



The Effect of Word of Mouth, Brand Image, and Online Advertising on Purchase Decisions Using Grab-Food Services



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Abstract

This study aimed to determine the effect of word of mouth, brand image, and online advertising on purchasing decisions using Grab-Food services. The population in this study is consumers who use Grab-Food services. The sample in this study was 108 consumers who were obtained through sampling techniques with quota sampling and purposive sampling methods. The data collection method used a questionnaire distributed to all consumers, and the data was processed using multiple linear regression analysis. The results of the multiple linear analysis show that word of mouth, brand image, and online advertising has positive and significant effects on purchasing decisions using Grab-Food services.

Keywords

Brand image;
Grab-Food;
Online advertising;
Purchase decision,
Word of mouth;

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1 Introduction

Online transportation services offer human transportation services and are starting to penetrate online food delivery services. Online food delivery services can be ordered in the application, namely Go-Jek with the Go-Food feature and Grab with the Grab Food feature (Iisnawati et al., 2019). This feature makes it easier for the community and culinary business people because it is beneficial to reach consumers near or very far from the location (Tumpuan, 2020). In food delivery services, Go-Food is considered a pioneer (Raharjani, 2005). Consumers prefer to use the Go-Food application rather than Grab-Food in the delivery application (Abdilah, 2020). However, Grab also has the power to compete even more successfully; acquired Uber Grab this step, of course, would threaten the dominance of the Go-Food as one of the home delivery of food (Winarto, 2019).

Table 1
Food delivery service

No	Food delivery	Percentage e %
1	Go-Food	74.8%
2	Grab-Food	20.9%
3	Delivery service from outlet s	3.5%

Data Source: Processed from Questionnaire, 2021

The results of the IDN Times research are in table 1 it can be seen that Go-Food occupies the highest percentage of 74.8%, followed by Grab-Food 20.9%, delivery services from outlets 3.5 % (Wahyuni, 2020). The percentage of inter-messaging service food use applications Go-Food adrift far higher than ordering a meal through the Grab-Food and delivery service from outlets. In other words, consumer purchasing decisions more choose to order a meal through the Go-Food than service Grab-Food and delivery service from outlets.

Facing the Go-Food competition, Grab claims that the Grab-Food service will soon control 50% of the market share (Hoetoro & Satria, 2020). Grab-Food continues to innovate to provide different and value-added culinary experiences for users. Grab-Food has launched more than 130 features and technology improvements, bringing fast and reliable food delivery services to consumers (Dewi, 2020). The service improvements made by Grab make it easier for consumers to make purchasing decisions (Cretu & Brodie, 2007; Wu et al., 2011).

This research is inseparable from the results of previous studies that have been carried out. Several research results state that word of mouth, brand image, and online advertising affect purchasing decisions. However, several research results were also found that contradicted these results, causing a research gap. Researchers tried to find out and analyze the influence of word of mouth, brand image, online advertising, and purchasing decisions using Grab-Food services and conducted a study entitled "The Effect of Word of Mouth, Brand Image, and Online Advertising on Purchase Decisions Using Grab- Service Services. Food" (Michel & Rieunier, 2012; Chien et al., 2011).

Literature Review

Kepu decision- purchase

According to Tendai & Crispin (2009), a decision is selecting two or more options. So, in other words, choices must be available when someone makes a decision. Kotler & Armstrong (2001), that the process of making a purchase decision consists of five stages, including the introduction of needs, information search, evaluation of various alternative purchasing decisions, post-purchase behavior (Rowson & Yoxall, 2011; Devine et al., 2009).

Word Of mouth

Kotler & Armstrong (2001), word of mouth as a personal communication about the product between buyers and the people around them. Word of mouth is the most effective form of promotion. Satisfied consumers will be the spokesperson for the company's products more effectively and convincingly than any type of advertising. Consumers will trust more credible sources (known people) than the company's salesperson. Word of mouth communication has a significant effect on consumer buying behavior (Kartajaya, 2006).

Brand image

The food product or service offered has a brand that distinguishes it from other food products or services (Sangadji & Schlagen, 2013). Brand image is an important thing that companies need to pay attention to. Consumers tend menjadikan brand image sebagai acuan before melakukan pembelian suatu products / jasa. Brand image is an important aspect that has a relationship with the product, and consumers will pay attention to it in making purchasing decisions (Pratiwi & Ekawati, 2020).

