

Conference Paper

The Effect of Word of Mouth Communication and Price on Decision to Visit Bintaro Jaya Xchange Mall, South Tangerang

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Abstract

This study aims to analyze the influence of word of mouth and price together on decisions visit to Bintaro Jaya Xchange mall..The samples consist of one hundred and fifty respondents. Test the coefficient of Determination (R^2), Simultaneous Significant Test (F Test), and Significance Individual Parameters Test (t statistic test) used to the hypothesis test. The results show that 1). There is the influence between word of mouth on consumer visit decision with t_{count} values for variable X_1 (word of mouth) amounting to 9105, whereas t_{table} values for $n=150$ amounting to 1.975; 2). There is a price effect on consumer visit decision with t_{count} values for variable X_2 (price) amounting to 8.820, whereas t_{table} values for $n=150$ amounting to 1.975. Thus, $8.820 > 1.973$; 3). There is the influence of word of mouth and price together on consumer visit decision with f_{count} values amounting on 172.425 bigger than f_{table} for $n = 150$ amounting to 2.66 or $172.425 > 2.66$ with a significant level of 0.000 due to $0.000 < 0.05$. Whereas Adjusted R Square values amounting to 0.697. It means word of mouth and price have an influence amounting to 69.7% to consumer visit decision and amounting to 30.3% influence with other factors not examined by the researcher in this research.

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1. Introduction

In this modern era, the social change affects people's lifestyles and consumptive lifestyles. It also became a factor in the development of shopping centers. A shopping mall is a place for a family to spend their time in the midst of busy work and school for children. The existence of the shopping mall right now is the most important thing for a city to provide necessities for his society. For some people, the shopping mall is not only for buying and selling the business but become a recreation facility for their children due to a lack of a playground in the city.

Word of mouth (WOM) is an important element to know consumer interest. They will tell about their consumption experience of the product. A good experience (satisfying) will get positive feedback and vice versa.

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Word of mouth (WOM) occurs when a customer talks to others about their opinions about a particular product. Price also plays a role in encouraging consumers to visit the shopping mall. Because society has their own choice of a shopping mall due to adjusting to their income. The shopping mall has a particular classification related to the price of stuff traded. As a result, a lot of stuff sold is relatively expensive or cheap depends on the consumers. It also becomes pay attention of consumers to visit a shopping mall.

2. Literature Review

2.1. Word of Mouth (WOM)

“Word-of-mouth is defined as any positive or negative statement made by customers experiences about a product or company, which is made available to a mass of people and institutions using the Internet (Hennig et.al. 2004).

Silverman (2009:83) stated that there are three different kinds of word of mouth among costumers:

1. Expert to expert

Expert to expert is a piece of information conveyed by an expert who is considered by others to have an important meaning.

2. Expert to peer

Expert to peer is a distribution pattern considering decision making is often communicated to people who have the ability and further information.

3. Peer to peer

Peer to peer is to describe someone who is trying to find out the experiences of others who have things in similarity.

2.2. Price

Price is a factor that can influence consumers in buying and desired a product or service. Price as the amount of value that consumers exchange for the benefit of owning and using a product or service. It means the amount of money affects the product and service. In other hands, Kotler and Amstrong (2008:62) stated that the amount of money the customer must pay to get the product. The concept of price for consumers is all forms of costs sacrificed by consumers to utilize a number of goods and services of a

product. It means the price concept for the customer is the costs incurred by consumers to get stuff and services from products.

2.3. Consumers Purchase Decision

There are stages of purchase decision; problem recognition, looking for alternatives, purchase, and postpurchase behavior. Consumer behavior is much more than studying what consumers buy. It attempts to understand how the decision-making process goes and how it affects consumers' buying behavior. (Solomon 2004, pp. 6-8). Individual consumers try to satisfy their own needs and want by purchasing for themselves or satisfy the need of others by buying for them. These individual consumers can come from different backgrounds, ages, and life stages. (Kardes et al. 2011, p. 8). The products and services purchased depend also on consumer interest and the ability to buy the product. Personal and social factors also influence decisions purchase of a consumer. One of the goals for someone to use a product or service is for their own needs or known as end users this tends to use the product is not for sale so many considerations that must be decided in buying a product.

3. Hypothesis

Based on the conceptual framework, the author sets a hypothesis in this research, as follows:

1. The influences of word of mouth to consumer decisions visiting Bintaro Jaya Xchange Mall.
2. The influences of price to consumer decisions visiting Bintaro Jaya Xchange Mall.
3. The influences of word of mouth and price to consumer decisions visiting Bintaro Jaya Xchange Mall.

