The Influence of Digital Marketing and Word of Mouth on Purchase Decisions Through Purchase Interest in MSME Roof Tiles Products

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Article Info	ABSTRACT
	This research is aimed at examining the direct and indirect influence of Digital Marketing and word of mouth on purchasing decisions through purchase interest tested on MSME roof tile products. The method used in this research is to use a quantitative approach. This research is included in the type of explanatory research with a sample of 100 respondents. The analysis used is structural equation modeling (SEM) with the SmartPLS application. The results of the direct influence analysis show that Digital Marketing and Word of Mouth have a positive and significant influence on purchasing interest, and Digital Marketing and Word of Mouth have a positive and significant influence on purchasing decisions. In the indirect influence test, the results show that Digital Marketing and Word of Mouth have a positive and significant influence on purchasing decisions through purchase intention.

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INTRODUCTION

Global economic conditions have recently experienced ups and downs, starting with the emergence of the coronavirus in 2019, where the virus that first appeared in Wuhan China, spread rapidly throughout the world which eventually became a pandemic making all countries restrict human movement so that it had a direct impact on global economic growth, the MSME Phenomenon (Micro, Small Enterprises, and Medium) in East Java which is one of the sectors that has grown rapidly in recent years. The following are some facts about the growth of MSMEs in East Java. The tile industry sector is supported by the growth of construction, housing development, and building repair and if market demand increases, clay tile manufacturers may increase their production. East Java has a large reserve of clay, which is the main raw material in the manufacture of clay tiles. The availability of adequate clay will affect the production of tiles. The climate in

East Java can affect the production of clay tiles because the drying process of tiles usually uses sunlight. The rainy season or bad weather can hamper production. Economic conditions, including inflation rates, interest rates, and people's purchasing power, can also affect the production of clay tiles. Competition with other tile manufacturers can also affect production. Manufacturers of Bintang Mas Sampang MSME tile products must compete in terms of price, quality, and innovation [1]. Tile handicrafts are a small industry that has a very important role in absorbing labor, distributing income, and improving the welfare of the community [2]. The clay tile industry is an industrial activity that is carried out by producing tiles through manual or direct labor work or by using tools or press machines. [3].

Research on buying interest has been done before according to [4] Buying interest is an action before consumers decide to buy a product they want. In another sense, buying interest is a consumer behavior where consumers have a desire to buy or choose a product based on experience in choosing, using or consuming or even wanting a product. While research that discusses purchase decisions involves a series of choices formed by consumers before buying, after their wants and needs are met, purchasing behavior is carried out [5]. Research on factors that influence buying interest and purchase decisions as well as research conducted by [6]. Other research results show that Word of Mouth has a positive and significant effect on purchase decisions and Digital Marketing has a positive and significant effect on purchase decisions.

Literature Review

Marketing management is the art or science of selecting a target market, attracting, retaining and increasing the number of customers through the creation and management of customer communications in a profitable way. The marketing objective is to satisfy the needs and desires of consumers and the company to benefit from the transaction[7]. In order for this to be achieved, various considerations are needed from the results of market research. Marketing research is the entire process of designing, collecting, analyzing and reporting various relevant data and findings from the specific marketing situation that the company faces in a systematic manner [8]. Thus, the results of the research can help marketing management in making decisions.

A purchase decision is the process by which consumers combine knowledge to choose two or more alternatives that are influenced by factors such as product quality, price, location, brand image, promotion and others [9]. In decision-making, companies must observe consumer behavior. Observations are made on individuals, groups or organizations in purchasing products with the aim of fulfilling [10]. Understanding consumer behavior helps companies in developing and developing marketing strategies, establishing the right quantity and quality of products. Thus, the company can continue to adapt to every change by producing products according to tastes and still exist in the midst of competition.

Buying interest is part of the component of consumer behavior in consumption attitudes, the tendency of respondents to act before the purchase decision is actually

implemented [11]. Buying interest is a concept in the study of consumer behavior that examines the factors that affect a person's interest or intention to buy a product or service. This theory focuses on the purchasing decision-making stage where individuals develop an interest or desire to meet their needs or wants by making a purchase. [12].

