The Influence of Product Quality on Positive Word-of-mouth Communication, Case Study at Kedai Wak Edoy Malang

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Abstract

Product quality is a very important element in marketing, especially in the aim of generating positive word-of-mouth communication. The number of businesses in the culinary field has resulted in rampant competition, entrepreneurs in the culinary field compete with each other to benefit both local and foreign entrepreneurs because at this time many culinary businesses in Indonesia are owned and run by foreigners. Circumstances like the above are a challenge for local culinary entrepreneurs so they don't lose competitiveness and lose consumers, therefore local entrepreneurs must make new innovations so they don't lose consumers. This research on the effect of product quality on word-of-mouth was conducted to determine whether the quality of products sold at Kedai Wak Edoy Malang can directly move word-of-mouth and whether product quality has an effect on making consumers recommend each other to buy at Kedai Wak Edoy Malang. This study uses a quantitative approach, the data collection technique uses a questionnaire/questionnaire technique, the analytical tool used is multiple linear regression with t test and f test. The case study in this research is that Kedai Wak Edoy Malang can directly move word-of-mouth and whether product quality has an effect. In addition, data collection was carried out on consumers of Kedai Wak Edoy Malang. Where for the taste variable has a t-count (4.416) > t-table (1.987) and a significant value (0.000) < 0.05 for the Hygienic Product variable has a t-count (2.406) > ttable (1.987) and a significant value (0.018) < 0.05 for Variation Product variable has t-count (2.198) > t-table (1.987) and significant value (0.031) < 0.05 for the size variable, it has t-count (2.413) > t-table (1.987) and significant value (0.018) < 0.05 for the variable Size has t-count (2.247) > t-table (1.987) and significant value (0.027) < 0.05. The results of the t test also show that the most dominant variable influencing the emergence of positive WOM communication is the taste variable with a regression coefficient (beta) of 0.376.

Keywords: product quality; word-of-mouth; small business; culinary.

1. Introduction

The number of businesses in the culinary field has resulted in rampant competition; entrepreneurs in the culinary area compete with each other to benefit both local and foreign entrepreneurs because, at this time, many culinary businesses in Indonesia are owned and run by foreigners. Circumstances like the above are a challenge for local culinary entrepreneurs, so they don't lose competitiveness and lose consumers; therefore, local entrepreneurs must make innovations, so they don't lose consumers.

Culinary entrepreneurs are competing to be as competitive as possible with competitors. Various kinds of marketing strategies are applied to attract consumer interest in making purchases can be seen in the increasing number of culinary businesses that produce products with the same type of food but different. Still, the marketing system of each restaurant is other. Many companies are shifting their marketing paradigm from focusing on traditional text advertising methodologies to image creation of multimedia ads using technologies such as HTML, JavaScript, and Adobe Flash. This allows advertisers to be more effectively involved in building relationships with potential buyers and shaping consumer attitudes and feelings towards the products and services offered (Hermawan, 2012). The theory above states that traditional marketing has not had a big impact on sales and traditional marketing systems have been abandoned by most companies. This has the opposite impact with what happened at Kedai Wak Edoy Malang where marketing done via the internet did not have a big influence on sales, but word-of-mouth marketing had a big impact on sales at Kedai Wak Edoy Malang.

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Many manufacturers consider word-of-mouth marketing ineffective to be applied as a marketing strategy in restaurants. Manufacturers do not realize that consumers as the target audience for restaurant products actually have great potential to market the products being marketed. Like a virus that can spread very quickly which was initially only initiated by one person who has a wide network, it can have an influence on the marketing of a product. So that when a product has a positive value, it will have a very large opportunity to be recommended by consumers to other consumers and vice versa when a product is thrown into the market is considered to have a negative value, it will get negative publicity by consumers. According to Steel et al., (2021) the most effective promotion is through word-of-mouth. Satisfied customers will speak for your product more effectively and convincingly than any other type of advertising.

From this, it can be seen that consumers actually have the ability to indirectly promote a product or service. Promotions carried out by consumers, usually will have its own power in influencing others. The existence of word-of-mouth communication everywhere is caused by the needs of the sender and recipient of information.