A population is a combination of all elements in the form of events, things, or people who have similar characteristics that are the center of the universe of research. Population refers to the entire group of people, events, or things of interest that the researcher wishes to investigate (Sekaran and Bougie, 2009). The Population is the totality of all objects or individuals that have certain characteristics clear and complete to be studied. It means is all laundry consumers that visit Bintaro Jaya Xchange Mall.

Sampling technique is a method to take a representative sample from the population. To get a sample that can describe the population, in determining the sample this study was taken as many as 150 respondents.

4. Data Collection Method

Arikunto (2006: 175) data collecting is a method used by the authors to get data. The author needs instruments to facilitate data collection.

1. Interview Method (Orally Questionnaire) is a dialogue conducted by the interviewer to obtain information from the resource person.
2. The Questionnaire is data collection techniques carried out by giving a set of questions or written statements to the respondent to answer.

5. Data Analyze Method

5.1. Validity Tests

Validity test used to know the feasibility of the items in a questionnaire in defining a variable. Validity test is to measure if the questionnaire is valid or not. If the values above 0.5 then the data can be declared valid, so it can use for further analysis. The basis for making a decision, as follows:

1. If $r_{count} > r_{table}$ means valid.
2. If $r_{count} < r_{table}$ means invalid

5.2. Realibility Test

The purpose of The reliability test is to ensure that the used measurement tool (questionnaire) is really consistent in measuring some cases, even though the observation has been conducted frequently at the same object. The Internal Consistency can be seen at the Cronbach Alpha Parameter, with an ideal score above 0.6. Data can be interpreted as unreliable if the Alpha value < 0.60 .

5.3. Determination Coefficient (R^2)

The coefficient of determination is used to measure the ability of the independent variable in explaining the dependent variable. The coefficient of determination value is between 0 until 1. If R^2 close to 1 means that value has a correlation between the independent variable with the dependent variable.

5.4. Hypothesis Verification Technique

This research used the SPSS program. The statistics used are:

1. The Significance of Individual Parameter Test (t-test)

T statistics test shows that the influence of one independent variable individually explains the dependent variable variation.

2. The Significance of Simultaneous Test (F-test)

Basically, F-test shows that whether all independent variables (free) have a combined effect on the dependent variable (bound).

6. Discussion

Nowadays, a mall is something that is needed by people, especially in urban areas. One of them is Bintaro Jaya Xchange Mall, it is a shopping and modern lifestyle center built by PT Jaya Real Property, Tbk, the developer of Bintaro Jaya. A shopping center that usually called BXc Mall is located in Bintaro Jaya, Tangerang Selatan, Banten. The location is really strategic that is on the side of the Bintaro – Pondok Indah highway, across of the Jurangmangu Station. BXc Mall is part of a 25 hectares superblock. Besides the mall, in that region is also built office buildings, condominiums and star hotels. A region that is intentionally built to realize a *community (ecology community)*, it is a community where the members live in unity and high concern with nature and others.

That community concept is represented clearly through the Green Wall. Green Wall is BXc Mall's wall that is planted with live plants. It is reported that a *green wall* is the longest in Indonesia. As part of the integrated superblock, BXc Mall comes with a lifestyle concept that has interactive green area, a shopping center that offers family shopping mall, entertainment and entertainment center. There is a food court that is

really complete in the mall that is designed by DDG and Aecom, an architect and landscaper from America.

Bintaro Jaya Xchange Mall which is located right on the side of the Bintaro – Pondok Indah highway has become an icon of lifestyle and shopping for people who live in the Bintaro Jaya area because Bintaro Jaya Xchange Mall has answered all the needs of the occupant in that area. In the future, this area will involve urban hub development with the concept of an area that is integrated with the development of the Jurangmangu Intermodal Station, office building, shopping center, condominium, and star hotel. The presence of this mall in Jakarta is not only to complete Bintaro Jaya becomes an independent city area that is habitable but also to make this area as an occupancy that is loved by its people, with integrated public transportation facilities and systems, now Bintaro Jaya residents don't have to waste their time and energy just to have a meeting with their work colleague or just to spend the weekend with their beloved family in Jakarta region.

Based on the result of the data collection, primary or secondary data obtained a description of the results of the study. Data is processed based on data collected through a data collection tool. According to the number of respondents that is specified, the number of questionnaires that are distributed to respondents was 150 and returned entirety. After the questionnaire data is sorted, it turns out that overall meet the requirements and is feasible for analysis. Then by using the SPSS computer program for Windows, the data are analyzed and interpreted in order to solve the problems that have been formulated.

