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The Influence *of Physical Evidence*, Price and *Word Of Mouth* on the Decision to Purchase Camphor Wood at UD. Source: Rizki

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Abstract

This research is to determine the influence of physical evidence, price and word of mouth on purchase decisions. The research method used was quantitative descriptive using analytical test tools, namely the determination coefficient test, multiple linear regression test, t-test and F test. From the results of data processing, the value of t calculation for physical evidence (X1) was calculated (2,470) $>t_{table}$ (1,996) with a significance value of 0.016 < 0.005, the price (X2) was $t_{calculated}$ (4,916) > table (1,996) with a significance value of 0.000 < 0.005, word of mouth (X3) was calculated (2,119) > table (1,996) with a significance value of 0.038 < 0.005, This means that physical evidence, price and word of mouth have a partial and significant effect on purchase decisions. From the F test, the F value was calculated as $F_{calculated}$ 49.478 > F_{table} 2.74 with a significant level of 0.000 < 0.05, which means that physical evidence, price and word of mouth have a simultaneous and significant effect on the purchase decision. Meanwhile, the result of multiple linear regression obtained the equation Y = 4.203 + 0.370 X1 + 0.484 X_{2} + 0.303 X3. Based on this study, it can be concluded that physical evidence, price and word of mouth have an influence on purchase decisions partially and simultaneously and it can be seen that price is the most dominant variable influencing consumer purchase decisions in UD. Source: Rizki.

Keyword: Physical Evidence; Price; Word Of Mouth; and Purchase Decision

1. Introduction

In the current era of globalization, many businesses are in demand by business people, especially businesses engaged in the wood industry. One of the driving factors of business competition is that business people must think creatively when developing their business and adapt it to the needs of consumers. Businesses must create marketing strategies to attract new consumers and retain old ones. Business actors must try to produce products that consumers want at appropriate prices so that the goal can be achieved. Because effective marketing requires careful consumer analysis, business actors must be able to understand and adjust to market conditions. In order to be effective in sales, it must be preceded by several marketing activities, including physical evidence, pricing, and word of mouth.

Until now, industries engaged in the wood sector remain a necessity for the community. Wood is one of the materials that is widely used for various needs, such as building construction materials and furniture. People in general prefer wood as a building construction material because of its stronger quality, durability, durability and can adjust to environmental conditions. In this case, wood tends to be more responsive to air humidity, temperature and sound.

Every industry will grow if the number of demand for products increases, one way to respond to this is to carry out the right marketing strategy by influencing consumer purchasing decisions to maximize sales (Andriyanto et al., 2020). According to Assauri in the journal Yuvira et al (2021), purchase decision is a process of the consumer in making a decision to purchase a product, determining whether the product will be purchased or not when making a purchase, the process is determined from the previous process.

One of the supporting factors that make consumers make decisions to buy these products is *physical evidence* (physical evidence). The company carries out a strategy by still providing the best quality of camphor wood and explaining the difference in real terms between the type of camphor wood and other types of wood that are cheaper or the quality is lower than the camphor wood. With *physical evidence* allowing consumers to make purchases, because there is convincing evidence, it will increase sales value and can increase the company's competitiveness (Rivaldo & Yusman, 2021).

Besides *physical evidence* (physical evidence) as a factor in purchasing decisions, price is also included in the consumer's purchase decision. The most important aspect of setting a purchase decision is the price. Price is the amount of money charged for a product or service, or the amount of value that consumers exchange for the benefits of owning or using the product or service. Price is a medium of exchange to obtain products or services that consumers pay for profits (Married and Lesbian, 2020). The price of camphor wood is affordable in the community and is proportional to the quality provided.

Companies also need a voice to communicate with consumers. Because of communication with old consumers, new consumers can find out about the products offered by the company. This is usually referred to as word-of-mouth promotion or by other terms *word of mouth*. According to Irawan et al (2022) *word of mouth* It is information provided by consumers who have bought to new consumers or the public about the experience of using the product they have purchased. If you look at the way word of mouth promotes is very simple, but this method is very influential for consumers in making purchase decisions. Consumers who have bought camphor wood products provide recommendations both individually and in groups that aim to provide personal information. Promotion *word of mouth* which is done by consumers from companies that sell camphor wood because it is based on quality that meets the needs of consumers.

Based on the description above, the author is interested in conducting a research entitled "The Influence of Physical Evidence, Price and Word Of Mouth on the Decision to Purchase Camphor Wood at UD. Source Rizki".

2. Material and Method

In this study, a quantitative method is used. Sampling in this study used probability sampling with a simple random sampling technique using the slovin formula, a sample of 70 respondents was obtained. The analysis technique uses validity test, reliability test, classical assumption test, multiple correlation test, determination coefficient test, multiple linear regression test, t test and F test.

