

Word-of-Mouth Marketing and Consumer Purchase Decision

By

Abiala Anuoluwapo Felicia

Jegede wuraola .O.

Department of Marketing, The Federal Polytechnic, Ilaro

anuoluwapo.abiala@federalpolyilaro.edu.ng

+2347068589726

Abstract:

This research was carried out to investigate the impact of word-of-mouth marketing on consumer purchase decision of Fumcy Kitchen, Ilaro Ogun State. The study adopted a survey research design and relied upon the use of a structured questionnaire to gather quantitative data from 269 respondents who are customers of Fumcy Kitchen. The collected data were analysed using descriptive statistics while regression analysis was used to test the hypotheses. The findings revealed that conviction has a significant influence on consumer purchase decision ($t=2.692$; $p<0.05$), experience also has a significant relationship with consumer purchase decision ($t=2.414$; $p<0.05$). Similarly, the findings shows that personal interaction quality significantly influence consumer purchase decision ($t=5.797$; $p<0.05$) while preference also has a significant influence on consumer purchase decision ($t=6.867$; $p<0.05$). The study therefore concludes that word-of-mouth marketing has a significant influence on consumer purchase decision. It was recommended that Fumcy Kitchen and other similar firms should continuously surpass customer expectations in order to enjoy a sustained competitive advantage.

Keywords: Consumer, Experience, Marketing, Purchase decision, Word-of-mouth.

1. INTRODUCTION

Word-of-mouth advertising can efficiently and persistently promote any product or service (Tahir, Aamir, & Saima, 2021). Shit marketing is not the same as word-of-mouth promotion. Customer comments, whether positive or negative, regarding a product or service are referred to as word-of-mouth (WOM) (Archana, 2019). Businesses can acquire devoted clients by effectively fostering and utilising word-of-mouth. Consumer purchasing decisions are significantly influenced by referrals. However, the impact of word-of-mouth marketing differs depending on the type of product (Archana, 2019). Restaurants want to influence clients through verbal communication advertising. Customers' decisions to purchase and return for meals were significantly impacted by it.

Word-of-mouth (WOM) is a powerful marketing tactic that greatly influences consumer purchasing decisions. However, it seems like Funmcy Kitchen is not benefiting from this influence enough to persuade clients to make sensible purchases. Potential customers may be turned off and their decisions to buy may not be much impacted by the shared experiences' persuasiveness.

Additionally, experience plays a major role in the effectiveness of word-of-mouth marketing; however, variable dining experiences at Funmcy Kitchen make this strategy difficult to implement. For WOM to positively influence consumer choices, it must come from

consistently favourable and memorable encounters. Potential clients may get perplexed and hesitant to choose Funmcy Kitchen as a result of the conflicting information that other customers have provided.

Another important factor that influences the effectiveness of word-of-mouth marketing is the calibre of interpersonal contacts. Funmcy Kitchen's staff-customer interactions may not always meet expectations, which could lead to unfavourable or unfavourable word-of-mouth. Outstanding, personalised interactions have the ability to create a positive, enduring image that customers are likely to gladly share. However, if consumers experience poor or unsatisfactory service, they may decide not to tell others about their experiences or write negative evaluations, neither of which will likely persuade others to make informed decisions.

WOM significantly affects the decisions that consumers make regarding what to purchase. If Funmcy Kitchen's offerings don't align with the tastes and preferences of the target market, positive word-of-mouth won't necessarily translate into sales. Even with great evaluations, customers' personal preferences for certain cuisines, flavours, or eating settings will ultimately affect their selections. Therefore, Funmcy Kitchen needs to ensure that both its food and eating experience appeal to its target demographic in order to successfully leverage word-of-mouth (WOM) and favourably impact customer purchasing decisions. Therefore, the goal of this study is to determine how word-of-mouth influences consumer choice in Funmcy Kitchen, Ilaro, Ogun State.

Derived from the above main objective are the following specific objectives:

- i. To analyze the extent to which conviction affects consumer purchase decision
- ii. To examine the extent to which experience affects consumer purchase decision.
- iii. To ascertain the significant effect of personal interaction quality on consumer purchase decision.
- iv. To determine whether preference affects consumer purchase decision.