6.1. Research Analysis

6.1.1. The Validity of Variables Word of Mouth Test (X_1)

Validity testing is used to quantify the validity of the questionnaire items. The questionnaire is said to be valid if the questionnaire questions are able to reveal something that will be quantified.

Based on the table above, it can be seen that for each statement on the Word of Mouth variable (X_1) all instruments can be said to be valid because the calculated r_{count} value is bigger than the r_{table} value for $n = 150$, which is 0.159.

Based on the table above, it can be seen that each of the price variable statements (X_2) all instruments can be said to be valid because the calculated r_{count} value is bigger than the r_{table} value for $n = 150$, which is 0.159

TABLE 1: Validity of Variable Word of Mouth.

No	r_{count} Value	r_{table} Value n = 150	Explanation
1	0.479	0.159	Valid
2	0.653	0.159	Valid
3	0.647	0.159	Valid
4	0.676	0.159	Valid
5	0.706	0.159	Valid
6	0.702	0.159	Valid
7	0.59	0.159	Valid
8	0.661	0.159	Valid
9	0.519	0.159	Valid
10	0.557	0.159	Valid
11	0.686	0.159	Valid
12	0.503	0.159	Valid

Source: Questionnaire Data Compilation, 2019

TABLE 2: Price Variable Validity Test.

No	r_{count} Value	r_{table} Value n = 150	Explanation
1	0.574	0.159	Valid
2	0.532	0.159	Valid
3	0.588	0.159	Valid
4	0.522	0.159	Valid
5	0.688	0.159	Valid
6	0.644	0.159	Valid
7	0.615	0.159	Valid
8	0.712	0.159	Valid
9	0.574	0.159	Valid
10	0.672	0.159	Valid
11	0.628	0.159	Valid
12	0.559	0.159	Valid

Based on the table above, it can be seen that for each statement on the Consumer Visit Decision variable (Y) all instruments can be said to be valid because the calculated r_{count} value is much bigger than the r_{table} value for n = 150 which is 0.159.

TABLE 3: The Validity of Consumer Visit Decision Variables Test.

No	r_{count} Value	r_{table} Value n = 150	Explanation
1	0.5	0.159	Valid
2	0.399	0.159	Valid
3	0.552	0.159	Valid
4	0.661	0.159	Valid
5	0.575	0.159	Valid
6	0.599	0.159	Valid
7	0.399	0.159	Valid
8	0.6	0.159	Valid
9	0.42	0.159	Valid
10	0.444	0.159	Valid
11	0.489	0.159	Valid
12	0.436	0.159	Valid

Source: Questionnaire Data Compilation, 2019

6.1.2. Reliability Test

To determine whether the questionnaire is reliable or not, this study employs a reliability test.

TABLE 4: The Word of Mouth variable reliability test (X_1).

Cronbach's Alpha	N of Items
.850	12

Source: Questionnaire Data Compilation, 2019

Based on the table above, for the Word of Mouth variable reliability test (X_1), the calculated Alpha value is bigger than the critical Alpha ($0.850 > 0.60$) so that the Word of Mouth (X_1) variable which is assessed by 12 items is a reliable statement and can be used as a research variable.

Price Variable Reliability Test (X_2)

TABLE 5: Reliability Statistics.

Cronbach's Alpha	N of Items
.845	12

Source: Questionnaire Data Compilation, 2019

Based on the table above, for Price variable reliability test (X_2), the Alpha calculated value is bigger than critical Alpha ($0.845 > 0.60$) so that the price variable (X_2) is assessed with 12 items of statements that are reliable and can be used as research variables.

TABLE 6: Reliability Test of Consumer Visit Decision Variable (Y).

Reliability Statistics	
Cronbach's Alpha	N of Items
.735	12
Source: Questionnaire Data Compilation, 2019	

Based on the table above, for the reliability test of the Consumer Visit Decision variable (Y), the Alpha calculated value is bigger than the critical Alpha ($0.735 > 0.60$) so that the Consumer Visit Decision variable (Y) is assessed with 12 items of statements that are reliable and can be used as research variables.

6.2. Multiple Regression Analysis

The results of multiple regression analysis in this study using the computer program Statistical Product and Service Solutions (SPSS) version 20 for Windows can be seen in this table below:

TABLE 7: Multiple Regression Result.

Coefficients ^a						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	16.727	1.884		8.881	.000
	Word of Mouth (X1)	.349	.038	.486	9.105	.000
	Price (X2)	.371	.042	.470	8.820	.000
a. Dependent Variable: Consumer Purchasing Decisions (Y)						
Source: Questionnaire Data Compilation, 2019						

To determine the value of the multiple linear regression equation as follows:

$$Y = 16.727 + 0.349X_1 + 0.371X_2.$$

Can be explained as follows:

1. The intercept constant value is 16.727 states that if the Word of Mouth (X_1) variable, the Price variable (X_2) increases unit I, then the Consumer Purchase Decision variable (Y) will increase by 16.727.