2.1 Design Study

The population of the study is consumers who have bought camphor wood at UD. Sumber Rizki, the respondents who filled out the questionnaire were consumers who had bought camphor wood at UD. Source: Rizki. The consumers who were used as the population in this study were taken in the last 3 months, starting from October 2023 to December 2023.

2.2 Data Analysis

Distribution of questionnaires through google forms to UD consumers. Source: Rizki. After the data is appropriate, the number of data samples is processed or analyzed using the SPSS Version 20 program.

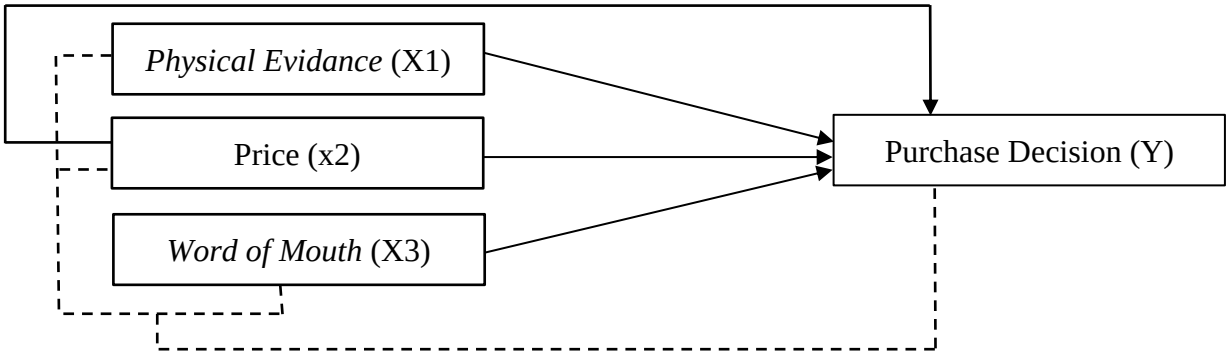

Figure 1. Research Model

Information:
——— : Partially
- - - - - - - :Simultaneously
——— : Predominantly

3. Result

The analysis technique utilizes instrument tests, including validity test, reliability test, classical assumption test, multiple correlation test, determination coefficient test, multiple linear regression test, t test and F test.

Validity Test

Based on the results of data processing, the following results were obtained:

Table 1. Validity Test

Variable	Grain	R (count)	R (table)	Status
Physical Evidence	1	0,896	0,2352	Valid
	2	0,886	0,2352	Valid
	3	0,891	0,2352	Valid

Price	1	0,838	0,2352	Valid
	2	0,898	0,2352	Valid
	3	0,917	0,2352	Valid
	4	0,901	0,2352	Valid
Word Of Mouth	1	0,876	0,2352	Valid
	2	0,907	0,2352	Valid
	3	0,913	0,2352	Valid
Purchase Decision	1	0,761	0,2352	Valid
	2	0,743	0,2352	Valid
	3	0,734	0,2352	Valid
	4	0,851	0,2352	Valid
	5	0,787	0,2352	Valid

Table 1. The validity test showed that all indicators used to measure the variables used in this study had a correlation coefficient greater than r table = 0.2352. This proves that all these indicators are valid.

Reliability Test

Table 2. Reliability Test

Variable	Alpha	Status
Physical Evidence	0,868	Reliable
Price	0,911	Reliable
Word Of Mouth	0,880	Reliable
Purchase Decision	0,829	Reliable

The results of the variable construct reliability test used in this study obtained an Alpha value greater than 0.6. This shows that all questionnaire participants have a *consistency standard (reliable)* that meets the criteria of > 0.6 so that it can be declared good to continue research.

Normality Test

Table 3. Normality Test Results

One-Sample Kolmogorov-Smirnov Test

		Unstandardized Residual
N		70
Normal Parameters[a,b]	Mean	0E-7
	Std. Deviation	1.80326151
Most Extreme Differences	Absolute	.145
	Positive	.087
	Negative	-.145
Kolmogorov-Smirnov Z		1.212
Asymp. Sig. (2-tailed)		.106

a. Test distribution is Normal.

b. Calculated from data.

Based on the Kolmogrof-Smirnov One-Sample test table, it can be concluded that the significant value (Asymp, Slg. Sig 2- Tailed) is 0.106. It means that the significant value is more than 0.05 which indicates a normal distribution pattern, then it can be said that the regression model meets the assumption of normality.

