

## THE INFLUENCE OF WORD OF MOUTH AND PRODUCT QUALITY ON MEDIATED LOYALTY BY PURCHASING DECISION FURNITURE BY CONSUMERS

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**Abstract:** The purpose of this research is to analyze Permak Jaya Demak furniture about determine the influence of word of mouth and product quality on consumer purchasing decisions and their impact on consumer loyalty. The sampling technique in this research is purposive sampling. The results of this research succeeded in proving that there are 2 independent variables, namely word of mouth and product quality, which partially have a significant positive effect on the purchasing decision variable. The partial purchasing decision variable has no effect on loyalty. Meanwhile, the purchasing decision variable was proven unable to mediate between the word of mouth variable and the product quality variable.

**Keywords:** word of mouth, product quality, purchasing decisions, loyalty.

### INTRODUCTION

The furniture industry is an industry that is often found in various places. This industry itself processes raw materials or semi-finished materials from wood, rattan and other raw materials so that they become furniture products that have added value and have higher benefits than before.

One of the micro and small furniture businesses that is still standing today is UD. Permak Jaya Mebel, located in Sriwulan Village, Sayung District, Demak Regency. Permak Jaya Mebel. UD. Permak Jaya Mebel Demak experienced a significant decline in 4 consecutive years from 2020 to 2023.

Kotler and Keller (2018) explain that smart companies will try to fully understand the customer's decision-making process, all experiences in learning, selecting, using, and in disposing of a product.

According to (Rangkuti, 2015), word of mouth can market a product and service with viral marketing through conversations, promotions and recommendations from customers about products and services to other people enthusiastically and voluntarily. Word of mouth can spread very quickly if the customer or individual who spreads it has a wide network.

One of the factors that influences purchasing decisions is product quality. According to Kotler and Armstrong (2018), product quality is a characteristic of a product or service that depends on its ability to satisfy stated or implied customer needs. Quality products are the key to a company's success, so companies are required to produce superior quality products and can continue to improve their products.

In research conducted by Iha Haryani Hatta and Setiorini (2018) stated that Word of Mouth has a positive and significant effect on purchasing decisions. Supported by research conducted by Hierominus and Euis Soliha (2022) stated that Word of Mouth has a positive effect on furniture purchasing decisions of consumers in Semarang.

The results of research by Krisnawati and Mahmud (2017) state that product quality variables do not have a positive and significant effect on purchasing decisions. In this research, research variables were carried out to determine the influence of product quality, service quality and price perception on purchasing decisions for Permak Jaya Demak Furniture.

## METHOD

In this research, the object Permak Jaya Demak Furniture was taken. This population was taken from Permak Jaya Demak Furniture. This research uses a purposive sampling technique, namely a sampling method based on special considerations. Sampling in this study was carried out with the following criteria:

1. Aged 17 years or more who purchased Permak Jaya Demak Furniture products
2. Have purchased Permak Jaya Demak Furniture products at least 2 times.

## FINDING AND DISCUSSIONS

### Validity Test

**Table 1. Validity Test Result**

Variable	Item Statement	r Count	r Table	Information
Word of Mouth (X1)	X1.1	0,830	0,2006	Valid
	X1.2	0,838	0,2006	Valid
	X1.3	0,788	0,2006	Valid
	X1.4	0,808	0,2006	Valid
Product Quality (X2)	X2.1	0,623	0,2006	Valid
	X2.2	0,482	0,2006	Valid
	X2.3	0,790	0,2006	Valid
	X2.4	0,849	0,2006	Valid
Purchasing decision (Y1)	Y1.1	0,828	0,2006	Valid
	Y1.2	0,875	0,2006	Valid
	Y1.3	0,699	0,2006	Valid
	Y1.4	0,849	0,2006	Valid
Loyalty (Y2)	Y2.1	0,884	0,2006	Valid
	Y2.2	0,868	0,2006	Valid
	Y2.3	0,899	0,2006	Valid
	Y2.4	0,933	0,2006	Valid

Source: primary data processed in 2024

The validity test table shows that all indicators used to measure word of mouth variables, product quality, purchasing decisions and loyalty are declared valid because the calculated r of all indicators (corrected item correlation) is greater than r table ( $df = n - 2 = 96 - 2 = 94$ ).

