RESEARCH ARTICLE

The impact of e-WOM, price, and product quality on consumer purchasing decisions for HNI products

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ABSTRACT

This study examines the influence of electronic word of mouth (eWoM), price, and product quality on purchase decisions for Halal Network International (HNI). Using a quantitative approach with a causal associative design, the research targets customers of the HNI Business Centre in Lhokseumawe. A total of 96 customers were selected as the sample, and data were collected through a validated and reliable questionnaire. Multiple regression analysis was employed to analyze the data. The findings reveal that eWoM, price, and product quality each have a significant positive impact on purchase decisions. Furthermore, these three factors collectively influence consumer decisions in choosing HNI products. These results highlight the importance of digital consumer engagement, competitive pricing, and product quality in shaping purchasing behavior.

1. Introduction

Marketing activities are an important function of a company's success in obtaining profits or benefits from product sales, so that the survival of a company is highly dependent on its marketing strategy policies. Products, prices, distribution, and product quality are variables that can influence consumers to use the products offered by the company. One important variable that companies must pay attention to is product quality. This variable greatly influences consumers to buy the products offered by the company.

Nowadays, lifestyles and high mobility mean that people no longer pay much attention to their surroundings. Busy schedules are also one of the factors that make people now tend to choose practical and instant things to meet their daily needs. Technological developments have driven faster mobility and information exchange, especially in the fields of trade and marketing (e-commerce). Various companies have

taken advantage of this opportunity to develop internet-based businesses, as the internet has become an integral part of human life.

As time goes by, Multi-Level Marketing companies have emerged as a means of fulfilling lifestyle needs, fashion needs, and even health needs. MLM companies tend to use the internet as one of their marketing strategies. PT. Halal Network Internasional (HNI) is a Sharia MLM company engaged in the pharmaceutical industry that markets and manufactures products for public needs, ranging from health and beauty products to household necessities. Currently, the use of HNI products is quite widespread and continues to increase in the city of Lhokseumawe.

The paradigm shift in consumer behavior has become increasingly dynamic in the era of globalization and the development of information technology. One phenomenon that is becoming increasingly prevalent is Electronic Word of Mouth (e-WOM), where consumers not only rely on recommendations from those closest to them, but also access product reviews and testimonials through online platforms. In this context, the HNI Lhokseumawe Business Center, as a distributor of HNI health and beauty products, faces a major challenge in understanding the influence of e-WOM on consumer purchasing decisions. It is important to recognize that e-WOM plays a significant role in shaping consumer perceptions of a product or brand. Reviews and testimonials that are widely circulated in cyberspace can have a positive or negative impact on a product's image, which ultimately influences consumer purchasing decisions. Positive electronic word of mouth is very important for companies because it can be an effective marketing strategy that can increase sales due to consumer trust. Consumers will provide positive reviews based on their experiences using the product, so electronic word of mouth will have a strong influence on people who are considering purchasing HNI products.

HNI product sales tend to fluctuate annually because when it was first established in 2012, it did not have many product variations. However, over time, HNI has continued to innovate and release various products on a regular and significant basis, and now HNI has more than a hundred types of products. With its marketing method that employs the use, story, invite (PCA) strategy, electronic word of mouth has a significant influence on the decision to purchase HNI products at the HNI Lhokseumawe Business Center. Through word of mouth and social media, active users of HNI products who share their experiences as consumers influence others to also purchase HNI products. Additionally, price is a crucial factor influencing consumer purchasing decisions. In the context of the HNI Business Center in Lhokseumawe, the price of Halal Network International products can play a significant role. Consumers tend to consider the balance between product quality and price. Competitive prices that are in line with the added value of halal products can be a major attraction for consumers who are sensitive to their budget. Setting the right price can affect the number of products that a company is able to sell.

In most cases, demand and price are inversely proportional, meaning that the higher the price, the lower the demand for the product.

Product quality is a measure to increase the number of consumers or customers in making purchasing decisions for HNI products in Lhokseumawe, given that the quality of products provided by HNI is good and provides positive value for consumers who decide to use them. Good quality is an important factor in influencing consumer purchasing decisions. HNI products can be said to be of good quality if the products provided by a company to consumers are satisfying and provide the expected benefits. Product quality is very important in the purchasing process because good quality products have a significant influence on purchasing decisions, which ultimately benefit the company.

