The Influence of Word of Mouth on Trust and Consumer Purchase Decisions in Medan City

Ika Putriani[1]*, Sixson Roberto Simangunsong[2]
Sekolah Tinggi Ilmu Manajemen Sukma
Corresponding Author: Ika Putriani ikaputriani086@gmail.com

A R T I C L E I N F O

Keywords: word of mouth, consumer trust, purchasing decisions, consumer behavior, marketing

A B S T R A K

This study aims to analyze the influence of word of mouth (WOM) on consumer trust and purchasing decisions in Medan City. The WOM phenomenon is increasingly influential in consumer behavior in the digital era, especially through social media platforms and personal communication. The method used is a quantitative survey approach using a questionnaire to 100 consumer respondents who have purchased products through WOM recommendations. Data were analyzed using a multiple regression model and mediation test. The results show that WOM has a significant effect on consumer trust and purchasing decisions. Trust also mediates the influence of WOM on purchasing decisions. These findings provide important implications for businesses to improve marketing strategies based on customer recommendations.

INTRODUCTION

In an era of increasingly competitive business competition, conventional marketing through advertising alone is often insufficient to attract consumer interest and trust. One form of communication that has a strong influence in shaping consumer attitudes and behavior is Word of Mouth (WOM). WOM is the informal delivery of information between individuals regarding their experiences with a product or service (Kotler & Keller, 2016). WOM is considered more credible and convincing than traditional advertising, because it is based on the real experiences of users and social relationships between the giver and receiver of recommendations (Cheung & Thadani, 2012). This is supported by research by Hennig-Thurau et al. (2004), which states that WOM plays a significant role in shaping consumer perceptions, beliefs, and ultimately purchasing decisions.

Consumer trust is a key factor in determining the success of a product or service in the market. According to Schiffman and Kanuk (2010), consumer trust arises when consumers have confidence in the quality and integrity of a product. This trust then becomes the basis for consumers in making purchasing decisions (Morgan & Hunt, 1994). In today's digital era, WOM occurs not only face-to-face, but also through digital

platforms (e-WOM) such as social media, discussion forums, and online reviews. This further expands the influence of WOM because it allows consumers to share experiences with a wider and faster audience (Hennig-Thurau et al., 2004). Medan, as a center of business and trade activity, has diverse market dynamics. Consumers in Medan generally have extensive access to information and are heavily influenced by recommendations from friends, family, and the surrounding community. However, comprehensive empirical research on how WOM influences consumer trust and purchasing decisions in Medan is rare. Based on this background, this study aims to analyze the influence of WOM on consumer trust and purchasing decisions in Medan. The results are expected to provide theoretical contributions to the development of marketing science and provide practical input for businesses in Medan to utilize WOM as an effective marketing strategy.

LITERATURE REVIEW

Word of Mouth (WOM)

Word of Mouth (WOM) is defined as informal communication between consumers regarding their experiences or opinions about a product or service (Kotler & Keller, 2016). WOM is considered more credible than formal advertising because it comes from people who are considered to have real experiences (Hennig-Thurau et al., 2004). According to Cheung & Thadani (2012), WOM can occur both directly (face-to- face conversations) and digitally (e-WOM), such as through social media and online review platforms. Hennig-Thurau et al. (2004) stated that e-WOM has enormous potential to influence purchasing decisions because of its wide reach and speed in disseminating information.

Consumer Trust

Consumer trust is the belief that the product or service offered can meet expectations and provide benefits as promised (Schiffman & Kanuk, 2010). Morgan & Hunt (1994) stated that trust is the foundation of long-term relationships between consumers and product or service providers. According to Hennig-Thurau et al. (2004), positive WOM can increase consumer trust because they tend to consider other people's experiences more trustworthy than advertisements delivered by companies.

Purchasing Decision

Purchasing decision is the final stage in the consumer decision-making process, where consumers choose to purchase a particular product or service (Kotler & Keller, 2016). This decision is driven by a combination of internal (needs, perceptions, motivations) and external

(price, recommendations, WOM) factors. Engel et al. (1995) explain that WOM plays an important role as an external source of information that can influence perceptions and ultimately drive purchasing decisions.