## Reliability Test

**Table 2. Reliability Test Result**

Variable	Cronbach Alfa	Reliability Standards	Information
Word Of Mouth (X1)	0,918	0,60	Reliabel
Product Quality (X2)	0,933	0,60	Reliabel
Purchasing Decision (Z)	0,904	0,60	Reliabel
Loyalty(Y2)	0,951	0,60	Reliabel

Source: primary data processed in 2024

The variable reliability test is determined based on Cronbach's alpha value. Based on the test results, it is known that each variable has a Cronbach's alpha value > 0.6. Thus, the results of the reliability test on all variables are reliable and can be analyzed further.

## Multiple Linear Regression

**Table 3. Multiple Linear Regression Analysis 1**

Coefficients <sup>a</sup>						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	7,991	2,385		3,350	,001
	WOM	,224	,110	,202	2,032	,045
	PQ	,292	,116	,250	2,512	,014

a. Dependent Variable: PD

Source: primary data processed in 2024

$$Y1 = 0,202X1 + 0,250X2$$

The results of the SPSS calculation of the multiple linear regression equation above can provide the following meaning:

- B1 (regression coefficient value X1) of 0.202 has a positive sign, meaning that good word of mouth means purchasing decisions will also increase.
- B2 (X2 regression coefficient value) of 0.250 has a positive sign, meaning that good product quality will increase consumer purchasing decisions.

Based on the description above, it can be concluded that variable X2 is larger, meaning that the product quality variable is the most dominant variable in influencing purchasing decisions. This is indicated by the value  $b1=0.250$

**Table 4. Multiple Linear Regression Analysis 2**

Coefficients <sup>a</sup>						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	12,122	2,370		5,116	,000
	WOM	,081	,106	,082	,768	,444
	PQ	,129	,113	,124	1,145	,255
	PD	,095	,097	,106	,975	,332

a. Dependent Variable: LOY

Source: primary data processed in 2024

$$Y2 = 0,082X1 + 0,124X2 + 0,106Y1$$

The results of the SPSS calculation of the multiple linear regression equation above can provide the following meaning:

- B3 (X1 regression coefficient value) of 0.082 has a positive sign, meaning that good word of mouth means loyalty will also increase.
- B4 (X2 regression coefficient value) of 0.124 has a positive sign, meaning that good product quality will increase loyalty.

- c. B3 (Y1 regression coefficient value) of 0.106 has a positive sign, meaning that if purchasing decisions are good or increase, loyalty will also increase.

Based on the description above, it can be concluded that the most dominant variable influencing consumer loyalty is the satisfaction variable. This is indicated by the value  $b_3=0.124$ .

### **Hypothesis Test (t Test)**

Hypothesis testing is the process of evaluating evidence on the strength of a sample and providing a related basis for the population. This t (partial) test is used to show how far an independent variable individually explains a dependent variable. The hypothesis testing t is obtained as follows:

1. The results of the t test for the product quality variable on customer satisfaction obtained a significance of  $0.045 < 0.05$ , so that the first hypothesis (H1) was accepted, which means word of mouth has a significant positive effect on purchasing decision.
2. The t test results of the price perception variable on customer satisfaction obtained a significance of  $0.014 > 0.05$ , so the second hypothesis (H2) was accepted, which means that product quality has significant positive effect on purchasing decision.
3. The results of the t test for location variables on customer satisfaction obtained a significance of  $0.332 > 0.05$ , so that the third hypothesis (H3) was rejected, which means that purchasing decision has no effect on loyalty.
4. The results of the Sobel test calculations obtained a two tail significance value of 0.377, more than 0.05, so it can be concluded that the purchasing decision variable is not able to mediate between word of mouth and loyalty. So the fourth hypothesis proposed is rejected.
5. The results of the Sobel test calculations obtained a two tail significance value of 0.361, more than 0.05, so it can be concluded that purchasing decisions are not able to mediate between the word of mouth variable and loyalty. So the fifth hypothesis proposed is rejected.