Furthermore, the following tentative statements have been synthesised from the specific objectives of this study.:

- i. H_0 : Conviction does not have significant effect on consumer purchase decision.
- ii. H_0 : Experience does not have significant effect on consumer purchase decision.
- iii. H_0 : Personal interaction quality does not have significant effect on consumer purchase decision.
- iv. H_0 : Preference does not have significant effect on consumer purchase decision.

2. LITERATURE REVIEW

2.1 Word of Mouth

Word-of-mouth (WOM), according to Chen and Yuan (2020), is any verbal communication, whether favourable or unfavourable, between groups like the product supplier, independent experts, family, friends, and existing or new clients. Word-of-mouth (WOM) is regarded as far more reliable and highly trusted than other regulated marketing communication channels like promotion and advertising (Arif & Siregar, 2020). The travel and tourist sector is particularly affected by this credibility. Over the past ten years, more study has been conducted to better understand the effectiveness of eWOM and how it influences customer behaviour (Kokila & Sampathlakshmi, 2023).

2.2 Dimensions of Word of Mouth

Conviction

Since people with strong beliefs are more likely to persuade others to adopt novel goods or services, conviction is the extent to which a customer's strong and unshakeable belief in a good or service motivates them to share their experiences with it with others (Chen & Yuan, 2020). When people talk enthusiastically about their wonderful experiences, their endorsements are more credible and likely to influence other people's purchasing decisions. People who are very satisfied with a product are more prone to have strong beliefs in its benefits; hence, WOM conviction can be interpreted as a reflection of consumer satisfaction and loyalty. The relationship between conviction and satisfaction has been emphasised by Setiagraha, Wahab, Shihab, and Susetyo (2021).

Experience

Hurriyati and Hendrayati (2024) define experiential marketing as a strategy for providing clients with relational, affective, cognitive, and sensory experiences. These intricate, multidimensional interactions may lead to stronger emotional bonds with the brand, increasing the possibility that consumers may engage in positive word-of-mouth advertising. According to Nair and Radhakrishnan (2019), personal experiences provide a reliable basis for word-of-mouth (WOM) because they are based on real interactions with the product or service.

Personal Interaction Quality

Personal contact quality is the level of satisfaction a consumer experiences during in-person interactions while utilising a product or service. In the context of word-of-mouth (WOM), the calibre of interpersonal contacts significantly influences the dissemination of information among customers. Excellent human contacts can lead to positive word-of-mouth (WOM), as happy customers tell others about their great experiences. According to Chai (2019), the calibre of interpersonal contacts is crucial in service encounters since it has a direct impact on customer satisfaction and loyalty, both of which generate favourable word-of-mouth advertising.

Preference

Preference is the inclination to choose one option over another, and it plays a significant role in consumer behaviour, particularly in relation to word-of-mouth (WOM) marketing. According to Chen and Yuan (2020), consumers rank different brands or products based on their perceived value and benefits during the preference phase of the decision-making process. According to Nair and Radhakrishnan (2019), consumers who recommend a product or service they enjoy may create a form of social proof that persuades others to desire the same item or service.

2.3 Consumer Purchase Decision

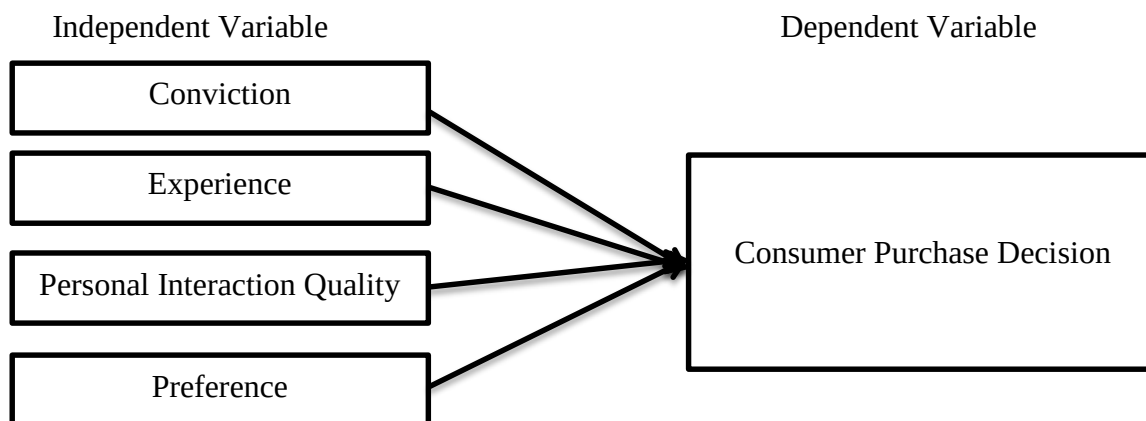
A consumer's inclination to buy a particular product is determined by their buying choice, which is impacted by their behaviour, attitudes, and perceptions (Tamtomo, Sandria, Arniwita, & Purwati, 2022). Peña-García (2020) claims that another helpful sign for predicting the ultimate purchasing decision is buying intention. An increase in purchase intent is correlated with an increase in the buying opportunity. If customers have positive buying intent, they are more likely to buy the brand (Martins, 2019). The intention to buy does not necessarily translate into the actual purchase (Setiagraha, Wahab, Shihab & Susetyo, 2021). Furthermore, a low intention to buy does not necessarily mean that it is not achievable (Kokila & Sampathlakshmi, 2023). The brand's position is essential for turning a purchasing intention into a purchase decision.

