

The Influence of Purchase Interest on Purchasing Decisions Moderated by Word of Mouth: Study on Consumers of Sariayu Martha Tilaar Cosmetics in Ambon City

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ABSTRACT

This research aims to examine and analyze the effect of purchase intention on purchasing decisions moderated by word of mouth for cosmetic consumers of Sariayu Martha Tilaar in Ambon City. The sampling method used a purposive sampling technique and data collection was carried out by distributing questionnaires which were distributed to 113 consumers. The analytical test tool used is SmartPLS 3 with the SEM (Structural Equation Modeling) analysis method. The results of this study indicate that buying interest has a positive and significant effect on purchasing decisions, and word of mouth moderates buying interest on purchasing decisions.



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1. INTRODUCTION

Along with the many competitions that occur in the midst of the globalization era and amid the growing trend of using cosmetics, many business companies are competing to become leaders in the market, not only that, but also to make their brands have long-term strength in the minds of consumers. Based on data from the Central Statistics Agency (BPS) for 2020, it stated that the performance of the cosmetics industry experienced a resounding growth of 9.39%, from this presentation it can be seen how enthusiastic companies are competing in this globalization era.

Today companies must be able to identify and recognize what the consumers want and need and one of the target markets is women where women have many needs and one of them is the need for cosmetics to beautify their appearance. The increasing number of cosmetic product choices with various brands will ultimately make consumers have to decide to make purchases on products that suit their needs. Currently, the potential of the developing cosmetic industry can be seen by the emergence of various cosmetic brands from within the country and from abroad, so that cosmetic brands in Indonesia do not only compete with local products but also compete with foreign products.

Talking about cosmetics, synonymous with something that makes beautiful, clean and well-groomed and now for some women to be beautiful, clean and well-groomed, especially when talking about appearance, the use of cosmetics is an important factor in everyday life, care or treatment that is usually done by the women have become a routine that should not be missed let alone be forgotten for women. Because the needs and desires of consumers from time to time have changed and even experienced a tendency to increase, companies need to conduct research to find out the products that are actually needed and desired by the community. (Tamher et al. 2022).

In Indonesia there are several cosmetic brands that are well known by the public. One of them is the Sariayu brand. Sariayu is a brand engaged in the production of cosmetics and herbal medicine with its head office in Indonesia Jln. Pulokambing II no.1, Pulogadung Industrial Estate, Jakarta 13930. Established in 1977. The founder and President Commissioner of Sariayu is Dr HC Martha Tilaar. in collaboration with Boenjamin Setiawan and Theresia Harsini Setiady, from Kalbe Farma. They agreed to establish a cosmetic and herbal medicine company, which was named PT Martina Berto and Sariayu Martha Tilaar was the first product. Followed in 1983 Martha established a distributor of Sariayu Martha Tilaar, named PT Sari Ayu Indonesia specifically as a distributor of cosmetic products Sariayu Martha Tilaar (Wikipedia). Sourced from the databox which summarizes the survey results from populix as a survey service provider regarding the 10 most widely used local cosmetic brands in 2022 the first position is occupied by Wardah cosmetics with 48% of respondents while Sariayu cosmetics is in eighth position the number of respondents is only 11% of respondents . This survey from Populix involved around 500 women spread across several regions in Indonesia with. 49% of respondents have a high school education, 41% have a Bachelor's degree and above, and 8% have a Diploma 3 education. The following is also the Top Brand Award for 2020-2022 from several Sariayu cosmetic products.

Table 1. Top Brand Award Personal Care Category

Category	Brands	TBI 2020	TBI 2021	TBI 2022
Lip Gloss Products	Sariayu	4.50%	4.20%	1.50%
Face Powder Products	Sariayu	4.60%	-	2.60%
Face Mask Products	Sariayu	15.00%	14.70%	13.40%
Beauty Scrub Products	Sariayu	3.40%	3.80%	3.50%