## **Discussion**

### **The influence of Word of Mouth on Purchasing Decisions**

Based on the results of the calculations carried out, the calculated t value for Word of Mouth was 2.032 with a significance result of  $0.045 < 0.05$ . This shows that there is a positive influence between word of mouth on purchasing decisions. This can be interpreted that if the quality of service gets better, satisfaction will increase. Based on the research results, it is known that word of mouth has a positive and significant effect on purchasing decisions. This can be interpreted that if the quality of word of mouth gets better, purchasing decisions will increase. stories from friends or family members about their experiences using a product or service.

The results of this research are in accordance with research conducted by Euis Soliha (2022) stating that Word of Mouth has a positive effect on furniture purchasing decisions of consumers in Semarang.

### **The influence of Product Quality on Purchasing Decisions**

Based on the results of the calculations carried out, it shows that there is a positive and significant influence between product quality on purchasing decisions. This can be interpreted that if the quality of the product gets better, purchasing decisions will increase.

In research conducted by Lolutung (2017) stated that product quality has a positive effect on purchasing decisions. According to research conducted by Hierominus and Euis Soliha (2022), product quality has a positive and significant effect on consumer purchasing decisions.

### **The influence of Purchasing Decisions on loyalty**

Based on the results of the calculations carried out, it shows that there is no influence between purchasing decisions and loyalty. This can be interpreted in this research to mean that even though purchasing decisions are good, they do not increase consumer loyalty.

This is not in line with the research that was the basis for establishing the initial hypothesis in this research, which was conducted by Iha Haryani and Setiorini (2018) which showed that purchasing decisions have a positive and significant effect on loyalty. This opinion is also

supported by research conducted by Novi Krisnawati and Mahmud (2022) which states that purchasing decisions have a positive and significant effect on loyalty.

### **The influence of word of mouth on loyalty through purchasing decisions**

The results of the Sobel test calculations obtained a two tail significance value of 0.377, more than 0.05, so it can be concluded that the purchasing decision variable is not able to mediate between word of mouth and loyalty.

This is not in line with research conducted by Iha Haryani and Setiorini (2018) which shows that Word of Mouth has a positive and significant effect on loyalty through purchasing decisions.

### **The influence of Product Quality on loyalty through purchasing decisions**

The results of the Sobel test calculations obtained a two tail significance value of 0.361, more than 0.05, so it can be concluded that purchasing decisions are not able to mediate between the word of mouth variable and loyalty. So the fifth hypothesis proposed is rejected.

The results of this research are not in accordance with research conducted by Iha Haryani and Setiorini (2018) which shows that product quality has a positive and significant effect on loyalty through purchasing decisions.

## **CONCLUSION**

Based on the test results previously explained, it can be concluded, among other things: The word of mouth variable has a positive and significant effect on purchasing decisions for Permak Jaya Demak furniture; Product quality variables influence the decision to PURCHASE PERMAK JAYA DEMAK MEBEL; Purchasing decision variables have no effect on loyalty to Permak Jaya Mebel Demak; The purchasing decision variable is not proven to be able to mediate between word of mouth and loyalty and the purchasing decision variable is also not proven to be able to mediate the product quality variable to loyalty.

Suggestions that can be given to the management of Permak Jaya Mebel Demak: must maintain product quality, especially in terms of raw materials for furniture products and product prices. It is hoped that after the customer makes a purchase, the customer will feel satisfied and return to visit Permak Jaya Mebel Demak.

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