2.4 Word of Mouth and Consumer Purchase Decision

Researchers investigate the causes of consumers' dependence on word-of-mouth. First, according to Goldsmith and Horowitz (2006), Hurriyati and Hendrayati (2024) listed eight main reasons why people use it: to reduce risk; to find cheaper prices; to gather information quickly; accidentally (unplanned); to make it "cool"; to be influenced by offline inputs like television; and to gather information before making a purchase. Obtaining up-to-date information, using a reliable search engine, and wanting to save and improve time are more reasons (Wiratama, Wijaya, Prihandono, Wijayanto & Suhud, 2022).

Research indicates that consumers are more inclined to trust recommendations from friends, family, and coworkers than from advertisements. This confidence stems from the belief that these recommendations are founded on the opinions of trustworthy, unbiased individuals who have actually tried the product or service. The relationship between WOM and consumer purchase decisions is clear in a variety of scenarios. Chen and Yuan's (2020) study, for instance, highlights the important impact that online reviews and recommendations have on customers' inclinations to buy.

Figure 1: Conceptual Model of Word of Mouth and Consumer Purchase Decision



Source: *Developed by the Researcher, (2024)*

2.5 Theoretical Framework

Theory of Cognitive Dissonance

Festinger initially put forth his theory of cognitive dissonance in 1957. The cognitive dissonance theory states that people are motivated to align their opinions and actions, which strengthens their commitment to and belief in the brand. The opinions and experiences shared within a consumer's social network can have an impact on their motivation to engage in word-of-mouth (WOM). Social influence theory highlights the importance of social proof in influencing consumer behaviour, claims Cialdini (2001). When people see their peers using a product, they are more likely to adopt and share positive opinions about it, which promotes the spread of word-of-mouth (WOM). The psychological concept of cognitive consistency—the process by which people attempt to align their attitudes, behaviours, and beliefs—is the foundation of conviction in WOM. Strong opinions about a product provide customers a sense of consistency, which reinforces their positive attitudes and behaviours towards the brand. This cognitive consistency is essential to the efficacy of word-of-mouth (WOM) because it lends credibility to client recommendations.

Stimulus-Organism-Response Model

According to Ying-Kai, Minh-Quan, and Sheng (2022), Russell and Mehrabian's (1974) stimulus-organism-response (S-O-R) model is considered a fundamental paradigm for studying human responses to stimuli. According to Ying-Kai, Minh-Quan, & Sheng (2022) and Siebent, Peterson, Peterson, & Schramm (1956), enhancing our understanding of how environmental stimuli (S) affect consumers' perceptions (O), which subsequently create emotions, which in turn produce customer responses, is the primary goal of this theory. The S-O-R model has been utilised extensively in conventional marketing and consumer behaviour studies.

The adoption of green products and environmental challenges, however, have not been regularly addressed by it (Chang, Cho, Turner, Gupta, & Watchravesringkan, 2015; Ying-Kai, Minh-Quan, & Sheng, 2022). Given the wide range of stimuli found in the environment, the significant differentiation of stimuli may be one reason for the paucity of such studies. It is necessary to investigate the issue of how environmental cues can affect customer involvement (Choi & Kandampully, 2019; Ying-Kai, Minh-Quan, & Sheng, 2022). An internal system that can affect a person's reaction to outside stimuli is referred to as a "organism" (Stern, Thomas, Troy, Gregory, & Linda, 1999). It makes sense to believe that stimuli can affect consumer reactions by way of the organism's mediation. Thus, the study's premise is that compelling green marketing campaigns serve as stimuli (S), creative green product adoption serves as the reaction (R), and consumer values, societal norms, and environmental self-identity serve as the organism (O). This theory holds that the relationship between the uptake of cutting-edge green products and successful green marketing campaigns is mediated by consumer values, societal norms, and environmental self-identity.