In previous research, Joshua & Padmalia (2016) stated that product quality has a significant effect on purchasing decisions, while in Yuliarti's (2016) research, it was stated that product quality has no significant effect on purchasing decisions. Companies are required to be able to recognize the current and future needs and desires of consumers. In this industry, price and product quality are also crucial aspects that companies must pay attention to. Competitive prices and consistent product quality are two elements that can influence consumers' perceptions of product value and ultimately influence their purchasing decisions. Therefore, it is important to identify the extent to which e-WOM, price, and product quality contribute to consumers' purchasing decisions for HNI products at the HNI Business Center in Lhokseumawe.

Through a deep understanding of the influence of e-WOM, price, and product quality on purchasing decisions, the HNI Business Center in Lhokseumawe can optimize the company's marketing and sales strategies. This research is expected to provide valuable insights for the company in facing the ever-evolving market dynamics and strengthening its position in the health and beauty product industry competition.

2. Literature review
2.1. Purchase Decisions

As complex individuals, consumers use their psychology in making decisions. Consumers, who are the most important drivers in a company, certainly have different behaviors and perceptions. Therefore, companies must be able to move consumers to use the products offered. A consumer's use of a product is inseparable from their activities in the purchasing process. However, before making a purchase, consumers will go through a phase of the purchasing decision-making process.

According to Schiffman, et al. (2018), a purchase decision is a choice between two or more alternative purchase decisions, which means that a person can make a decision

and there must be several alternative choices. Meanwhile, according to Kotler and Keller in Biby S, et. al (2021), a decision is a problem-solving process consisting of problem recognition, information seeking, alternative research, making a purchase decision, and purchasing behavior that consumers go through.

2.2. Local Government Financial Accounting System

Purchase recommendations from others are generally considered more trustworthy than promotional activities carried out by companies. So, the greater the risk perceived by customers in purchasing a product, the more actively they seek and rely on word of mouth (WOM) to help them make their decisions. Consumers who lack information about a product rely more on WOM than customers who already understand it.

According to Kotler (2016), some marketers emphasize two specific forms of word of mouth (buzz and viral). Buzz marketing (gossip/conversation) generates interest, creates excitement, and expresses new relevant information related to a product or brand through unexpected or even surprising means. Furthermore, according to Hasan (2018), word of mouth is praise, recommendations, and customer comments about their experiences with services and products that truly influence customer decisions or purchasing behavior. According to Jalilvand in Wijaya & Paramita (2014), eWOM has become a "venue" or a very important place for consumers to give their opinions and is considered more effective than WOM because of its greater accessibility and reach than traditional offline WOM.

2.3. Price

Price refers to the amount of money or value set to obtain or own a product or service. In the context of economics and business, price is an important factor that plays a role in the mechanism of exchange of goods and services between sellers and buyers. According to Herman, et.al, (2020) price also means the amount of money that consumers must pay to obtain a product.

Meanwhile, according to Tjiptono (2021), price is an amount of money (monetary unit) and other measures (including other goods and services) that are exchanged to obtain the right to own or use a good or service. Meanwhile, according to Kotler and Amstrong (2020), price is defined as the amount of money charged for a product or service. More broadly, price is the amount of value that consumers exchange to obtain the benefits of owning or using a product or service.

3. Research methodology

3.1. Methods used

The approach used in this study is a quantitative approach. According to Sugiyono (2013), quantitative research methods are research methods in the form of numbers and analyzed using statistics. The data collection technique used in this study is a questionnaire. A questionnaire is a data collection technique conducted by providing a set of written questions or statements to respondents for them to answer Sugiyono (2013). Thus, the researcher conducted the study to obtain the required data by distributing questionnaires to consumers who use HNI products at the HNI Business Center in Lhokseumawe.

3.2. Research population

According to Sugiyono (2013), a sample is a portion of the population used as the actual data source. This study uses non-probability sampling. Non-probability sampling is a sampling technique that does not give equal opportunity for each element of the population to be selected as a sample member (Sugiyono, 2013). With an incidental sampling approach, incidental sampling is a technique for determining samples based on chance, namely anyone who happens to meet the researcher and can be used as a sample Sugiyono (2013). Since the population size in this study is unknown, this is because there is no definitive data on the number of consumers who purchase HNI products at the HNI Business Center in Lhokseumawe. Since the population in this study is unknown, the sample size is determined using the formula according to Supranto (2014), which is:

$$n = \frac{1}{4}\left[\frac{Z^{\alpha}/_2}{e}\right]^2 \tag{1}$$

Explanation:

n = Sample size

α Z = Required confidence level for the sample in the study α =5% (with a confidence level of 95%) has a value of 1.96

E   = Tolerable error rate (set at 10%)

$$n = (0{,}25)\left(\frac{1{,}96}{0{,}1}\right)^2$$
$$n = (0{,}25)(19{,}6)^2$$
$$n = (0{,}25)(384{,}16)$$
$$n = 96.04$$

Therefore, the sample size for this study is 96 respondents.

