

THE EFFECT OF ELECTRONIC WORD OF MOUTH AND PRICE ON THE PURCHASE DECISION OF BIG BANAS PRODUCTS IN MAKASSAR CITY

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Abstract

This study aims to determine the effect of electronic word of mouth and price on purchasing decisions for Big Bananas in Makassar City partially and simultaneously. The population in this study are followers of the Big Bananas Instagram account, totaling 78,182 users as of November 2022. The sample used is based on the slovin formula with an error rate of 10%, namely 100 respondents. The sampling withdrawal technique is systematic random sampling. Data collection techniques were carried out using questionnaires, literature studies and interviews. The data analysis technique used is multiple regression analysis using SPSS 22.00 for windows. The results showed that electronic word of mouth and price had a positive and significant effect on purchasing decisions for Big Bananas in Makassar City.

Keywords: *Electronic Word of Mouth, Price, Purchase Decision*

1. INTRODUCTION

Marketing is one of the main activities of the company to maintain profitability and develop it profitably. Marketing activities aim to meet and satisfy consumer needs in order to achieve business goals, namely maximizing company profits. This can be achieved if the company's marketing implements optimal strategies in capturing big opportunities.

With the development of an increasingly advanced and modern era, human needs are increasingly complex, both primary, secondary and tertiary needs. The development of business in Indonesia, especially in the food and beverage sector, is a very interesting phenomenon to study, especially in the current era of globalization. The food and beverage business is a rapidly growing business with great growth potential. This is the basis for the emergence of entrepreneurs in the culinary field in Indonesia who offer great business opportunities.

The Food & Beverage industry is an industry that is always experiencing developments throughout the world, including Indonesia. Various types of food and beverages with an attractive appearance continue to be produced to increase the aesthetic value and appeal of consumers. The Food & Beverage industry is one of the manufacturing sectors that makes a very high contribution so that it becomes one of the industries that plays an important role in national economic growth.

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This sector is categorized as strategic because it can provide the food needs of the community at large.

As the population growth in Indonesia increases, the volume of demand for the Food & Beverage industry continues to increase. The need for food and beverages in Indonesia is very high, making each company compete in the business of making products that are expected to be in demand by the public. One of the growing Food & Beverage businesses is the Big Bananas culinary business. Big Bananas is a processed banana snack business that was built and developed since 2017. Big Bananas sells a variety of flavors and forms of modern processed bananas such as banana nuggets, banana rolls, and banana chocolate. Now Big Bananas has 15 outlets located in several areas of Makassar City and its surroundings.

Sales development efforts implemented by Big Bananas are by utilizing technology via the internet. Marketing via the internet (online) or can be called digital marketing. Digital marketing can also help companies to market their products directly to the company's target market. The marketing strategy carried out by Big Bananas is to carry out promotions in the form of online advertisements with Instagram social media. Using Instagram in marketing Big Bananas products can maximize sales and optimize market expansion because consumers can easily access information about Big Bananas.

Based on data from We Are Social which states that, in Indonesia in 2022, the average person spends time on social media every day through any device, ranging from 3 hours 17 minutes and the most frequently used applications are WhatsApp, Instagram, Facebook and Tiktok. Social media Instagram is the 2nd most used platform in Indonesia with around 99.1 million users. The large number of Instagram social media users presents enormous opportunities for business people, especially the Big Bananas brand which markets its products through Instagram social media. Another influencing factor is online marketing which has been widely implemented after the pandemic because many people are getting used to it and turning to social media in carrying out their daily activities, starting from ordering food, buy kitchen materials, furniture and others. This requires entrepreneurs to use Instagram in product marketing or when carrying out trading activities with buyers.

This phenomenon is one of the factors that made Big Bananas a culinary business actor, which previously only marketed its business offline, now offers its products online or via the web via a digital platform, namely Instagram. Instagram social media for marketing. Through social media, Instagram can connect Big Bananas interactions with consumers wherever and whenever, which makes Big Bananas even more popular.

Judging from the number of Big Bananas followers on Instagram around 78.1 thousand users, this shows that it has attracted a lot of consumer attention with the presence of the Big Bananas Instagram account. By utilizing the features of the Instagram application, Big Bananas can share interesting content about its products so consumers can easily get information about Big Bananas promos and products. Interesting and not boring content can convey information to potential buyers about product prices, product advantages and product benefits being marketed.