2.6 Empirical Review

Hurriyati and Hendrayati (2024) examined the impact of this word-of-mouth (WOM) on purchase intention in order to clarify the notion that there was a positive association between WOM and buy intention. The results of the study showed that WOM had a large and partial impact on consumers' inclinations to purchase MI Roudhotul Ilmi Education services.

Kokila and Sampathlakshmi (2023) looked on how word-of-mouth advertising affected consumers' decisions to buy. The primary focus of the study was on television brands. Using a questionnaire, a sample of 552 people was gathered from Karaikal, Puducherry State. PLS-SEM was used to analyze the data that was so produced. The results showed that while the brand image directly affects consumer television purchase decisions, offline WOM, online WOM, E-WOM quality, and information consumption all significantly affect the brand image.

Tamtomo, Sandria, Arniwita, and Purwati (2022) investigated how word-of-mouth (WOM) influenced Jkov Koffie Jambi consumers' purchase decisions. The research findings indicate a statistically significant and favorable correlation between the word-of-mouth variable and the purchasing choice variable of consumers in Jkov Koffie, Jambi City. According to the study, word-of-mouth should be used as much as possible to encourage consumers to make wise decisions.

The study conducted by Wiratama, Wijaya, Prihandono, Wijayanto, and Suhud (2022) investigated the impact of word-of-mouth on mediating the relationship between brand loyalty and store atmosphere on purchase decisions. 118 respondents were deemed suitable for the research sample in this quantitative study. The results demonstrated that word-of-mouth, brand loyalty, and brand image have a significant impact on customer purchase decisions, while store atmosphere had no such effect. The results also demonstrated that

brand loyalty, store atmosphere, and word-of-mouth marketing all affect consumer purchasing decisions.

3. METHODOLOGY

This study used a survey research design as its methodology. All patrons of Funmcy Kitchen in Ilaro, Ogun State make up the study's population which is infinite in nature. Therefore, determine the sample size for the study with unknown population, the following are considered about the target population according to Remish (2021).

- Population unknown and not approximated
- Confidence interval, or error margin The confidence interval, which is +5% for this study given the use of Z score methodologies for computing unknown population, indicates how significantly larger or smaller the population the sample mean will fall. –
- Confidence level the Z score can be used to determine the reliable sample size by considering normal deviation set at 95% confidence level (1.65) to correspond with the 5% (0.05=+5) choice of response.
- Standard deviation since the research instrument is yet to be administered, the safe decision is to 0.05 as the most forgiving number and the sample size will be large enough to make the study reliable.

The confidence level have to correspond to the Z score being used as a constant value being needed for the Z score equation.

$$n_o = \frac{Z^2 Pq}{(e)^2}$$

$$n_o = \frac{1.64^2 \times 0.5 \times 0.5}{0.05 \times 0.5}$$

$$n_o = \frac{2.6896 \times 0.25}{0.25}$$

$$n_o = \frac{0.6724}{0.25}$$

$$n_o = 269$$

Therefore, the sample size to be used for this study is 269.

Primary sources were explored for the provision of data used in this study. Specifically, a structured questionnaire was adopted to elicit data from Funmcy Kitchen's patrons in Ilaro, Ogun State, Nigeria.

The reliability of the research instrument was ascertained using Cronbach's Alpha values which was greater than 0.7. Content validity as well as face validity was adopted to determine the validity of the research instrument.

Table 1: Summary of the Reliability Test

Cronbach's Alpha	No of Items	Scale
0.898	5	Conviction,
0.892	5	Experience,
0.782	5	Personal Interaction Quality,
0.759	5	Preference
0.812	5	Consumer Purchase Decision.

Source: Researcher's Field Survey, (2024).

With the use of SPSSv23, the gathered data was examined using descriptive statistics like frequency distribution and percentages as well as inferential statistics like Pearson's correlation analysis.