In word-of-mouth, we find that some people provide information more often than others. Such people are called consumer opinion leaders who influence the purchasing decisions of others (Mukayati, 2019). In everyday life, people are very happy to share their experiences with other people about something, whether it is the goods they bought, the movies they have watched or restaurants. If the experience is a positive one, it will have a positive impact on the company, and vice versa. If the experience gained is a negative experience, it will have a negative impact on the company, including Kedai Wak Eloy. Kedai Wak Edoy is one of the restaurants that uses word-of-mouth marketing both online and offline. Online word-of-mouth marketing is done through social media applications such as Line and Instagram which are managed by restaurant owners themselves. It is very often the case that consumers who buy food at Kedai Wak Edoy then take photos of the food and then install it as a display on social media accounts such as Blackberry Messenger and then provide information that the food was purchased at Kedai Wak Edoy, as well as on social media Instagram, buyers take photos of the food purchased then make information about the taste of the food and the place where they buy the food using the hashtag Kedai wak Edoy, where if consumers who have never bought at Kedai Wak Edoy click the hashtag then all information and testimonies are from people who have bought at Kedai Wak Edoy will be exposed and it will be beneficial.

Product quality is an important thing that must be considered by entrepreneurs because the quality of products is currently very much considered by consumers. Consumers want the best product quality on the products that have been purchased. In Dessica, According to Philip Kotler, (2012) product quality is the characteristics and characteristics of a product or service that affect its ability to satisfy stated or implied needs.

According to Sofyan assauri, (2002) the factors contained in a product are quality, quality, appearance (features), available options (options), style (style), brand (brand names), packaging (packaging), size (size), type (product line), type (product items), guarantee (quarranties), and service (service).

To achieve the desired product quality, a quality standard is needed. This method is intended to ensure that the resulting product meets the standards that have been set so that consumers will not lose confidence in the product in question. Marketers who do not pay attention to the quality of the products offered will bear the dissatisfaction of consumers so that sales of their products will tend to decline. If marketers pay attention to quality, consumers will not think long to make a purchase of the product (Nilsson et al., 2001). Thus quality has a direct impact on product or service performance, therefore quality is closely related to customer value and satisfaction which in the end satisfied consumers will tell positive experiences to the people around them which is then called positive word-of-mouth communication.

Quality product quality plays an important role in shaping consumer satisfaction, but it is also closely related to creating profits for the company. The higher the quality of the products provided by the company, the higher the satisfaction felt by customers (Song & Lee, 2020). Therefore, improving the quality of service products is very important for companies to provide value and customer satisfaction through the sale of quality service products at competitive prices. The phenomenon of word-of-mouth in the last decade cannot be avoided by marketers, because its existence can bring a positive or negative image to a product/service brand.

2. Methods

The type of this research is quantitative research, which is a research method used to examine a particular population or sample, this method is said to be a scientific method because it has fulfilled the scientific principles, namely concrete/empirical, objective, measurable, rational, and systematic. This method is also called the discovery method,

because with this method various new science and technology can be found and developed. This method uses numerical data that is analyzed using statistics (Hair et al., 2014).

The approach used is the survey method approach. The survey method is a method used to obtain data from certain natural places (not artificial), but researchers carry out treatments in data collection. For example, by distributing questionnaires, tests, structured interviews and so on (Hair et al., 2014).

The population is a generalization area consisting of: objects/subjects that have certain qualities and characteristics determined by researchers to be studied and then drawn conclusions. The population used in this research is the unlimited number of consumers from Kedai Wak Edoy Malang.

The number of samples or respondents in this study is not limited, so the sampling is four or five times the number of items studied (Malhotra, 2006). So in this study, 5x the number of items will be taken, namely 5x20 = 100. The sample criteria are consumers from Kedai Wak Edoy Malang who make purchases. The sampling technique used was accidental sampling. Accidental sampling is a sampling technique based on coincidence, namely consumers who coincidentally or incidentally meet with researchers can be used as samples, if it is deemed that the person who happened to be met is suitable as a data source (Hair et al., 2014).

3. Result and Discussions

3.1. Respondents Characteristics

In this study the respondents are consumers who make purchases at Kedai Wak Edoy Malang with a total of 95 respondents. Based on the 95 questionnaires that have been distributed to consumers, the characteristics of the respondents can be described as table 1.

 Table 1. Overview of characteristics respondent

No	Sex		Total	Percentage
1	Male		63	66.4%
2	Female		32	33.6%
		Total	95	100%

Source: primary data processed by researchers.

Table 1 shows the number of respondents with male gender as many as 63 respondents (66.4%), while the number of respondents with female sex as many as 32 respondents (33.6%). Based on these data, it shows that the number of male respondents is more than female respondents.