The prices offered by the Big Bananas culinary business can be reached by all groups, with prices starting from tens of thousands for a box of processed bananas with large portions and abundant toppings, at an affordable price that can compete with the exact processed banana products in Makassar City. A wide variety of flavors can be chosen at prices that everyone can afford, making Big Bananas a plus from other competitors. Prices offered by other competitors are almost the same as Big Bananas in the same flavor variants. In addition, variations in shape, portion and choice of toppings make consumers less choice in determining which processed banana products they want to consume at an affordable price. By providing the right price for a wide variety of forms,

Based on data from Big Bananas Management, each box sold over the past year (November 2021 – November 2022) has experienced an increase in sales at the end of 2021 due to the many

special promos towards the end of the year and in commemoration of certain days shared on the Instagram page. In early to mid-2022 sales have decreased quite drastically because the content shared on the Instagram page is dominated by entertainment and educational content, but in mid-to-late 2022 sales have started to increase again due to the promotional content shared on Instagram Big Bananas starting to bloom again in line with cooperation with marketplaces like Gofood,

2. RESEARCH METHOD

A. Research design

In this study the authors used quantitative research methods. The quantitative method is a research methodology that seeks to quantify data, namely data regarding the number of levels, comparisons, and volumes in the form of numbers. The type of research used is descriptive verification which is a method that aims to explain the relationship between variables in order to test the truth of a hypothesis from a study by collecting data, processing data, analyzing data, and interpreting data.

B. Population and Sample

The population in this study is the number of followers on the Big Bananas Instagram account in November 2022 namely as many as 78,162 followers. The determination of the number of samples used the slovin formula to get a result of 99.998 which was rounded up to 100 respondents, then systematic random sampling was carried out on Instagram followers (@big.banass) who had purchased Big Bananas products.

C. Data collection technique

This study uses several data collection techniques including:

1. Library Studies, data collection is done by reading literature books, journals, and internet sites related to research problems.
2. Questionnaire, data collection is done by giving questions to respondents with a closed questionnaire, that is, respondents are only allowed to choose the answers listed on each question.
3. Interviews, the author conducted interviews with Management Big Bananas in the fields related to research variables. This is done to strengthen the phenomenon as well as the answers to the questionnaires that have been submitted to companies and respondents.
4. Observation. Researchers use non-participatory or indirect observation on the Instagram account (@big.banass) to obtain information related to research.

3. RESULTS AND DISCUSSION

A. Validity Test

Electronic Word of Mouth

No	Variable	r-Count	r-Table	Information
1.	X1.1	0.476	0.194	Valid
2.	X1.2	0.558	0.194	Valid
3.	X1.3	0.587	0.194	Valid
4.	X1.4	0.296	0.194	Valid

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5.	X1.5	0.562	0.194	Valid
6.	X1.6	0.588	0.194	Valid
7.	X1.7	0.575	0.194	Valid
8.	X1.8	0.681	0.194	Valid

Price

No	Variable	r-Count	r-Table	Information
1.	X2.1	0.542	0.194	Valid
2.	X2.2	0.641	0.194	Valid
3.	X2.3	0.652	0.194	Valid
4.	X2.4	0.659	0.194	Valid
5.	X2.5	0.660	0.194	Valid
6.	X2.6	0.528	0.194	Valid
7.	X2.7	0.503	0.194	Valid
8.	X2.8	0.744	0.194	Valid
9.	X2.9	0.673	0.194	Valid
10.	X2.10	0.627	0.194	Valid

Buying decision

No	Variable	r-Count	r-Table	Information
1.	Y1	0.592	0.194	Valid
2.	Y2	0.616	0.194	Valid
3.	Y3	0.489	0.194	Valid
4.	Y4	0.750	0.194	Valid
5.	Y5	0.588	0.194	Valid
6.	Y6	0.578	0.194	Valid

All variables are declared valid because the Rcount obtained is greater than the Rtable.

B. Reliability Test

Variable	Cronbach's Alpha	Information
<i>Electronic Word Of Mouth(X1)</i>	0.792	Reliable
Price (X2)	0.882	Reliable
Purchase Decision (Y)	0.788	Reliable

Based on the table above, it can be said that all variables are reliable, this is because the value of Chronbach's alpha is greater than 0.6.