Multicollinearity Test

Table 4. Multicollinearity Test Results

Variable	Tolerance	BRIGHT
Physical Evidence	0,349	2,864
Price	0,578	1,730
Word Of Mouth	0,420	2,379

Based on table 4. The multicollinearity test can conclude that the regression equation model does not have a multicollinearity problem and can be used in research.

Hysteroskedasticity Test

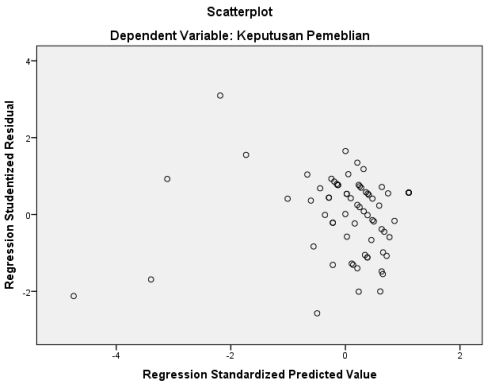

Figure 1. Heteroscedasticity Test Results

Based on figure 1. The hysteroskedasticity test of the scatterplot graph shows that the data spreads above and below the number 0 (zero) on the Y axis and there is no clear pattern. This means that heteroscedasticity does not occur.

Uji Autokorelasi

Table 5. Autocorrelation Test Results

Model Summaryb

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.832a	.692	.678	1.844	2.095

a. Predictors: (Constant), Worf Of Mouth , Harga, Physical Evidence

b. Dependent Variable: Disclosure Decision

Based on table 5. The autocorrelation test of dU < dw < (4-dU) with a value of 1.702 < 2.095 < 2.298 so that it can be concluded that there is no autocorrelation in this study.

Multiple Linear Regression Test

Table 6. Multiple Linear Regression Test Results

Coefficientsa

Model		Unstandardized Coefficients		Standardized Coefficients	t	Mr.
		B	Std. Error	Beta		
1	(Constant)	4.203	1.410		2.980	.004
	Physical Evidence	.370	.150	.285	2.470	.016
	Price	.484	.098	.442	4.916	.000
	Worf Of Mouth	.303	.143	.223	2.119	.038

a. Dependent Variable: Disclosure Decision

Based on table 4.13, the multiple linear regression equation can be arranged as follows: Y = 4.203 + 0.370 X1 + 0.484 X2 + 0.303 X3

The meaning of the equation is as follows:

1. Constanta (a)
   a = 4.203 indicates the magnitude of the purchase decision-bound variable (Y) of 4.203 assuming that other influencing variables are considered constant.
2. Koefisien *Physical Evidence* (X1)
   b1 = 0.370 indicates that there is an increase in the physical evidence variable (X1) can result in an increase in the purchase decision or in other words, if *the physical evidence* (X1) is increased by 1 unit of the purchase decision will increase by 0.370 assuming that other influencing variables are considered constant.
3. Price regression coefficient (X2)
   b2 = 0.484 indicates that an increase in the price variable (X2) can result in an increase in the purchase decision or in other words, if the price (X2) is increased by 1 unit, the purchase decision will increase by 0.484. Assuming other variables that affect are considered constant.
4. Koefisien Regresi *Word Of Mouth* (X3)
   b3 = 0.303 Indicates that an increase in the *word of mouth* variable (X3) can result in an increase in the purchase decision or in other words, if the *word of mouth* (X3) is increased by 1 unit, the purchase decision will increase by 0.303 assuming that other variables that affect are considered constant.

Based on the linear regression equation, it can be seen that the most influential independent variable is the price variable with a coefficient of 0.484 and the lowest influential variable is the *word of mouth* variable with a coefficient of 0.303.

Multiple Correlation Test

Table 7. Multiple Correlation Test Results

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.832a	.692	.678	1.844

a. Predictors: (Constant), Worf Of Mouth ,
b. Price, Physical Evidence

Based on the multiple correlation test in table 7, the coefficient (R) of 0.832 shows that there is a strong relationship between *physical evidence*, price, *word of mouth*, and purchase decisions.

Coefficient of Determination Test

Table 8. Determination Coefficient Test Results

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.832a	.692	.678	1.844

a. Predictors: (Constant), Worf Of Mouth , Harga, Physical Evidence

From table 8, it can be seen that the determination coefficient shown by R *square* is 0.692 or 69.2%. From the R *square*, it can be concluded that the *variables of physical evidence*, price and *word of mouth* of the variables bound to purchase decisions contribute 69.2%. The remaining 30.8% is influenced by independent variables other than *physical evidence*, price, and *word of mouth*.