3.3. Data analysis

Multiple linear regression analysis was conducted to prove whether there was an effect. In analyzing the data obtained in this study, the author used a quantitative method, namely a method of analyzing data obtained in numerical form, which will then be discussed and analyzed using statistical tools through the multiple linear regression equation method using the SPSS 20 (Statistical Package for Social Science) program. The multiple linear regression equation formula in this study is:

$$Y = \alpha + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \varepsilon \tag{2}$$

The variables used in this study consist of Y, representing the Purchase Decision as the dependent variable, and three independent variables: X1 for Electronic Word of Mouth, X2 for Price, and X3 for Product Quality. The symbol α denotes the constant term, while β_1–β_3 represent the multiple regression coefficients that indicate the magnitude and direction of the influence of each independent variable on the dependent variable.

4. Results

4.1. Multiple linear regression testing

The data analysis used in this study is quantitative analysis with multiple linear regression equations. Quantitative analysis is an analysis used to analyze data obtained from questions that require statistical calculations, so this analysis is often referred to as statistical analysis. In this study, it is used to test electronic word of mouth, price, and product quality on purchasing decisions.

Table 1 Data Analysis Methods

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	0.840	1.282		0.655	0.514
Electronic Word of Mouth	0.117	0.054	0.146	2.172	0.032
Price	0.485	0.124	0.389	3.901	0.000
Product Quality	0.436	0.103	0.408	4.227	0.000
F test	86.271				0.000
R	0.859				
R Square	0.738				
Adjusted R Square	0.729				

Source: Authors

Based on Table 1, the multiple linear regression equation obtained is:

$$Y = 0.840 + 0.117X_1 + 0.485X_2 + 0.436X_3 + e.$$

The constant value of 0.840 indicates that if the variables of electronic word of mouth, price, and product quality are assumed to be constant (equal to zero), the purchase decision has a baseline value of 0.840. The regression coefficient for electronic word of mouth (X_1) shows a positive relationship, meaning that an increase in electronic word of mouth will lead to an increase in purchasing decisions. Similarly, the price variable (X_2) also has a positive coefficient, implying that improvements or favorable perceptions of price contribute to higher purchasing decisions. Furthermore, the product quality variable (X_3) has a positive influence as well, indicating that better product quality will encourage stronger consumer purchasing decisions. Overall, these results suggest that electronic word of mouth, price, and product quality each play an important role in influencing consumer purchase decisions for HNI products.

4.2. Correlation and determinant coefficient test

Based on the Table 1, it can be seen that the correlation coefficient (R) value of 0.859 indicates that there is a fairly strong relationship between the independent variables and the dependent variable of 85.9%. The R^2 value is 0.738, indicating that the independent variables of electronic word of mouth, price, and product quality have a 73.8% influence on the purchase decision of HNI products at the HNI Business Center in Lhokseumawe, while the remaining 26.2% is explained by other variables outside the scope of this study.

4.3. Hypothesis testing

The *t-test* is a statistical method used to determine the extent to which each independent variable individually explains variations in the dependent variable. This test was conducted at a 95% confidence level with a significance level (α) of 5%, and the degrees of freedom (df) were determined by the formula $df_1 = n - k$. The significance level was used to assess the validity of each hypothesis. According to Ghozali (2011), the decision criteria are as follows: if the calculated *t-value* is greater than the *t-table* value and the significance value is less than 0.05, the hypothesis is accepted—indicating that the independent variables (electronic word of mouth, price, and product quality) have a partial and significant effect on the dependent variable, namely the purchase decision for HNI products at the HNI Business Center in Lhokseumawe. Conversely, if the calculated *t-value* is smaller than the *t-table* value and the significance value exceeds 0.05, the hypothesis is rejected, meaning the independent variables do not have a significant partial effect on the purchase decision.