It is a marketing activity with the use of digital channels, platforms, and technologies to promote products, services, or brands to the target audience. It includes a variety of online activities and strategies designed to attract, engage, and convert potential customers. [13] Digital marketing is becoming increasingly important in the modern business landscape due to the widespread use of the internet and digital devices. Some of the main components and strategies that are generally related to digital marketing include Search Engine Optimization, Social Media Marketing, Influencers, and Video Marketing. Digital marketing offers the advantages of precise targeting, real-time tracking, and the ability to quickly adjust campaigns (Sukesi & Sugiyanto, 2022). This allows businesses to reach a global audience and personalize their marketing efforts to a granular level. However, the digital marketing landscape is constantly evolving, so staying up-to-date with the latest trends and technologies is essential for success in this field. [15].

Word of Mouth (WoM) has emerged in the marketing literature as an important concept defined as the behavioral outcome of a customer's identity with an organization. [16] Word of Mouth (WoM) can include comments or suggestions provided by customers based on their own experiences. These left comments can be used as a reference for other consumers when they decide to buy a particular good or service. Positive comments such as company promotions by taking advantage of customer satisfaction who have already purchased them, so that information seekers can read about the company's goods and services as a consideration when deciding to buy the goods or services. Comments that convince buyers are positive comments. [17]. WoM can be in the form of searching for product information from companies to consumers. This may have an impact on the person who reads. Positive comments are very beneficial for customers to use as a reference and consider before purchasing a company's products or services. Thus, it can be concluded that ewom is a type of communication in which customers send both positive and negative messages about a product [18].

METHODS

The focus of this research is the factors that affect buying interest and purchase decisions as well as consumer behavior variables that will be tested whether they moderate between buying interest and purchase decisions. By using a quantitative approach. This research is included in the type of explanatory research which is research conducted with the aim of explaining relationships, analyzing and finding out the causes behind social phenomena that occur [19]. Where the social phenomena that occur are influenced by certain variables. With the type of quantitative approach, it is an approach that uses a lot of numbers ranging from collection, data analysis with statistics to data

presentation (Siyoto and Sodik 2019). The research process was carried out systematically, planned and structured from start to finish with the location selection being the Bintang Mas MSME tile product manufacturer in Sampang district,

Population is the sum of the subjects and objects to be studied by researchers in a certain area [21]. While the sample is part of the population and its attributes. If the population is large and the researcher does not have enough funds, energy, or time to study all its aspects, then the sample taken from that population can be used as a representation [22]. Based on the results of the calculation above, the sample value is 96.04 respondents, so the sample used in this study is rounded to 100 respondents using Structural Equation Modeling, SEM, based on Partial Least Square (PLS) as an analysis tool

RESULT AND DISCUSSION

1. Research Outer Model Testing

a. Validity Indicators (Outer loadings) and Convergent Validity (AVE)

The validity indicator can be measured using the outer loading score, if the outer loading value is more than 0.70 (>0.70) then the indicator can be used. The Average Variance Extracted (AVE) value that meets the minimum criteria is greater than 0.50 (>0.50). If in the test there is an outer loading value below 0.70, the indicator can still be used on the condition that the minimum loading value is greater than 0.40 (Loading >40) and the AVE value is more than 0.50 (AVE >0.5) so that the variable can be said to be valid. If it is less than 0.40 then it must be removed.   [23, p. 126]

Outer loadings and Convergent Validity (AVE) Indicator Tables

Leave it variable	Indicator	Loading (>0.70)	AVE(>0.5)
Digital Marketing X1	X1.1	0.820	0.710
	X1.2	0.845	
	X1.3	0,843	
	X1.4	0.862	
Word of Mouth X2	X2.1	0.873	0.708
	X2.2	0.757	
	X2.3	0,836	
	X2.4	0.895	
Z Buying Interest	Z1	0.859	0.730
	Z2	0.866	
	Z3	0.797	
Y Purchase Decision	Y1	0.859	0.730
	Y2	0.837	
	Y3	0.872	
	Y4	0.849	