Test t (partial)

Table 9 Test Results

Coefficientsa

Model		Unstandardized Coefficients		Standardized Coefficients	T	Mr.
		B	Std. Error	Beta		
1	(Constant)	4.203	1.410		2.980	.004
	Physical Evidence	.370	.150	.285	2.470	.016
	Price	.484	.098	.442	4.916	.000
	Word Of Mouth	.303	.143	.223	2.119	.038

a. Dependent Variable: Disclosure Decision

1. Based on table 9, it shows that the physical *evidence count* value (X1) = 2.470, thus the count (2,470) >ttable (1,996) and the significance value of 0.016 < 0.005 so that Ho is

rejected and H1 is accepted. It shows that *Physical Evidence* partially has a positive and significant effect on purchase decisions.

2. Based on table 9, it shows the value of the price calculation (X2) = 4.916, thus the calculation (4,916) > the table (1,996), and the significance value of 0.000 < 0.005 so that Ho is rejected and H1 is accepted. It shows that the Price partially has a positive and significant effect on the purchase decision.
3. Based on table 9, it shows that the value of Word *Of Mouth* (X3) = 2,119, thus the count (2,119) > ttable (1,996), and the significance value of 0.038 < 0.005 so that Ho is rejected and H1 is accepted. It shows that *Word Of Mouth* partially has a positive and significant effect on purchase decisions.

Test F (Simultaneous)

Table 10. Test Result F

ANOVA

Model		Sum of Squares	Df	Mean Square	F	Mr.
1	Regression	504.615	3	168.205	49.478	.000b
	Residual	224.371	66	3.400		
	Total	728.986	69			

a. Dependent Variable: Disclosure Decision

b. Predictors: (Constant), Worf Of Mouth , Harga, Physical Evidence

From the results of the calculation, Fcal is obtained of 49.478 which means Fcal 49.478 > Ftabel 2.74 so H0 is rejected and Ha is accepted. It can be concluded that simultaneously the variables free *of physical evidence* (X1), price (X2) and *word of mouth* (X3) have a positive and significant effect simultaneously on purchase decisions.

4. Discussion

Effect of Physical Evidence Variable (X1) on Purchase Decision (Y)

Based on the results of the study, it was shown that the physical *evidence variable* had a positive and partially significant effect on the purchase decision. This is proven based on the t-test where the tcount value (2.470) >ttable (1.996) and the significance value is 0.016 < 0.005. So it can be concluded that *physical evidence* has a positive and significant effect on purchase decisions.

Effect of Price Variable (X2) on Purchase Decision (Y)

Based on the results of the study, it was shown that price variables had a positive and partially significant effect on purchase decisions. This is proven based on the t-test where the t-count value (4.916) > ttable (1.996), and the significance value is 0.000 < 0.005. So it can be concluded that price has a positive and significant effect on purchase decisions.

Effect of Word Of Mouth Variable (X3) on Purchase Decision (Y)

Based on the results of the study, it was shown that the word *of mouth variable* had a positive and partially significant effect on purchase decisions. This is proven based on the t-

test where the t-count value (2.119) > ttable (1.996), and the significance value is 0.038 < 0.005. So it can be concluded that *word of mouth* has a positive and significant effect on purchase decisions.

5. Conclusion, Implication, and Recommendation

Conclusion

1. In the physical evidence variable, because in this study the *physical evidence* variable has a positive and significant effect on the purchase decision.
2. In the price variable, because in this study the price variable has a positive and significant effect on the purchase decision.
3. In the *word of mouth* variable, because in this study the *word of mouth* variable has a positive and significant effect on purchase decisions.

Implication

The results of this study can be used by UD owners. Sumber Rizki as a consideration to improve purchase decisions. The ways that can be done include:

1. In Physical *Evidence*, UD. Sumber Rizki needs to maintain the neatness, layout and quality of the product, namely by resorting the incoming products if there is a damaged product, it will not be sold to consumers and neatly arranging the products sold so that consumers are interested in the neatness and authenticity of the product.
2. On Price, then UD. Sumber Rizki needs to maintain the price according to the type of product. Employees at UD. Sumber Rizki always briefs consumers regarding the type of product and its advantages, so that consumers know the quality of the product which is comparable to the price given.
3. In *Word of Mouth*, then UD. Sumber Rizki needs to maintain its closeness with consumers. Because by consumers giving information to people around them about the advantages of the product, many people around them are more trusting.

Reccommendation

Based on the research that has been carried out, there are several directions for future researchers. If this research is carried out again on a different object, it is likely that the results in the next study will be different. It is hoped that it can add other variables that may also affect many things in this study. Conduct continuous research, this is to be able to see and assess any changes in respondents' behavior from time to time.

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