3.2. Validity Test

Table 2. Validity Test

No	Indicator	Items	Sig	R Count	Description
1	Taste	X1.1	.000	0,830	Valid
2		X1.2	.000	0,818	Valid
3		X1.3	.000	0,783	Valid
4		X1.4	.000	0,701	Valid
5	Hygienic Products	X2.1	.000	0,757	Valid
6		X2.2	.000	0,824	Valid
7		X2.3	.000	0,864	Valid
8		X2.4	.000	0,858	Valid
9	Product Variation	X3.1	.000	0,941	Valid
10		X3.2	.000	0,746	Valid
11		X3.3	.000	0,941	Valid
12	Size	X4.1	.000	0,866	Valid
13		X4.2	.000	0,868	Valid
14	Serving	X5.1	.000	0,882	Valid
15	-	X5.2	.000	0,824	Valid

No	Indicator	Items	Sig	R Count	Description
16		X5.3	.000	0,839	Valid
17	Positive Word-of-mouth	Y1.1	.000	0,889	Valid
18		Y1.2	.000	0,884	Valid
19		Y1.3	.000	0,887	Valid

Source: primary data processed by researchers.

From table 2, it can be seen that the probability significance is less than 0.05. So it can be said that this research is valid. So it can be concluded that these indicators can be used to measure the variables of Product Quality and Positive Word-of-mouth communication.

3.3. Reliability Test

Table 3. Reliability Test

No	Variable	Cronbach's Alpha	Description
1	X1 (Taste)	0,782	Reliable
2	X2 (Higienic Product)	0,844	Reliable
3	X3 (Product Variation)	0,847	Reliable
4	X4 (Size)	0,669	Reliable
5	X5 (Serving)	0,804	Reliable
6	Y (Positive Word-of-mouth)	0,864	Reliable

Source: primary data processed by researchers.

From the test results in table 3, it is obtained that the value of Cronbach's Alpha variable X1 (Taste) has a value of 0.782 > 0.60 then this instrument is declared reliable, X2 (Hygienic Product) with Cronbach's Alpha value of 0.844 > 0.60 then this instrument is declared reliable, X3 (Variation Product) with a Cronbach's Alpha value of 0.669 > 0.60 then this instrument is declared reliable, X4 (Size) with a Cronbach's Alpha value of 0.669 > 0.60 then this instrument is declared reliable. X5 (presentation) with a Cronbach's Alpha value of 0.804 > 0.60 then this instrument is declared reliable and Y (Positive Word-of-mouth) with a Cronbach's Alpha value of 0.864 > 0.60 then this instrument is declared reliable.

3.4. Testing the Classical Assumptions of Regression

3.4.1. Normality Test

Table 4. Kolmogorov-Smirnov. Method of Normality Testing

Variable	Kolmogorov- Smirnov Z	Significance	Description
Residual Model (e)	0,503	0,962	Normally Distributed

Source: primary data processed by researchers.

The normality assumption in the picture above is that the data on the histogram graph follows the normal line and the distribution of data on the normal probability plot graph is located around the diagonal line and the significance value of the Kolmogorov-Smirnov test on the Residual model is 0.962 which is greater than (0.05), then it can be concluded that the residuals of the regression model data are normally distributed (the assumption of normality is met).

3.4.2. Multicolinearity Test

 Table 5. Multicollinearity Assumption Test Results

Construct	Tolerance	VIF	Description
Taste (X1)	0,662	1,511	Multicollinearity does not occur
Product Higienic (X2)	0,724	1,381	Multicollinearity does not occur
Product Variation (X3)	0,867	1,154	Multicollinearity does not occur

Construct	Tolerance	VIF	Description
Size (X4)	0,682	1,466	Multicollinearity does not occur
Serving (X5)	0,821	1,219	Multicollinearity does not occur

Source: primary data processed by researchers.

Based on table 5, it can be seen that the independent variables in this study have a Variance Inflation Factor smaller than 10, so it can be said that there are no symptoms of multicollinearity between the independent variables in this study.

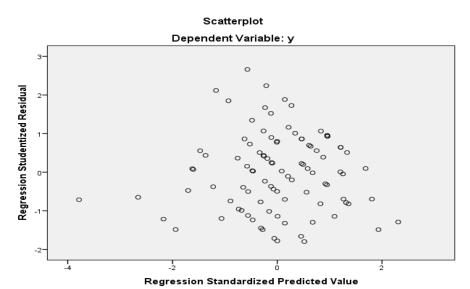


Figure 1. Heteroscedasticity Test

The results of the analysis in Figure 1 show that the points spread randomly and do not form a certain pattern. This indicates that there is no indication of heteroscedasticity in the model being tested so that this assumption is fulfilled.