C. Classic assumption test

a. Normality test

		Unstandardized Residuals
Normal Parameters ^b	N	100
	Means	.0000000
	std. Deviation	1.857107
Most Extreme Differences	absolute	.71
	Positive	.095
	Negative	.042
Test Statistics		-.095
	asympt. Sig. (2-tailed)	.095
		.206 ^c

Based on the table above, it is known that the significance value is 0.206 where $0.206 > 0.05$, it can be said that the residual data is declared normally distributed and meets the normality test requirements.

b. Multicollinearity Test

Coefficients^a

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
	B	std. Error	Betas			tolerance	VIF
(Constant)	3,686	2017		18,27	.071		
X1	.193	.056	.278	3,474	.001	.727	1,375
X2	.359	.052	.557	6,966	.000	.727	1,375

It can be said that multicollinearity does not occur because $VIF < 10$, electronic word of mouth (X1) 1.375 and price (X2) 1.375; it can be concluded that there is no multicollinearity in the data of this study because VIF X1 and X2 are less than 10.

c. Heteroscedasticity Test

Coefficients^a

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
	B	std. Error	Betas			tolerance	VIF
(Constant)	3.019	1,325		2,278	.025		
X1	.027	.037	.088	.748	.456	.727	1,375
X2	-.060	.034	-.209	-1,781	.078	.727	1,375

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The results of the heteroscedasticity test using the Glejser test are the two independent variables, namely Electronic Word Of Mouth (X1) having a significance value of 0.456 and Price (X2) having a significance value of 0.078 which is more than 0.05 so that it can be concluded that there is no heteroscedasticity problem on the regression model.

D. Multiple Regression Test

Model	Coefficients ^a				
	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	std. Error	Betas		
(Constant)	3,686	2017		182,7	071
X1	.193	056	.278	3,474	001
X2	.359	052	.557	6,966	.000

- **a=** the constant value obtained is 3.686 meaning that if the Electronic word of mouth (X1) and price (X2) variables are equal to 0 then the purchasing decision variable (Y) is 3.686 or positive.
- **0.193 X1=** the value of the regression coefficient on the variable Electronic Word Of Mouth (X1) is 0.193. This indicates that the coefficient of electronic word of mouth (X1) has a positive (unidirectional) influence on purchasing decisions (Y). If electronic word of mouth increases by one unit, then the purchase decision will increase by 0.194 units, meaning that the higher the value of electronic word of mouth, the higher the purchase decision.
- **0.359 X2=** value of the price variable regression coefficient (X2) of 0.359. This shows that the coefficient of price variation (X2) has a positive (one-way) effect on purchasing decisions (Y). If the price increases by one unit, the purchase decision increases by 0.360 units, that is, the higher the price value, the higher the purchase decision.

E. Hypothesis testing

d. T Test (Partial Test)

Model	Coefficients ^a				
	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	std. Error	Betas		
1 (Constant)	3,686	2017		182,7	071
X1	.193	056	.278	3,474	001
X2	.359	052	.557	6,966	.000

- X1 Electronic Word Of Mouth, The results of the T test stated that the t-count value of the Electronic Word Of Mouth variable was 3.474 and the t-table value was 1.984. Based on this, the t-count value is greater than t-table, $3.474 > 1.984$ and a probability value of

0.001 < 0.05, it can be concluded that H0 is rejected and H1 is accepted. So, Electronic Word Of Mouth partially positive effect on purchasing decisions.

- X2 Price, the results of the t-test show that the t-count value of the price variable is 6.966 and the t-table value is 1.984. Based on this, the t-number value is greater than the t-table, namely $6.966 > 1.984$ and a probability value of $0.000 < 0.05$, it can be concluded that H0 is rejected and H1 is accepted. Therefore, the price partially has a positive effect on purchasing decisions.

e. F Test (Simultaneous Test)

ANOVAa

Model	Sum of Squares	df	MeanSquare	F	Sig.
Regression	415,524	2	207,762	59,024	.000b
residual	341,436	97	3,520		
Total	756,960	99			

The results of the F test showed a calculated F value of 59.024 and a table F value of 3.09. Based on this, the calculated F value is greater than the F table, namely $59.024 > 3.09$ and a probability value of $0.000 < 0.05$, it can be concluded that H0 is rejected and H1 is accepted. So, Electronic Word Of Mouth and price simultaneously have a positive effect on the purchasing decision of Big Bananas products in Makassar City.