2. The regression coefficient value of the Word of Mouth (X_1) variable on the Consumer Visit Decision variable (Y) is 0.349. This means that if the Word of Mouth (X_1) variable rises by 1 unit it will increase the Consumer Visit Decision variable (Y) by 0.349, by assuming the Word of Mouth (X_1) variable is considered constant.

3. The price variable regression coefficient (X_2) for the Consumer Visit Decision variable (Y) is 0.371. This means that if the price variable (X_2) rises by unit, it will increase the Consumer Visit Decision variable (Y) by 0.371, by assuming the price variable (X_2) is considered constant.

6.3. Results of the Hypothesis

6.3.1. The Effect of Word of Mouth (X_1) on Consumer Visit Decisions (Y)

If take a look at the results of the coefficients table above by using SPSS version 20 analysis, then the value of t_{count} for variable X_1 (Word of Mouth) is 9.105 while the value of t_{table} for $n = 150$ is 1.975. So $9.105 > 1.975$, it can be concluded that the Word of Mounth (X_1) variable partially influences Consumer Visit Decision (Y).

6.3.2. The Effect of Price (X_2) on Consumer Visit Decisions (Y)

If we take attention to the results of the coefficients table above by using SPSS version 20 analysis, then the value of t_{count} for variable X_2 (Price) is 8.820, while the value of t_{table} for $n = 150$ is 1.975. So $8.820 > 1.975$, it can be concluded that partially Price variable (X_2) influences Consumer Visit Decision (Y).

TABLE 8: Anova Test.

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	2475.398	2	1237.699	172.425	.000 ^b
	Residual	1055.195	147	7.178		
	Total	3530.593	149			

Source: Questionnaire Data Compilation, 2019

From the results of the ANOVA test or f_{count} obtained the value of f_{count} of 172.425 which is bigger than the value of the table for $n = 150$ of 2.66 or $172.425 > 2.66$ with a

significant level of 0,000 because $0,000 < 0.05$, then it can be said Word of Mouth (X_1) and Price (X_2) both influence the Consumer Visit Decision (Y).

6.4. Model Summary

TABLE 9: Model Summary.

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.837 ^a	.701	.697	2.67922
a. Predictors: (Constant), <i>Brand Image</i> (X_2), <i>Word of Mounth</i> (X_1)				
b. Dependent Variable: Consumer Visit Decision (Y)				

7. Conclusion

The conclusion of this research, as follows:

1. The influence of word of mouth to consumer visit decision with t_{count} value for X_1 variable (word of mouth) amount to 9.105, whereas t_{table} value for $n= 150$ amount to 1.975. Thus, $9.105 > 1.975$, it can be concluded that word of mouth variable (X_1) influences consumer visit decision (Y).
2. The influences of price to consumer visit decision with t_{count} value for X_2 variable (price) amount to 8.820, whereas t_{table} value for $n= 150$ amount to 1.975. Thus, $8.820 > 1.975$, it can be concluded that the price variable (X_2) influences consumer visit decision (Y).
3. There are the influences of word of mouth and price together on consumer visit decision with f_{count} values amounting on 172.425 bigger than f_{table} for $n = 150$ amounting to 2.66 or $172.425 > 2.66$ with a significant level of 0.000 due to $0.000 < 0.05$. Whereas Adjusted R Square values amounting to 0.697. It means word of mouth and price have an influence amounting to 69.7% to consumer visit decision and amounting to 30.3% influence with other factors not examined by the researcher in this research.

8. Suggestion

Based on the above, the suggestion can be stated, as follows:

1. It is expected from the management of Bintaro Jaya Xchange Mall to maintain a positive image and improve the quality of services, cleanliness and public facilities that already exist today, so as to enhance the positive image for Bintaro Jaya Xchange Mall to be able to encourage consumers to do word of mouth to consumers new by expanding the network on social media.
2. Bintaro Jaya Mall Xchange is expected to be able to better adjust the prices of products traded with the purchasing power of consumers so that consumers can respond to them more often come to Bintaro Jaya Mall Xchange. Where currently the tendency of consumers to be more crowded comes at discount programs or promos.
3. The management of Bintaro Jaya Xchange Mall is expected to pay more attention to consumers' desires with open communication and conduct evaluations through feedback so that consumers can provide their input so that they can provide positive word of mouth to other consumers, one of which is the quality of prices traded.

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