3.5. Multiple Linear Regression Test Results

Multiple linear regression analysis was used to predict the magnitude of the relationship between the dependent variable, namely the emergence of Positive WOM (Y) with the independent variables namely Taste (X1), Hygienic Product (X2), Product Variation (X3), Size (X4) and Presentation (X5).

Unstandardized Standardized Coefficients Coefficients Model Sig. t Std. Error Beta В 0,000 (Constant) -6,811 1.781 -3,8240,000 Taste (X1) 0,423 0,096 0,376 4,416 Product Higienic (X2) 0,209 0,087 0,196 2,406 0,018 1 Product Variation (X3) 0,227 0,103 0,164 2,198 0,031 Size (X4) 0,375 0,156 0,202 2,413 0,018 0,230 0,102 0,172 2,247 Serving (X5) 0,027

Table 4. Analysis Results multiple linear regression

Source: primary data processed by researchers.

The dependent variable on the multiple regression test results is the emergence of positive WOM (Y) while the independent variables are Taste (X1), Hygienic Product (X2), Product Variation (X3), Size (X4) and Presentation

(X5). The regression model based on the analysis results are:

$$Y = -6.811 + 0.423 X1 + 0.209 X2 + 0.227 X3 + 0.375 X4 + 0.230 X5 + e$$

The interpretation of the regression model above is as follows:

- a) $\beta 0 = -6.811$: The constant of this regression equation shows a value of -6.811, meaning that if there is no contribution of the variables Taste (X1), Hygienic Product (X2), Product Variation (X3), Size (X4) and Presentation (X5) then the emergence of Positive WOM (Y) will a value of -6.811.
- b) $\beta 1 = 0.423$: This regression coefficient shows the magnitude of the contribution given by the Rasa variable (X1) to the emergence of Positive WOM (Y). The coefficient of the Rasa variable (X1) which is positive means that every increase in the Rasa variable (X1) by 1 unit will increase the emergence of Positive WOM (Y) by 0.423 assuming other variables are constant.
- c) β2 = 0,209: This regression coefficient shows the magnitude of the contribution given by the Hygienic Product variable (X2) to the emergence of Positive WOM (Y). The coefficient of the Hygienic Product variable (X2) which is positive means that every increase in the Hygienic Product variable (X2) by 1 unit will increase the emergence of Positive WOM (Y) by 0.209 assuming other variables are constant.
- d) $\beta 3 = 0.227$: This regression coefficient shows the magnitude of the contribution given by the Product Variation (X3) variable to the emergence of Positive WOM (Y). The coefficient of Product Variation (X3) variable which is positive means that every increase in Product Variation (X3) by 1 unit will increase the emergence of Positive WOM (Y) by 0.227 assuming other variables are constant.
- e) β 4 = 0,375: This regression coefficient shows the magnitude of the contribution given by the Size variable (X4) to the emergence of Positive WOM (Y). The coefficient of the Size variable (X4) which is positive means that every increase in the Size variable (X4) by 1 unit will increase the emergence of Positive WOM (Y) by 0.375 assuming other variables are constant.
- f) $\beta 5 = 0.230$: This regression coefficient shows the magnitude of the contribution given by the Presentation variable (X5) to the emergence of Positive WOM (Y). The coefficient of the Presentation variable (X5) which is positive means that every increase in the Presentation variable (X5) by 1 unit will increase the emergence of Positive WOM (Y) by 0.230 assuming other variables are constant.

3.6. T-Test

Partial regression model testing is used to determine whether each independent variable forming the regression model individually has a significant effect on the dependent variable or not. The independent variable forming the regression model is said to have a significant effect if t-count > t-table or significant < = 0.05. The partial regression model testing is as follows:

Table 7. Partial Test

Variabel bebas	$t_{ m hitung}$	Sig. t	t_{tabel}	Keterangan
Rasa (X1)	4,416	0,000	1,987	Signifikan
Produk Higienis (X2)	2,406	0,018	1,987	Signifikan
Variasi Produk (X3)	2,198	0,031	1,987	Signifikan
Ukuran (X4)	2,413	0,018	1,987	Signifikan
Penyajian (X5)	2,247	0,027	1,987	Signifikan

Source: primary data processed by researchers.

