THE EFFECTS OF WORD OF MOUTH AND PRODUCT ATTRIBUTES TOWARD PURCHASE DECISION ON ICE MANIAS

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Abstract

This research aims to test the effect of word of mouth and product attributes toward customer decision to buy Ice Manias both partially and simultaneously. The variables studied in this research are word of mouth ($X_1$) and product attributes ($X_2$). Word of mouth has four indicators which are word of mouth intensity, positive word of mouth, negative word of mouth, and the content of word of mouth. Product attributes also have four indicators which are price, speed of service, menu variance, and taste. The analytical tool used in this research is multiple regression. The populations in this research are those who have ever bought Ice Manias products and the number is infinite. The size of the sample is 35 respondents with a sampling technique of convenience sampling method. The analysis result shows that word of mouth and product attributes have a significant effect both partially and simultaneously toward purchase decision of Ice Manias.

Keywords: Word of Mouth, Product Attributes, Purchase Decision.

INTRODUCTION

There has been a shift in people lifestyle nowadays. They used to just fulfill basic needs but now they try to fulfill their wants. Innovation is needed to fulfill customers’ needs especially in food industry. Waringin (2010: 84) said that a product must have a value added so that it can be successful to compete with other products. In ice cream industry, there are not much innovations offered to customers. Ice Manias, a product originated from Thailand, brought a new innovation into ice cream industry. During the fourth and fifth month after the first store operated, there was a decline in sales. This fact indicates that there was something wrong that made the sales go down. Furthermore, the fact that there is a change in people lifestyle indicates that customer buying behavior also changes. Customers not only rely on advertisement to collect information before buying a product, but also look for other customers’ experience. Kartajaya and Setiawan (2014: 6) said that other customers’ experience becomes reference for new customers before buying new products because it can reduce the risk of buying wrong products since the quality is unknown. Moreover, society trend to form online and offline communities nowadays also has an impact toward customer buying behavior. These communities usually share word of mouth which becomes customers’ reference to get and give information about a product. This fact is coherent with the research done by Aslam et al., (2011) with the title “Effect of Word of Mouth on Consumer Buying Behavior” which states that word of mouth has effect toward customer buying behavior. In addition to word of mouth, product attributes also become consideration for customers before buying Ice Manias. Based on the preliminary survey conducted at the beginning of the operation of Ice Manias, it can be concluded that product attributes also become customers’ consideration to buy Ice Manias. Several things that customers expect to get include quick service (31%), good taste (25%), friendly service (21%), nice attraction (18%), interesting products (18%), and others (2%). Therefore, the purposes of this study are:

1. To test the effect of word of mouth and product attributes simultaneously toward customers’ purchase decision on Ice Manias