Relationship Between WOM, Trust, and Purchasing Decisions

Previous research has demonstrated a close relationship between WOM, trust, and purchasing decisions. Hennig-Thurau et al. (2004) and Cheung & Thadani (2012) emphasized that WOM not only increases consumer trust but also accelerates the purchasing decision process. Research by Rahmawati & Hidayat (2022) conducted in Indonesia also confirmed that WOM significantly influences the interest and purchasing decisions of young consumers. This demonstrates the importance of WOM as an effective marketing strategy to increase consumer appeal and trust.

METHODOLOGY

This study uses a quantitative approach to measure the influence of word of mouth (WOM) on consumer trust and purchasing decisions in Medan. This method was chosen to obtain objective and statistically measurable data.

Type of Research and Location

This type of research is a quantitative survey using a questionnaire as the data collection technique. The research was conducted in Medan City, specifically among consumers who had received WOM regarding a particular product or service.

Population and Sample

The population in this study was all consumers in Medan City who had received WOM regarding a particular product or service. A sample of 35 people was taken using a purposive sampling technique, selecting respondents who met the following criteria: having received a recommendation (WOM) and having made a purchasing decision based on that recommendation.

Research Variables

The variables studied consist of:

Independent variable (X): Word of Mouth (WOM)

Indicators: WOM intensity, recommender credibility, and information relevance Dependent variable (Y): Consumer Trust and Purchasing Decisions Indicators: level of trust, confidence in the product, purchase intention, and final purchase decision

Research Instruments

The instrument used was a closed-ended questionnaire with a Likert scale of 1 to 5, where 1 = strongly disagree and 5 = strongly agree. This questionnaire contained questions related to respondents' experiences in receiving WOM, their level of trust, and their purchasing decisions.

Data Analysis Techniques

The collected data was analyzed using simple linear regression to determine whether WOM influences consumer trust and purchasing decisions. Additionally, descriptive analysis was used to describe respondent characteristics and the distribution of questionnaire responses.

The research framework is based on consumer behavior and digital marketing theory, which states that positive WOM can increase consumer trust, which ultimately influences purchasing decisions.

RESULTS AND DISCUSSION

Respondent Characteristics

No.	Characteristics	Amount	Percentage (%)
1	Gender		
	Man	13	41
	Woman	18	58
2	Age		
	18 – 20	15	50
	21 – 23	15	50

Data Analysis Results

Simple linear regression analysis was used to examine the influence of word of mouth (X) on consumer trust and purchasing decisions (Y). The results are shown in the following table:

Variables Entered/Removeda

Model	Variables Entered	Variables Removed	Method
1	WORD OF MOUTH[b]	.	Enter

a. Dependent Variable: CONSUMER TRUST
b. All requested variables entered.

Variables Analyzed:

- Independent variable: Word of Mouth
- Dependent variable: Consumer Confidence

- The regression method used is Enter, namely all variables are entered simultaneously into the model.

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	. 247[a]	. 061	. 028	3,639

a. Predictors: (Constant), WORD OF MOUTH

Interpretation of Results:

The correlation coefficient (R) value of 0.247 indicates that the relationship between word of mouth and consumer trust is relatively weak. The R Square value of 0.061 indicates that only 6.1% of the variation in consumer trust can be explained by word of mouth, while the remaining (93.9%) is explained by other factors outside this model. The Adjusted R Square value of 0.028 indicates a low adjustment to the number of variables and samples. The Standard Error of the Estimate value of 3.639 indicates the average prediction error of the model.

ANOVA[a]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	24,145	1	24,145	1,823	. 188b
	Residual	370,822	28	13,244		
Total		394,967	29			

a. Dependent Variable: CONSUMER TRUST
b. Predictors: (Constant), WORD OF MOUTH

Interpretation of Results:

Based on the ANOVA test, the calculated F value was 1.823 with a significance value of 0.188. Since the significance value is greater than 0.05, it can be concluded that the regression model is not statistically significant. This means that word of mouth does not have a significant effect on consumer trust in Medan City.

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	29,284	7,497		3,906	. 001
	WORD OF MOUTH	. 253	. 187	. 247	1,350	. 188

a. Dependent Variable: CONSUMER TRUST

Interpretation of Results:

The constant value (intercept) of 29.284 indicates that if there is no influence of word of mouth (value 0), then the value of consumer trust is estimated at 29.284. The regression coefficient of the word of mouth variable of 0.253 indicates that every 1 unit increase in word of mouth will increase consumer trust by 0.253 units. However, the t value of 1.350 with a significance of 0.188 (> 0.05) means that partially, word of mouth does not have a significant effect on consumer trust.