Online advertising

According to Kotler & Armstrong (2001), the comprehensive understanding of advertising is all forms of non-personal presentation and promotion of ideas, goods, or services by a particular sponsor that requires payment. Advertising, according to Suhandang (2005), is a mass communication process that involves certain sponsors, namely advertisers (advertisers), who pay for the services of mass media for broadcasting their ads (Ashraf et al., 2013). Online advertising (advertising) is a graphic image that sometimes includes small pieces of software code that can make consumers interact further just by clicking on it (Iisnawati et al., 2019).

2 Materials and Methods

The population in this study is consumers who use Grab-Food services. The sample in this study was 108 consumers who were obtained through sampling techniques with quota sampling and purposive sampling methods. Quota sampling is a sampling technique by way of setting a certain amount as a target to be met in the sampling of the population (especially the infinite or not precise), then to the benchmark amount is the researchers took samples of arbitrary origin to qualify as a sample of the population (Sugiyono, 2010; Sgier, 2012). Sam mop is taken in every district in the city of Palembang, which consists of 18 districts. Each sub-district has a quota of 6 samples. The number of samples in this study amounted to 108 people (Kuisma et al., 2010; Wang & Sun, 2010).

3 Results and Discussions

Regression analysis helps know the direct relationship that occurs between the independent variables, namely word of mouth (X1), brand image (X2), online advertising (X3), to the dependent variable, namely purchasing decisions (Y). The following are the results of multiple linear regression calculations:

$$KP = + 1WOM + 2BI + 3OA + e$$

$$KP = 13, 801 + 0.494 WOM + 1.547 BI + 0.571 OA$$

Based on the results of the above equation, the following conclusions can be drawn:

- A constant value of 13, 80 1 indicates that if the absence of a variable word of mouth, brand image, and online advertising, then purchasing decisions amounted to 13.801.
- The coefficient of word of mouth by 0, 494 shows that if the variable word of mouth plus 1 unit of the purchase decision will be increased by 0. 494 %.

- The value of the brand image coefficient of 1.547 indicates that if the brand image variable is added by 1 unit, the purchasing decision will increase by 0.319 %.
- The online advertising coefficient value of 0.571 indicates that if the online advertising variable is added by 1 unit, the purchase decision will increase by 0.319 %.

Table 2
Result of correlation coefficient (r) and coefficient of determination (R²)

Model	R	R Square	Adjusted R Square	Std. The error of the Estimate
1	.825	.681	.671	7.22375

Data Source: Processed from Questionnaire, 2021

Based on the Output Model Summary in Table 2, the results of the correlation coefficient test (R) show that the magnitude of the influence of word of mouth, brand image, and online advertising variables on purchasing decisions is 0.825 or 82.5%. The magnitude of the numbers R square (R²) is 0681 or 68.1%. This figure means how the variables of word of mouth, brand image, and online advertising can explain purchasing decisions on Grab-Food services while other factors influence the remaining 31.9%.

Table 3
Test Significance of Individual Parameters (t-test)

Model	Coefficients		t	Sig.		
	Coefficients					
	Unstandardized	Standardized				
	B	Std. Error	Beta			
1	Constant	13.801	4,529		3.047	,003
	Word-of-mouth	,494	,207	,197	2,390	0.019
	Brand Image	1,547	,270	,502	5,724	,000
	Online Advertising	,571	,249	,207	2,290	,024

Dependent Variable: Purchase Decision

Data Source: Processed from Questionnaire, 2021

Based on the calculation results of the t-test analysis in Table 3, it can be described as follows:

- The word of mouth variable (X1) has a beta value of 0.494 with a significant value of 0.019, which is smaller than 0.05. This means that the word of mouth variable has a significant effect on purchasing decisions.
- Variable brand image (X2) has a beta of 1.547 with a significance value of 0.000, which is smaller than 0, 05. This means that the brand image variable has a significant effect on purchasing decisions.
- Variable online advertising (X3) has an influence beta of 0.571 with a significance value of 0.024, less than 0.05. This means that the online advertising variable has a significant effect on purchasing decisions.