3.1 Model Specification

$$Y = f(X);$$

$$X = X_1, X_2, X_3, X_4; Y = \alpha + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + e$$

Where:

Y = Consumer Purchase Decision (CPD)

α = Autonomous factors

X = Word of Mouth (WOM)

X₁ = Conviction (CON)

X₂ = Experience (EXP)

X₃ = Personal Interaction Quality (PIQ)

X₄ = Preference (PRE)

β_i = Beta coefficients of the independent variables X_i

e = Error term, which represent other not captured variables influencing consumer purchase decision outside the four captured by this work

4. RESULTS AND DISCUSSION

4.1 Data Presentation

Table 2: Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.918a	.843	.841	.22934

a. Predictors: (Constant), Conviction, Experience, Personal Interaction Quality, Preference

Table 3: ANOVA^a

Model	Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	74.777 4	18.694	355.437	.000b
	Residual	13.885 264	.053		
	Total	88.662 268			

a. Dependent Variable: Consumer Purchase Decision

b. Predictors: (Constant), Conviction, Experience, Personal Interaction Quality, Preference

Table 4: Coefficients^a

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
1	B	Std. Error	Beta		
(Constant)	-.136	.128		-1.064	.289
Conviction	.136	.051	.130	2.692	.008
Experience	.129	.053	.130	2.413	.017
Personal Interaction Quality	.402	.069	.369	5.797	.000
Preference	.359	.052	.347	6.867	.000

a. Dependent Variable: Consumer Purchase Decision

4.2 Test of Hypotheses

Decision Rule: reject H1 if $p > 0.05$ and accept H0. However, if $p < 0.05$, reject H0 and accept H1.

Hypothesis One: Conviction does not have significant effect on consumer purchase decision.

From the result in table 4, the t-statistics of 2.692 and p-value of .008 is an indication that conviction has a positive and statistically significant relationship with consumer purchase decision. As a result, the alternative (H1) is accepted and the null hypothesis (H0) is rejected. Accordingly, the study comes to the conclusion that consumers' decisions to purchase Fumcy Kitchen services are significantly influenced by their convictions.

Hypothesis Two: Experience does not have significant effect on consumer purchase decision.

The result displayed in table 4 above indicates a t-statistics of 2.413 and a p-value of .017 which implies that experience of customers have a positive and statistically significant influence on the purchase decision for Fumcy Kitchen service. The study concludes that customer experience has a major impact on consumers' purchasing decisions by rejecting the null hypothesis (H0) and accepting the alternative (H1).

Hypothesis Three: Personal interaction quality does not have significant effect on consumer purchase decision.

From the result displayed in the table 4 above, the t-statistics value of 5.797 and p-value of .000 is a clear indication that customer Personal Interaction Quality has a positive and statistically significant influence on purchase decision. As a result, the study accepts the alternative (H1) and rejects the null hypothesis (H0). According to the study's findings, customers' decisions to acquire Fumcy Kitchen service are significantly influenced by the quality of their personal interactions.

Hypothesis Four: Preference does not have significant effect on consumer purchase decision.

Also, from the result displayed in table 4 above, the t-statistics value of 6.867 and p-value of .000 is a clear indication that consumer Preference has a positive and statistically significant influence on consumer purchase decision. The study accepts the alternative (H1) and rejects the null hypothesis (H0). According to the study's findings, consumers' preferences greatly impact their decision to acquire Fumcy Kitchen service.

4.3. Discussion of Results

The result of the study suggests that consumers' decisions to buy Funmcy Kitchen Ilaro are significantly influenced by their convictions, experience, personal interaction quality and preference.

These individual results indicate that Funmcy Kitchen Ilaro has a strong edge in terms of more customer decisions due to word-of-mouth. However, out of the aforementioned variables, preference has a moderate impact on consumers' decisions to buy Funmcy Kitchen Ilaro, according to the standardized coefficient, β , of 0.347. It shows that a change of one standard deviation in preference results in a 34% difference in the decision of the consumer to buy. Accordingly, the findings indicated that consumer choice significantly influences Funmcy Kitchen Ilaro, Ogun State, buying decisions.