Source: Top Brand Award 2020-2022

Based on the results of a survey conducted by taking the results from the top brand award, it shows that cosmetic products from Sariayu in the 2021-2022 period, the survey results show some decline in cosmetic products from year to year. From the explanation above, the purpose of this study was to analyze the effect of buying interest on purchasing decisions moderated by word of mouth. This research contributes as a material consideration for companies to develop strategies in order to maintain consumer purchasing decisions. (Anisha Ferdiana Fasha, Muhammad Rezqi Robi 2022)states that buying interest is a desire that exists within a consumer. Or buying interest according to (Kotler, 2013) someone before deciding to buy, previously there has been an interest in buying in the minds of consumers. Purchase intention is one of the stages that is usually experienced or felt by every consumer. When they are in the stage of buying interest, of course the consumer has seen various choices and product alternatives before in the end the consumer feels confident about making a purchase decision. From some of the definitions above, it can be concluded that buying interest is a desire or interest in buying a product that arises because of encouragement, but has not yet made a purchase of a product or service. While the purchase decision according to (Kotler and Armstrong, 2008) in(Faozi and Handayani 2019)is the buyer's decision about which brand to buy. According to Kotler in(Tablelessy 2020)is the stage in the decision-making process where a consumer has actually made a purchase. Purchasing decision is also an attitude shown by a consumer when determining a product choice to achieve the desired satisfaction(Brama Kumbara 2021). In addition, the purchase decision is also the stage where the consumer really wants to buy a product, after the consumer has gone through the product evaluation process information search as best as possible, and in the end decides to make a purchase of a product that he feels is in accordance with the wishes of the consumer.(Gunarsih, Kalangi, and Tamengkel 2021). In other words, the higher the purchase intention, the more likely a consumer is to make a purchase and consume a product or use a service. This is supported by research conducted by(Sari 2020)which shows buying interest influences consumer purchasing decisions. Consumer buying interest is also an important thing to decide to buy a product(Sriyanto 2012). Based on the explanation above, the research hypothesis is that buying interest influences purchasing decisions.

The emergence of buying interest in purchasing decisions is definitely based on many supporting factors, one of which is word of mouth. According to(Sitompul and Jusuf Hariyanto 2020)word of mouth is a communication process that is carried out by word of mouth or the provision of information is conveyed by word of mouth, usually this communication is carried out in the form of

conveying information about services, product brands and product quality that has previously been used to other people. Word of mouth can also be a strong and reliable communication medium in communicating products and services to one, two or more consumers. (KHASANAH 2020). word of mouth in the opinion of Kotler in (Pelupessy 2022) is defined as personal communication about the product that occurs between the buyer and the people around him. Of the three definitions above, word of mouth can be briefly defined as the two-way dissemination of information or communication by consumers about their experience when using a product. This is confirmed through research conducted by (Li and Jaharuddin 2021), which states that word of mouth is a variable moderating the relationship between buying interest and purchasing decisions. Thus the second hypothesis in this study is that word of mouth moderates the relationship between buying interest and purchasing decisions.

Based on the descriptions above, the proposed research framework is as follows:

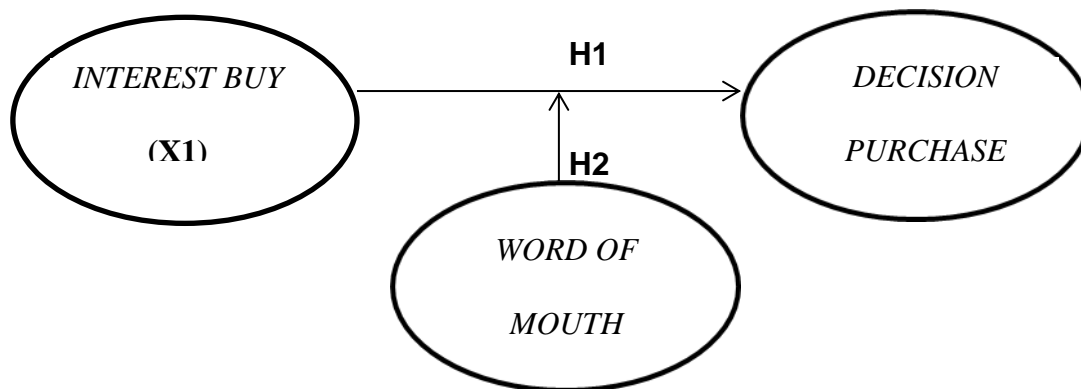


Figure 1. Research Framework

2. RESEARCH METHOD

Types of research

This research is descriptive and verification research. The data collection technique used is a questionnaire (Questionnaire).

Population and Sample

Population according (Sugiyono 2007) is defined as a generalization area consisting of objects or subjects that have character qualities that have been determined by a researcher to be studied and then conclusions can be drawn. While the sample according to (Sugiyono 2007) is part of the number and characteristics possessed by the population.

The population in this study are consumers who have used Sariayu Martha Tilaar cosmetic products. For the sample in this study, determining the maximum number of samples according to Hair is calculated based on the following formula: $N = \{5 \text{ to } 10 \times \text{the number of indicators used} + 3 \text{ variables}\}$

$$= 10 \times 11 + 3 : 113$$

From the calculation above, the number of samples to be studied is 113 respondents.

Research Instruments

In this study, buying interest is measured by 4 indicators according to Ferdinand in (Faradiba 2013). The purchase decision variable is measured by 4 indicators from Kotler and Armstrong in (Pradana and Hudayah 2017). Meanwhile, the word of mouth variable is measured by 3 indicators according to Lupiyoadi, R (2013). (Pradana and Hudayah 2017)

Data analysis

The data analysis method used is SEM (Structural Equation Modeling). By using the SmartPLS 3 test tool for measuring the outer model and inner model. The basis for using PLS in this study is to predict the relationship between variables (Tablelessy and Pattiruhu 2022).