3.7. F-Test

Based on the results of calculations in table 8 obtained F-count of 23.885 (Sig F = 0.000). F-table at 5% significance level with 5 and 89 degrees of freedom of 2,317. Because F-count > F-table (23.885 > 2.317) and Sig F < 5% (0.000 <

0.05) then Ho is rejected and H1 is accepted which means that together the variables of Taste (X1), Hygienic Products (X2), Product Variations (X3), Size (X4) and Presentation (X5) have a significant influence on the variable The emergence of Positive WOM (Y).

Table 8. Simultaneous Test

	Model	Sum of Squares	df	Mean Square	F	Sig.
•	Regression	308,957	5	61,791	23,885	0,000
1	Residual	230,243	89	2,587		
	Total	539,200	94			

Source: primary data processed by researchers.

Table 9. Determinants

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	0,757	0,573	0,549	1,60842

Source: primary data processed by researchers.

Based on the analysis that has been done, the adjusted R Square value is 0.549 or 54.9%. That is, the magnitude of the effect of the variables Taste (X1), Hygienic Product (X2), Product Variation (X3), Size (X4) and Presentation (X5) on the emergence of Positive WOM (Y) is 54.9%. While the remaining influence of 45.1% is explained by other variables outside the regression equation or not examined in this study.

3.8. Discussion

Based on the results of the F (simultaneous) test, it can be seen that the product quality variables consisting of taste, hygienic products, product variety, size, and presentation together have a positive and significant effect on the emergence of positive WOM communication at Kedai Wak Edoy Malang. This can be proven by the results of the calculated F in column F which is 23.885 which is greater than the F-table value with an error rate of 5%, which is 2.47 and with a Sig value which is smaller than the alpha value (0.000 < 0.05).

Based on the results of the t-test (partial) it can be seen that the product quality variables consisting of taste, hygienic products, product variations, sizes, and presentations have a positive and significant effect on the emergence of positive WOM communication at Kedai Wak Edoy Malang. Where for the taste variable has a t-count (4.416) > t-table (1.987) and a significant value (0.000) < 0.05 for the Hygienic Product variable has a t-count (2.406) > t-table (1.987) and a significant value (0.018) < 0.05 for Variation Product variable has t-count (2.198) > t-table (1.987) and significant value (0.031) < 0.05 for the size variable, it has t-count (2.413) > t-table (1.987) and significant value (0.018) < 0.05 for the variable Size has t-count (2.247) > t-table (1.987) and significant value (0.027) < 0.05. The results of the t test also show that the most dominant variable influencing the emergence of positive WOM communication is the taste variable with a regression coefficient (beta) of 0.376.

Based on the calculation of the coefficient of determination (R2), it shows that the relationship between the independent variables Taste (X1), Hygienic Product (X2), Product Variation (X3), Size (X4), Presentation (X5) with a positive WOM dependent variable (Y) has a positive relationship which is positive and close, namely 0.549. While the remaining effect of 45.1% is explained by other variables outside the regression equation or not examined in this study.

Product quality according to (Kotler, 2009) is quality defined as the overall characteristics and properties of goods and services that affect the ability to meet stated and implied needs. From the research results, it is known that the independent variables Taste (X1), Hygienic Product (X2), Product Variation (X3), Size (X4), Presentation (X5) have a significant effect on the positive WOM dependent variable (Y) either simultaneously or together or partial or respectively, and the most dominant variable is the taste variable. From this explanation, it can be concluded that consumers are willing to recommend or tell Kedai Wak Edoy positively to friends or colleagues who are dominantly influenced on the basis of how consumers like the taste of food at Kedai Wak Edoy Malang.

4. Conclusions

From the results of the discussion on product quality consisting of Taste, Hygienic Products, Product Variations, Size, and Presentation on the emergence of positive Wod of Mouth communication at Kedai Wak Edoy Malang. Can be concluded that:

- a) Based on (F test) it is known that product quality consisting of Taste, Hygienic Products, Product Variations, Size, and Presentation has a significant influence simultaneously on the emergence of positive Word-of-mouth communication at Kedai Wak Edoy Malang
- b) Based on (t test) it is known that product quality consisting of Taste, Hygienic Products, Product Variations, Size, and Presentation has a partially significant influence on the emergence of positive Word-of-mouth communication at Kedai Wak Edoy Malang
- c) From the results of partial research testing of 5 product quality indicators, it is known that there is one variable that has a dominant influence on the emergence of positive Word-of-mouth communication at Kedai Wak Eloy Malang, namely the Taste Indicator.

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