.925
Electronic Word of Mouth	0.911	0.931
Buying decision	0.881	0.904

Source: Data processed in 2023

Based on table 3, the output value obtained for composite reliability for all constructs is > 0.7, which is a statement that the entire model has been estimated to meet the criteria.

In evaluating structural models, the R-Square value is useful for each endogenous latent variable as the predictive power of the structural model. The limitation criteria (rule of thumb) consist of three classifications, namely 0.67 (good), 0.33 (moderate), and 0.19 (weak).

Table 4. R-Square Table

	R Square	R Square Adjusted
Buying decision	0.853	0.849

Source: SmartPLS 3.3.0 output results

Based on the data in the table above, judging from the Adjusted R Square value, the influence of Product Quality, Brand Image and Electronic Word of Mouth contributes to purchasing decisions by 0.849 or 72.08%. Where the remaining 27.92% is influenced by other independent variables not used in this research.

Table 5. Q-Square

	Q^2 (=1-SSE/SSO)
Brand Image	
Electronic Word of Mouth	
Buying decision	0.421
Product quality	

Source: Data processed in 2023

Based on the test results obtained in the table, it is known that the Q-square value is 0.421, where this value is above 0, which shows that the model has predictive relevance.

It can also be seen that the Q square value is 0.431. Setiaman, (2020: 52) said that if the Q square value is above 0.35, it shows that the validity of the model's predictive relevance is strong. This means that the predictive relevance in this research has a strong predictive relevance model because it has a value above 0.35.

Hypothesis testing

Table 6. Results of Direct Effect Testing

	Original Sample (O)	T Statistics (|O/STDEV|)	P Values
Product Quality -> Purchase Decision	0.488	3,564	**0,000**
Brand Image -> Purchase Decision	0.423	3,260	**0.001**
Electronic Word of Mouth -> Purchase Decision	0.033	0.501	**0.616**

Source: Processed data, 2023

An overview of the average value, maximum value, minimum value and standard deviation can be seen from the results of descriptive statistical tests. The following are the results of descriptive statistical tests processed using the SPSS 25 application:

The Influence of Product Quality on Purchasing Decisions
Based on the results of this research obtained from SmartPLS 3.0, the results of hypothesis testing on the Product Quality variable (X1) show that the Product Quality variable has a positive original sample value and is the highest among the other variables, namely 0.488, where an increase in product quality in mixue products will influence an increase in purchasing decisions. also, and has hypothesis results that show an effect because the statistical t value for the product quality variable is higher than the table t value, namely $3.564 > 1.9842$, furthermore it has a P value below the limit value, namely $0.000 < 0.05$ so it can be said that this variable has a significant influence on purchasing decisions. The quality of the mixue product offers a premium taste and has a friendly price and also has complementary ingredients or toppings on the product. The majority of Mixue consumers agree that the quality of Mixue products matches what is offered.

The Influence of Brand Image on Purchasing Decisions
Based on the research results obtained from SmartPLS 3.0, the results of hypothesis testing for the Brand Image variable (X2) show that the Brand Image variable has a strong relationship with purchasing decisions with the original sample value being 0.423, where this value shows a positive value and also shows that an increase in brand image influences purchasing decisions. which also increases in mixue companies, plus the statistical t value is greater than the t table, namely $3.260 > 1.9842$, so the hypothesis can be accepted. There is also a P value below the significance limit, namely 0, so it can be stated that the Brand Image variable has a strong relationship to purchasing decisions, and has a significant influence on purchasing decisions.

The Effect of Electronic Word Mouth on Purchasing Decisions
Based on the results of this research obtained from SmartPLS 3.0, the results of hypothesis testing on the Electronic Word of Mouth variable (X3) show that the Electronic Word of Mouth variable has an original sample value of 0.033 positive, if electronic word of mouth increases then purchasing decisions will increase. Plus the statistical t value is not greater than the t table value, namely $0.501, < 1.9842$ so the hypothesis cannot be accepted and if the hypothesis cannot be accepted then the variable has no influence on purchasing decisions, furthermore there is a P value above the significance value, namely $0.616 > 0.05$, so from That is, if the P value is above the significance value then the variable is declared not significant. In other words, electronic word of mouth with the indicators: Reviews, Information and Communication, does not influence consumers in making purchasing decisions.

CONCLUSION

A conclusion can be drawn based on the discussion in the previous chapters using analysis that product quality has a positive and significant influence on purchasing decisions, with the original sample value being as large and the hypothesis being acceptable. Where from this research it was found that performance quality, reliability, features, durability and conformity quality are indicators that can influence purchasing decisions on mixue products in Bogor City, that Brand Image has a positive and significant influence on purchasing decisions, with the original sample value above. Where from this research it was found that *Brand Strength, Brand Favorability, and Brand Uniqueness* are indicators that can influence purchasing decisions for Mixue products in Bogor City.

In preparing this scientific work, there is still limited time for compiling and collecting data, which is very important to know as an evaluation material for further research. It is hoped that future researchers can study more varied objects, with the hope that research will be carried out

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