Source : Research data processed using SmartPLS 3 software in 2024

Based on the table above, the following information can be known:
1. The loading value of the entire construct is above 0.70.
2. Average Variance Extracted (AVE) values are entirely above 0.50
3. Based on the results of the calculation of the loading value of the factor that meets the criteria and the Average Variance Extracted (AVE), all variables and indicators have met the validity criteria and can be used for further tests

b. Construk Reliability (Cronbach's Alpha dan Composite Reliability)
The reliability test of the construct is measured by composite reliability and Cronbach's alpha. The variable construct is declared reliable if it has a composite reliability value above 0.70 and Cronbach's alpha above 0.70   [23, p. 125]

**Tabel Construk Reliability (Cronbach's Alpha dan Composite Reliability)**

Leave it variable	Cronbach's alpha	Composite reliability (rho_c)
Digital Marketing X1	0.864	0.907
Word of Mouth X2	0.865	0.906
Z Buying Interest	0.795	0.878
Y Purchase Decision	0. 876	0.915

Source : Research data processed using SmartPLS 3 software in 2024

Based on the table above, the following information can be known:
1. The value of Cronbach's Alpha for all variables is greater than 0.70.
2. Composite Reliability value of all variables greater than 0.70
3. Based on the results of the Reliability Construct calculation (Cronbach's Alpha and Composite Reliability) In the calculation of Cronbach's Alpha all variables met the criteria, the results of the calculation of Outer loading, AVE and Composite Reliability all met the criteria. Based on these considerations, the research model can be used for subsequent testing.

2. Research Inner Model Testing
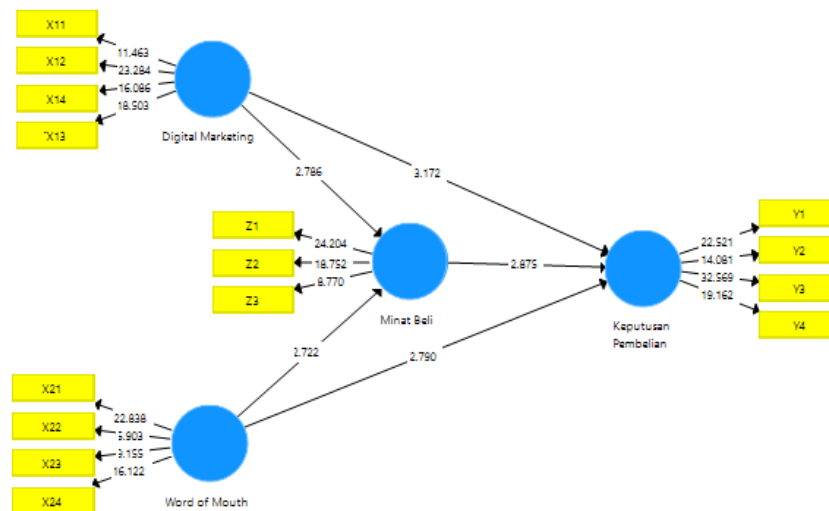
Inner Model Research Test Image

Data source: processed using SmartPLS Software 4.0.9.5 of 2023

Research Path Analysis Test Table

No.	Hipotesiss	*Original Sample (O)*	T Statistics (|O/STDEV|)	P *Values*	Information
1	Digital Marketing X1 -> Minat Beli Z	0.335	2.786	0.006	Accepted
2	Word of Mouth X2 -> Minat Beli Z	0.201	2.722	0.007	Accepted
3	Z Buy Interest -> Y Purchase Decision	0.339	2.875	0.004	Accepted
4	Digital Marketing X1 -> Buying Decision Y	0. 377	3.172	0.002	Accepted
5	Word of Mouth X2 -> Y Purchase Decision	0.213	2.790	0.005	Accepted
6	Digital Marketing X1 -> Buying Interest Z -> Buying Decision Y	0.113	1.970	0.049	Accepted
7	Word of Mouth X2 -> Buying Interest Z -> Buying Decision Y	0.068	2.092	0.037	Accepted

Source: Research data processed using SmartPLS 3 software in 2024

From the results of the path analysis above, the following equation is produced:

Based on the table above, the following information can be known:

1. The Influence of *Digital Marketing* (X1) on Buying Interest (Z)

Based on the table above, the *Original Sample* (O) *value of Digital Marketing* (X1) on Buying Interest (Z) is 0.335 and P *Values* 0.006 is less than 0.05, thus it can be concluded that there is a positive and significant influence between *Digital Marketing* (X1) and Buying Interest (Z), this result shows that *Digital Marketing* activities carried out by buyers has an impact on consumer buying interest, so it is quite significant, this is due to the assumption that *Digital Marketing* activities by previous buyers can be accepted by other buyers.