5. CONCLUSION AND RECOMMENDATIONS

The study looked at how word-of-mouth influenced Funmcy Kitchen customers' decisions to buy. The study specifically evaluated the degree to which a consumer's decision to purchase is influenced by conviction, experience, the quality of a personal interaction, whether preference plays a role in a consumer's decision to purchase, and the challenges that Funmcy Kitchen customers encounter in generating word-of-mouth and how they conquer them. The results showed that customer purchases are significantly influenced by factors such as preference, experience, conviction, and the quality of personal interactions. The study found that consumers' decisions to buy from Funmcy Kitchen are significantly influenced by word-of-mouth.

In light of the study's conclusions, the following recommendations are made:

- i. Funmcy should concentrate on establishing credibility by using genuine marketing that reflects the brand's ideals and provides customers with a compelling reason to suggest it.
- ii. Funmcy should put an emphasis on creating unforgettable experiences in order to increase client loyalty because satisfied customers are more likely to refer the business to others.
- iii. Funmcy should make an investment in excellent in-person contacts with clients in order to make a lasting impact and foster an environment that inspires them to talk about their satisfying experiences.
- iv. By continuously surpassing consumer expectations and converting happy consumers into ardent supporters, Funmcy should strengthen brand preference.

REFERENCES

- Arif, M., & Siregar, I. K. (2020). Purchase decision affects, price, product quality and word of mouth. *International Journal of Economic, Technology and Social Sciences*, 2(1), 260 – 273.
- Basri, N. A. M. H., Ahmad, R., Anuar, F. I., & Ismail, K. A. (2016). Effect of word of mouth communication on consumer purchase decision: Malay upscale restaurant. *Procedia-Social and Behavioral Sciences*, 222, 324-331.
- Bauckhage, C., Brito, E., Cvejovski, K., Ojeda, C., Sifa, R., & Wrobel, S. (2017). Ising models for binary clustering via adiabatic quantum computing. *International Workshop on Energy Minimization Methods in Computer Vision and Pattern Recognition*, 3–17.
- Chen, T., Samaranayake, P., Cen, X., Qi, M., & Lan, Y. C. (2022). The impact of online reviews on consumers' purchasing decisions: Evidence from an eye-tracking study. *Frontiers in Psychology*, 13(1), 1-13.
- Chen, Z., & Yuan, M. (2020). Psychology of word of mouth marketing. *Current opinion in psychology*, 31, 7-10.

- Farooq, M. (2020). The impact of word of mouth on consumer buying behaviour. *International Journal of Science, Engineering and Technology*, 8(1), 1-8.
- First, A. M., Hurriyati, R., & Hendrayati, H. (2024). The effect of word of mouth on purchase intention. *Business: Theory and Practice*, 3(1), 431–438.
- Foxall, G. R., & Goldsmith, R. E. (1994). *Consumer psychology of marketing*. Great Britain: Routledge Publishing.
- Kokila, V., & Sampathlakshmi, N. (2023). Impact of word of mouth communication on consumer purchase decision. *Journal of Business Thought*, 13(1), 1-10.
- Loudon, D. L., & Della Bitta, A. J. (1994). *Consumer Behaviour*. New York: McGraw Hill, Inc.
- Manik, H., Saiful, K., & Rezwanul, I. R. (2019). Influence of word of mouth on consumer buying decision: Evidence from Bangladesh market. *European Journal of Business and Management*, 9(12), 38-45.
- Nair, K. S., & Radhakrishnan, L. C. (2019). Role of ewom in customer buying decision making process: A conceptual study. *International Journal on Emerging Technologies*, 10(4), 71–75.
- Setiagraha, D., Wahab, Z., Shihab, M. S., & Susetyo, D. (2021). Effect of word of mouth, price perception, and product quality on purchase decision pempek the local culinary products in Palembang city. *International Journal of Social Sciences*, 4(1), 52-59.
- Sipayung, M. L., & Sinaga, A. H. (2017). Marketing Mix Effect and Quality Product Purchase Decision on Rice Pandaraman in South Tapanuli Region. *IOSR Journal of Business and Management*, 19(3).
- Tamtomo, H., Sandria, W., Arniwita, I., & Purwati, A. A. (2022). The impact of word of mouth on consumers' purchasing decision. *Proceeding 2nd International Conference on Business & Social Sciences*, 1-10.
- Wiratama, B., Wijaya, A. P., Prihandono, D., Wijayanto, A., & Suhud, U. (2022). Examining the role of word of mouth in purchase decision: an insight from fashion store. *Business: Theory and Practice*, 23(1), 231–238.