3. RESULTS AND DISCUSSIONS

In this study, hypothesis testing was carried out using the Partial Least Square (PLS) analysis technique with the smartPLS 3 program. The following is a schematic model of the proposed PLS program:

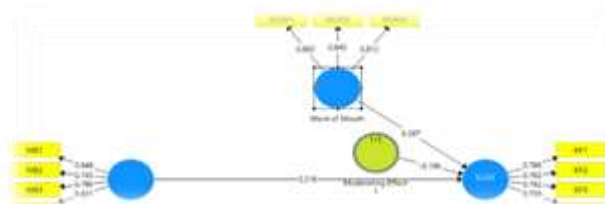


Figure 2

Source: Data processing with PLS, 2023

The way to find out the proof of acceptance and rejection of the hypothesis is to look at the significance value, T-Statistics, and P-Values. Through bootstrap resampling used specifically in this study, the hypothesis can be accepted when the T-Statistic significance value exceeds the value of 1.96 and can also be seen in the P-Values with a value of less than 0.05. The following are the hypotheses proposed.

Table 2. Path Coefficients

	Original Sample (O)	Sample Means (M)	Standard Deviation (STDEV)	T Statistics (O/STDEV)	P Values
Purchase Interest -> Purchase Decision	0.418	0.432	0.097	4,333	0.000
Moderating Effect 1 -> Purchase Decision	0.190	0.188	0.078	2,438	0.015

Source: Data processing with PLS, 2023

The Influence of Purchase Interest on Purchasing Decisions

As has been analyzed, it is known that the first hypothesis is accepted, namely Purchase Interest has a positive and significant effect on Purchase Decision. This statement is proven from the results of processed data which show that the T-Statistic value has a positive value of 4.333 and a significant P-Values of 0.000 where these two values exceed the standard decision-making values, namely 1.96 and 0.05 respectively.

The concept related to Buying Interest provides an opportunity for a process to occur towards a more increased Purchase Decision due to a desire to influence the purchase of Sariayu Martha Tilaar cosmetic products. When someone who already has an interest in buying a product, of course there is also an influence on the consumer to immediately carry out purchasing actions within the scope of this research object, namely Sariayu cosmetics.

This research is supported by previous research conducted by (KARINA, 2020) with the title "The Influence of Promotion and Purchase Interest on Purchasing Decisions of Martabak Captain Consumers in Palembang City" supports this research where in Evi's research, it is stated that Purchase Interest has a significant and positive influence on the decision to make a purchase action.

The Influence of Purchase Interest on Purchasing Decisions with Word of Mouth as Moderation

The results of the hypothesis test show that the second hypothesis in this study is accepted where word of mouth has a positive and significant effect on purchasing decisions. Based on the

results of processed data, the T-Statistic produces a positive value of 2.438, which is greater than the T-Table value of 1.96. Coupled with a P-Values significance value of 0.015 which is smaller than 0.05. Then the original sample obtained is worth 0.190. So from the results of this analysis it can be concluded that the second hypothesis proposed in this study is supported.

A person who carries out Word of Mouth activities can be called a communicator and they have an important role in creating good or optimal communication. (Susanti 2019) The communicator is said to already have experience in using the product, which then results from using the product is the delivery of product-related information to other individuals so as to create an influence on the attitudes and behavior of these other individuals in decision making. (Princess 2016).

When Word of Mouth communication which contains positive information, encouragement, and recommendations related to Sariayu cosmetic products is already running, it is able to strengthen and be more convincing for someone who has had an interest in buying from the start and opens up greater opportunities for individuals who have received information to reach the stage of making a purchase action.

This research is supported by previous research conducted by Shimao Li, Nor Siah Jaharuddin with research "Influences of background factors on consumers' purchase intention in China's organic food market: Assessing moderating role word-of-mouth (WOM)" the results of the study (Li and Jaharuddin 2021) shows that WOM has a moderating effect on buying interest on purchasing decisions or word of mouth significantly moderates the relationship between buying interest on purchasing decisions.

4. CONCLUSION

Based on the results of research and analysis obtained on the effect of purchase intention on purchasing decisions moderated by word of mouth, cosmetic consumers of Sariayu Martha Tilaar Ambon City. Then it can be concluded as follows: Based on the results of the study, the variable Purchase Interest has a positive and significant effect on Purchase Decisions. It can be seen that the t-statistic value of 3,753 is greater than 1.96. With this H1 in research can be accepted. It can be concluded that the higher the buying interest in Sariayu Martha Tilaar cosmetic products, the higher the consumer purchasing decisions for Sariayu Martha Tilaar cosmetics. Based on the results of the study, the word of mouth variable has an influence as a moderating variable on purchasing decisions. With this H2 in research can be accepted. It can be concluded that the delivery of word of mouth information from one consumer to another consumer can strengthen one's purchase intention to make a purchase decision for Sariayu Martha Tilaar products

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