f. Correlation Coefficient Test (R)

Summary model b

Model	R	R Square	Adjusted R Square	std. Error of the Estimate
1	.741a	.549	.540	1.87616

The results of the multiple regression analysis above obtained a multiple correlation coefficient (R) of 0.741. This shows that between the independent and dependent variables have a relationship level in the strong category.

g. Determination Coefficient Test (R2)

Summary model b

Model	R	R Square	Adjusted R Square	std. Error of the Estimate
1	.741a	.549	.540	1.87616

The test results for the coefficient of determination (R2) give a correlation value of $R=0.549$ which means that Electronic Word Of Mouth (X1) and Price (X2) have a 54.9% influence on purchasing decisions, while the remaining 45.1% are influenced by other

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variables. which were not examined in this study, such as product quality, brand, brand or company image, overall promotion, outlet location, and others.

F. Discussion

Based on the results of testing and analysis of the Electronic Word Of Mouth variables that have been carried out to prove that the results of the Electronic Word Of Mouth regression analysis test, the Tcount value is greater than Ttable, namely $3.474 > 1.984$, the significance value is $0.001 < 0.05$, and the Fcount value is greater than Ftable, namely $59.024 > 3.09$, it can be concluded that Electronic Word Of Mouth has a partial and simultaneous positive effect on purchasing decisions for Big Bananas products in Makassar City.

Therefore, based on the results of this study, it was found that most Big Bananas consumers decided to buy products and were satisfied because of promotions through electronic word of mouth on Big Bananas Instagram accounts such as re-story features, interesting posts, innovative campaigns, positive reviews. and seldom seen negative comments that help in product purchasing decisions. A small proportion of consumers also buy Big Bananas products because they receive information from other social media such as Tiktok, Whatsapp, Facebook and others, but almost all Big Bananas consumers get information about Big Bananas through electronic word of mouth on the Big Bananas social media account. The Bananas themselves (@big.banass).

Based on testing price variations and the results of the analysis above, it shows that based on the results of price regression analysis testing, the t-number value is greater than t-table, namely $6.966 > 1.984$, a significance value of $0.000 < 0.05$, and the Fcount value is greater than Ftable, namely $59.024 > 3.09$, so it can be concluded that prices partially and simultaneously have a positive effect on purchasing decisions for Big Bananas products in Makassar City.

From the results of this study, it was found that many consumers decided to buy Big Bananas products because the prices offered were very affordable for all people with quality products and lots of price discounts advertised on Big Bananas Instagram social media which triggered consumers. With attractive and different discounts offered every week by Big Bananas, consumers buy a lot of Big Bananas products and make repeated purchases, especially among students. With economical and consistent prices, Big Bananas survives and is loved by consumers as many other competitors want to compete, but the prices and product benefits offered by Big Bananas are more profitable.

From the two variables, electronic word of mouth and price that influence purchasing decisions are electronic word of mouth variables because almost all Indonesian people, especially in Makassar City, access social media every day for hours, especially social media Instagram. Therefore, Big Bananas focuses its promotion on Instagram social media because the average consumer, before deciding to make a purchase, must browse their social media account first, consumers who are curious will be sure and believe if the uploaded content is interesting and appetizing.

With promotions through discounts and discounts packed with interesting content by Big Bananas, many consumers do electronic word of mouth intentionally and unintentionally through comments, positive reviews on stories shared on Instagram accounts and recommendations to those closest to them by sharing Big Bananas Instagram account promotion post. So the electronic word of mouth on Big Bananas Instagram and the affordable prices promoted through Big Bananas Instagram have a big influence on the decision to buy Big Bananas products in Makassar City.

4. CONCLUSION

- a. *Electronic Word Of Mouth* has a partial positive effect on the decision to purchase Big Bananas products in Makassar City because most consumers decide to purchase products that are affected by electronic word of mouth or digital promotions on Instagram social media accounts.
- b. Price has a partial positive effect on purchasing decisions for Big Bananas products in Makassar City because the prices offered are very affordable for all people with quality and attractive packaging.
- c. *Electronic Word Of Mouth* and Price simultaneously has a positive effect on purchasing decisions for Big Bananas products in Makassar City because promotions on Instagram accounts contain lots of interesting content and discounted prices that make many consumers decide to buy Big Bananas products.

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