2. The Effect *of Word of Mouth* (X2) on Buying Interest (Z)

Based on the table above the *Original Sample* (O) value *of Word of Mouth* (X2) on Buying Interest (Z) of 0.201 and P *Values* of 0.007 is less than 0.05, thus it can be concluded that there is a positive and significant influence between *Word of Mouth* (X2) on Buying Interest (Z), this result shows that the more Word *of Mouth* activitydone by the buyer, the better the result on the consumer's buying interest, and vice versa, the less Word *of Mouth activity* is carried out by the buyer, the worse the result is for the consumer's buying interest.

3. Effect of Buying Interest (Z) on Purchase Decision (Y)

Based on the table above, the *Original Sample* value (O) of Buying Interest (Z) to Buying Interest (Z) is 0.339 and P *Values* 0.004 are less than 0.05, thus it can be concluded that there is a positive and significant influence between Buying Interest (Z) on Purchase Decision (Y), this result shows that the more visible it attracts the attention that the product has, the better it is for consumer purchase decisions, Likewise, on the contrary, the more unattractive a product is offered, the results are not good for consumer purchase decisions.

4. The Influence of *Digital Marketing* (X1) on Purchase Decisions (Y)

Based on the table above, the value of *Original Sample* (O) of Buying Interest (Z) to Buying Interest (Z) is 0.377 and P *Values* of 0.002 are smaller than 0.05, thus it can be concluded that there is a positive and significant influence between *Digital Marketing* (X1) on Purchase Decision (Y). This result shows that the more attractive the product on the digital platform, the better it is for the purchase decision consumers, as well as vice versa, are increasingly less attractive to a product offered, the results are not good for consumer purchase decisions.

5. The Influence *of Word of Mouth* (X2) on Purchase Decisions (Y)

Based on the table above, the *Original Sample* value (O) of Buying Interest (Z) to Buying Interest (Z) is 0.213 and P *Values* 0.005 are less than 0.05, thus it can be concluded that there is a positive and significant influence between Buying Interest (Z) on Purchase Decision (Y), this result shows that the more frequent promotional activities with social media means, the better it is for consumer purchase decisions, Likewise, vice versa, promotional activities with digital means are becoming less and less frequent, so the introduction of good products will later affect consumer purchase decisions.

6. The Influence of *Digital Marketing* (X1) on Purchase Decisions (Y) through Buying Interest (Z) Based on the table above, the *value of the Original Sample* (O) of Buying Interest (Z) to Buying Interest (Z) is 0.201 and the P *Values* of 0.007 are smaller than 0.05, thus it can be concluded that there is a positive and significant influence between *Digital Marketing* (X1) towards a Purchase Decision (Y) via Buying Interest (Z). These results show that the Digital *Marketing* variable (X1) has an influence supported by buying interest in influencing consumer decisions in choosing an MSME tile product

7. The Effect *of Word of Mouth* (X2) on Purchase Decision (Y) through Buying Interest (Z) Based on the table above, the *Original Sample* value (O) of Buying Interest (Z) to Buying Interest (Z) is 0.201 and P *Values* of 0.007 are less than 0.05, thus it can be concluded that there is a positive and significant influence between *Word of Mouth* (X2) on Purchase Decision (Y) through Buying Interest (Z), This result shows that the Word *of Mouth* (X2) variable has an influence supported by buying interest in influencing consumer decisions in choosing an MSME tile product

CONCLUSION

1. Based on the results of the test above, it shows that Digital Marketing (X1) and Word of Mouth (X2) have a positive and significant influence on buying interest (Z), this is shown by the Original Sample (O) and P Values values smaller than 0.05. As well as Buying Interest (Z), Digital Marketing (X1) and Word of Mouth (X2) facing Purchase Decision (Y) because the Original Sample (O) and P Values are less than 0.05.

2. Based on indirect testing, it is shown that Digital Marketing (X1) and Word of Mouth (X2) in the face of Purchase Decision (Y) through Buying Interest (Z) have a positive and significant influence, this is shown by the Original Sample (O) and P Values are less than 0.05.

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