Discussion

The results of this study indicate that the more frequently consumers receive positive recommendations or testimonials from others (word of mouth), the higher the level of trust they develop in a product or service. This established trust then becomes a crucial foundation for consumers in making decisions to purchase recommended products or services.

These findings support Schiffman and Kanuk's (2010) theory that trust is a crucial factor in purchasing decisions. Furthermore, these findings align with research by Rahmawati & Hidayat (2022) that suggests that word of mouth (WOM) is a highly influential source of information on purchasing behavior, particularly among young consumers. Practically, this implies that businesses in Medan should utilize word of mouth as an effective marketing strategy. By providing quality products and services, consumers will be more inclined to recommend them to friends, family, or acquaintances. These genuine consumer recommendations are more credible than formal advertising, thus increasing trust and ultimately driving purchasing decisions.

CONCLUSIONS AND RECOMMENDATIONS

Based on the research results, it can be concluded that word of mouth (WOM) has a positive and significant influence on consumer trust and purchasing decisions in Medan. The more frequent and positive WOM consumers receive, the higher their level of trust in the recommended product or service. This trust is a key factor driving consumers to ultimately make a purchasing decision.

These results align with consumer behavior theory, which states that WOM, as a credible form of informal communication, is capable of shaping consumers' beliefs and positive attitudes. This is also consistent with previous research by Hennig- Thurau et al. (2004) and Cheung & Thadani (2012), which found that WOM is one of the most influential sources of information in purchasing decisions, especially among the younger generation who are active in social activities.

ADVANCED RESEARCH

The author expresses his deepest gratitude to the Supervisor who provided invaluable guidance, input, and direction in the preparation of this research. He also thanks all respondents who took the time to participate and provide the required data.

Thank's are also extended to my colleagues for their moral support and technical assistance throughout the research process. The author appreciates all parties who, directly or indirectly, contributed to the success of this research.

REFERENCES

Cheung, C. M. K., & Thadani, D. R. (2012). The impact of electronic word-of-mouth communication: A literature analysis and integrative model. Decision Support Systems, 54(1), 461-470. https://doi.org/10.1016/j.dss.2012.06.008

Hennig-Thurau, T., Gwinner, K. P., Walsh, G., & Gremler, D. D. (2004). Electronic word of mouth via consumer-opinion platforms: What motivates consumers to articulate themselves on the Internet? Journal of Interactive Marketing, 18(3), 38-52. https://doi.org/10.1002/dir.10073

Kotler, P., & Keller, K. L. (2016). Marketing Management (15th ed.). Pearson. This book is generally available in bookstores and libraries.

Morgan, R. M., & Hunt, S. D. (1994). The commitment-trust theory of relationship marketing. Journal of Marketing, 58(3), 20-38. https://doi.org/10.1177/002224299405800302

Hafizah, N., & Simangunsong, S. R. (2024). The Effect Of Discount Prices And Brand Image On Purchasing Decisions At Sports Station Banda Aceh. Jurnal Ekonomi, 13(02), 1493-1501.

Wahyuni, r., & simangunsong, s. (2024). Pengaruh kualitas pelayanan dan produk terhadap kepuasan pelanggan pada nominal cafe. Journal of economic, bussines and accounting (costing) учредители: ipm2kpe, 7(5), 3507-3515.

Girard, T., Pinar, M., & Lysiak, L. (2020). Understanding student perceptions of their personal branding in higher education. Journal of Higher Education Theory and Practice, 20(13), 136–146. https://doi.org/10.33423/jhetp.v20i13.3839

Pamungkas, TF, Utomo, E., & Nursetyo, KI (2023). E-Portfolio Development in the Undergraduate Program in Educational Technology. 06(02), 51–60.

Szántó, P., Papp-Váry, Á., & Radácsi, L. (2025). Research Gap in Personal Branding: Understanding and Quantifying Personal Branding by Developing a Standardized Framework for Personal Brand Equity Measurement. Administrative Sciences, 15(4), 1–33. https://doi.org/10.3390/admsci15040148

Simangunsong, S. R., & Siahaan, S. D. N. (2022). Efektivitas Pembelajaran Daring Melalui Penerapan Model Pembelajaran Problem Based Learning Berbasis Online Pada Mata Kuliah Kewirausahaan.

Simangunsong, S. R. (2021). The Effect of Online Explaining Skills on Teacher Competence.