The regression analysis results show that hypothesis H1 is accepted, indicating that *electronic word of mouth* has a partial and significant effect on HNI product purchase decisions. Likewise, hypothesis H2 is accepted, meaning that *price* partially and significantly influences purchasing decisions. Furthermore, hypothesis H3 is accepted, showing that *product quality* also has a partial and significant influence on consumer decisions to purchase HNI products at the HNI Business Center in Lhokseumawe.

The *F-test* was used to examine the simultaneous influence of the independent variables on the dependent variable. The analysis results indicate that the calculated *F-value* exceeds the *F-table* value, with a significance level below 0.05. Therefore, hypothesis H4 is accepted, confirming that *electronic word of mouth*, *price*, and *product quality* collectively and significantly affect purchase decisions for HNI products at the HNI Business Center in Lhokseumawe.

5. Discussion

5.1. The influence of electronic word of mouth on purchase decisions

In this study, the electronic word of mouth variable has a positive effect on the purchase decision of HNI products at the HNI Business Center in Lhokseumawe. The positive estimate value explains that the better the electronic word of mouth, the higher the purchasing decision. This shows that the HNI Business Center in Lhokseumawe has good electronic word of mouth. As a producer of HNI products, the HNI Business Center in Lhokseumawe must maximize social media so that consumers can more easily make decisions based on good reviews of HNI products on social media.

The same research results were also conducted by Kezia Abelista Hutagalung (2023). These research results support the first hypothesis, where there is a positive and significant influence between electronic word of mouth and purchasing decisions. These results indicate that the better the electronic word of mouth, the higher the purchasing decisions for HNI products will be.

5.2. The effect of price on purchase decisions

In this study, the price variable has a positive effect on the decision to purchase HNI products at the HNI Business Center in Lhokseumawe. The positive estimate value explains that the better the price offered, the better the purchase of HNI products at the HNI Business Center in Lhoksuemawe. This shows that prices that are in line with HNI products at the HNI Business Center in Lhokseumawe will affect consumer purchasing interest at the HNI Business Center in Lhokseumawe. The results of this study are in line with the research conducted by Surayani (2019). Based on the results of this study, it can

be concluded that there is a positive relationship between price and purchasing decisions.

5.3. The effect of product quality on purchase decisions

In this study, the product quality variable has a positive effect on the decision to purchase HNI products at the HNI Business Center in Lhokseumawe. A positive estimate value explains that the better the product quality, the better the purchase of HNI products at the HNI Business Center in Lhoksuemawe. This shows that the good quality of HNI products at the HNI Business Center in Lhokseumawe will influence consumer purchasing decisions at the HNI Business Center in Lhokseumawe. The results of this study are in line with the research conducted by Wanda Intan Aghitsni1 and Nur Busyra (2022). Based on the results of this study, it can be concluded that there is a positive relationship between price and purchasing decisions.

5.4. The influence of electronic word of mouth, price, and product quality on purchase decisions

The results show that electronic word of mouth, price, and product quality have a simultaneous and significant effect on the purchase decision of HNI products at the HNI Business Center in Lhokseumawe. This is indicated by the F(count)>F(table) is (86.271> 2.70), and the significance value (sig) = 0.000<0.05. The results of this study explain that the better the electronic word of mouth, coupled with the affordability of HNI products and the better the product quality, the higher the purchase decision will be. These findings align with research conducted by Faris Nurrohman (2018), which states that the research findings show a significant influence of electronic word of mouth, price, and product quality on the decision to purchase Blackberry smartphones in Yogyakarta.

6. Conclusion

Based on the research findings and discussion, it can be concluded that electronic word of mouth has a significant influence on consumers' purchasing decisions for HNI products at the HNI Business Center in Lhokseumawe. Likewise, price and product quality each have a significant partial effect on purchase decisions, indicating that these factors play an important role in shaping consumer preferences and behaviors. Furthermore, when examined simultaneously, electronic word of mouth, price, and product quality collectively have a significant impact on purchasing decisions. This finding suggests that the combination of effective online communication, competitive pricing, and superior product quality can substantially enhance consumer interest and

drive purchasing behavior. Overall, the results highlight the importance of these three marketing elements as key determinants in influencing consumer purchase decisions at HNI.

Conflict of interest

The authors declare that there are no conflicts of interest regarding this publication.

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