Influence of word of mouth using grab-food service on purchase decision

Based on statistical calculations that have been carried out, it is known that hypothesis 1 is accepted, which means word of mouth has a positive and significant effect on purchasing decisions. From the research results, the coefficient for the word of mouth variable is 0.494, with a significant value of 0.019 at a significance level of 0.05. Thus, word-of-mouth communication significantly affects consumer buying behavior (Kertajaya, 2006). Kotler & Armstrong (2001), word of mouth as a personal communication about the product between buyers and the people around them. Word of mouth is the most effective form of promotion. Satisfied consumers will be the spokesperson for the company's products more effectively and convincingly than any

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type of advertising. Consumers will trust more credible sources (known people) than the company's salesperson (Kim & Kim, 2011; Enneking et al., 2007).

This study is in line with the results of previous research conducted by Eo et al. (2018); Nugraha & Aditya, (2015) which stated that there was a positive and significant influence between word of mouth on purchasing decisions. This means that the better word of mouth is applied through social media, the easier it is for consumers to decide to buy products (Joesyiana, 2018). Different results were found in research from Arumsari & Ariyanti (2017), and which said that word of mouth had the opposite effect on purchasing decisions.

Judging from the frequency distribution table, it shows that consumers feel that word of mouth for Grab-Food services is very good. Grab-Food consumers quickly get information through social media, daily conversations from the closest people, and get recommendations from people who have used Grab-Food services (O'Cass, 2000; Jalilvand et al., 2011).

Effect of brand image using grab-food service on purchase decision

Based on statistical calculations that have been carried out, it is known that hypothesis 2 is accepted, which means that brand image has a positive and significant effect on purchasing decisions. From the study results, the coefficient for the brand image variable was 1.547 with a significant value of 0.000 at a significance level of 0.05. Thus, brand image has a positive and significant effect on purchasing decisions. Kotler & Armstrong (2001), brand image describes the extrinsic nature of a product or service, including how the brand seeks to meet customers' psychological or social needs. When a brand image has been able to build the product's character and provide a value proposition, then convey the product's character to its customers uniquely, it means that the brand has given an emotional power more than the rational power possessed by the product.

This research is in line with the results of previous studies conducted by Leksono & Herwin, (2017); Fahmi et al. (2020); Pratiwi & Ekawati (2020), which states that there is a positive and significant influence between the brand image on purchasing decisions. This means that the better the brand image, the easier it is for consumers to decide to buy products (Nurhayati, 2017). Different results were found in research from Foster Sumarsono & Santoso (2019), which said that brand image had no significant effect on purchasing decisions.

Judging from the frequency distribution table, it shows that consumers feel that the brand image of the Grab-Food service is perfect. It is easy for consumers to remember the Grab brand name, Grab-Food, with the highest score of 4,287. This states that consumers tend to use the brand image as a reference before purchasing a product/service (Sari & Pradhana, 2018; Rizki, 2015).

Effect of online advertising using grab-food services on purchase decisions

Based on statistical calculations that have been carried out, it is known that hypothesis 3 is accepted, which means online advertising has a positive and significant effect on purchasing decisions. From the study results, the coefficient for the online advertising variable was 0.571, with a significant value of 0.024 at a significance level of 0.05. Thus, online advertising has a positive and significant effect on purchasing decisions. Online advertising (advertising) is a graphic image that sometimes includes small pieces of software code that can make consumers interact further just by clicking on it (Iisnawati et al., 2019). Online advertising can affect the level of purchase by internet users. Promotion through the internet and continuous advertising can also directly affect purchasing decisions (Ranius, 2014).

The results of research conducted by Irawan (2020); Prasetyo et al. (2016), found that online advertising has a positive and significant effect on purchasing decisions. Meanwhile Jamarnis & Susanti (2019), research obtained the opposite result. Namely, online advertising does not have a significant effect on purchasing decisions. Judging from the frequency distribution table, it shows that consumers feel that online advertising for the Grab-Food service is excellent. Consumers never see an ad Grab-Food from the Internet with the highest score of 4.315. Consumers feel that online advertising through the internet is easy to access via mobile phones due to its broad reach.

4 Conclusion

Based on the results of research and analysis that has been done, this research can be concluded as follows :

- Word of mouth variable has a positive and significant effect on purchasing decisions using Grab-Food services.
- Brand image variable has a positive and significant effect on purchasing decisions using Grab-Food services.
- Online advertising variables have a positive and significant impact on purchasing decisions using Grab-Food services.

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