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# The Effect of Word of Mouth and Place on Brand Aware Mixue in Malang City

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# ARTICLEINFO

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# ABSTRACT

The purpose of this research is to analyze whether the use of word of mouth and place influences the brand awareness of the people in Malang City. The population selected in this study is all people who have bought Mixue products at outlets in Malang City. Using a survey data collection method, namely questionnaire (Google Form) with a total of 193 respondents. Using multiple linear regression analysis techniques this was done because the analysis in this study needed to determine the influence of more than one independent variable on one dependent variable. The results of this study indicate that there is a positive influence between word of mouth and place on the brand awareness of Mixue in Malang City.

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# **INTRODUCTION**

The culinary or food and beverage industry is currently increasing. One of them that has increased is the beverage industry. Now there are lots of beverage outlets that control both the territory of Indonesia and outside Indonesia. According to the Ministry of Industry (2022), the growth of the food and beverage industry (main) in the third quarter of 2022 reached 3.57%, higher than the same period last year which was recorded at 3.49%. According to the Ministry of Industry (2022) even though it was affected by the Covid-19 pandemic, the food and beverage sub-sector was still able to grow and contribute to the growth of the non-oil and gas industry which reached 4.88%. This was followed by changes in lifestyle that caused human needs to change, especially in terms of drinks. Nowadays many people are innovating to create new types of drinks that are attractive and liked by many people. One example is ice cream and tea drinks with boba. One of their goals for innovation is to increase their brand awareness. The definition of brand awareness according to Keller (2020) is the ability to understand and be aware of the existence of a product from a brand and be able to differentiate it from other brands. That the level of brand awareness can be measured by using a brand name that is easily remembered by consumers. In this case, brand awareness itself has several levels, namely unaware of the brand as the lowest level, followed by brand recall, brand recognition, and top of mind as the highest. Faadilah (2022). From the above levels, many companies are finally looking for the best way or system to increase brand awareness. One of them is the Mixue brand.

Later, Indonesia was shocked by a product, namely Mixue, a product that provides drinks such as ice cream and tea drinks with boba. Mixue itself is a brand that is categorized as new. Mixue itself was founded in 1997, by Mr. Zhang Hongchao, a student, he first launched Mixue Ice Cream & Tea in Zhengzhou. A brand that presents fresh ice cream and tea for the younger generation. He set a mission to "bring affordable, high-quality products to everyone around the world". After more than a decade of ups and downs, he has led Mixuers to successfully build its own factory and supply chain (Mixue Ice Cream & Tea, n.d.). Then Mixue just entered Indonesia in 2020 by opening its first outlet at Cihampelas Walk, Bandung City. After that opened many outlets throughout Indonesia. Currently, Mixue is also ranked as the fifth most outlet in the world (Oswaldo, DetikFinance, 2023). According to Wijayanti (2023), Mixue itself in Indonesia has set up around 317 outlets. The number of Mixue outlets in Malang is around 18 outlets (Anwar, 2023).

Many companies compete in this innovation, such as Mc. Donald with an ice cream cone and Mc.Flurry and KFC with ice cream sundae. In this case, entrepreneurs need to apply the right strategy for their business so that they are not unable to compete with similar products. Some of them are marketing strategies such as word of mouth and place (marketing mix). This can be seen from several sources such as Lauricia's research (2020) which concluded that word of mouth contributed to and significantly influenced Tealab's brand awareness. In addition, there is also research from Saraswati (2018) which states that word of mouth has a positive and significant effect on brand awareness of

good day instant coffee products. Generally, people are interested in a product because of interesting recommendations or reviews. Even with the development of the times, everyone will still have more trust in recommendations from those closest to them or from people who have bought the same product, both conventionally and digitally.

Apart from recommendations from customers, Mixue also has a strategic location. Mixue always sets up its outlets in crowded places that are easy for customers to access. It can be seen that all existing Mixue outlets are always crowded with consumers. From several existing studies, such as the research of Haryanto, Saudi, Anshar, Hatta, & Lawalata (2022) and Wahyuddin (2022) the place variable is positive but less significant in increasing one's awareness of a brand so from this research too and with a large number of This Mixue outlet the researcher also wants to know whether the place variable in the Mixue is positive and significant. Based on the background above, the authors are interested in conducting research with the title "The Influence of Word Of Mouth And Place Toward Brand Awareness Mixue In Malang City".

# THEORETICAL REVIEW

The process of formulating research hypotheses through the development of a conceptual framework (thinking) is based on theoretical studies that are relevant to the research problem. The hypothesis in this research is as follows: The Effect of Word Of Mouth on Brand Awareness

The use of word of mouth in the world of marketing is carried out by customers to influence, invite, or even persuade other customers. This can help the company indirectly in increasing public brand awareness. This shows the role of word of mouth is very crucial and influential in increasing brand awareness by consumers.

The theory above is also strengthened by several similar previous studies. According to research conducted by Lauricia (2020), the results show that advertising and word of mouth contribute to and significantly influence brand awareness. Therefore, Tealab and other companies in the food industry can maximize marketing activities through both media by advertising more often on Instagram ads and doing more word-of-mouth activities. According to research conducted by Saraswati (2018), it shows that the results of this study can be concluded that advertising has a significant effect on brand awareness, word of mouth (wom) has a significant effect on purchase intention, word of mouth (wom) has a significant effect on buying interest, there is a mediating effect of advertising on buying interest through brand awareness, and there is a mediating effect of word of mouth (wom) on buying interest through brand awareness. This research was also strengthened through several studies conducted by Rosadi (2021), Handiki & Mustikasari (2019), and Wicaksono & Seminari (2016).

So H1 seeks to prove that the use of Word Of Mouth will affect public awareness of the Mixue brand. Based on the description of the statement, the hypothesis proposed in this study is:

# H1: There is a positive and significant influence between word of mouth on brand awareness.

The Effect of Place on Brand Awareness

The place strategy in the marketing mix is carried out by the company to make it easier for customers to get existing products because it is located close to where the consumer lives and increases market reach. This can help the company indirectly in increasing public brand awareness. This shows that the role of place in the marketing mix is very crucial and influential in increasing brand awareness by consumers.

The theory above is also strengthened by several similar previous studies. According to research conducted by Purnamasari (2017), the results of the research show that advertising, sales promotion and personal selling have a direct and significant influence on the formation of Brand Awareness. It can be concluded that the descriptive analysis of the marketing mix on the formation of Brand Awareness is considered to have an influence. But in the research of Haryanto, Saudi, Anshar, Hatta, & Lawalata (2022) and Wahyuddin (2022) the place variable has no significant effect even though it has a positive effect. Based on the previous research above, it is formulated:

# H2: There is a positive and significant effect between place on brand awareness.

Based on research conducted by several previous researchers in sections H1 and H2. So H3 seeks to prove that word of mouth and place will affect public awareness of the Mixue brand. Based on the description of the statement, the hypothesis proposed in this study is:

# H3: There is a positive and significant influence between word of mouth and place on brand awareness.

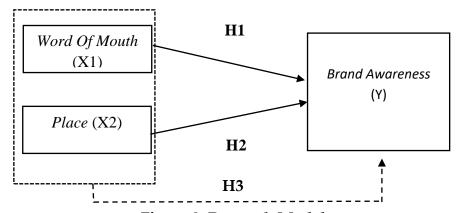


Figure 2. Research Model Source: Data Diolah Penulis (2023)

# **METHODOLOGY**

This type of research used in this study is using a causal quantitative method. The reason the authors chose quantitative research is because the data

presented is in the form of numbers and uses statistical analysis. Quantitative research is a research method based on the positivism philosophy, as a scientific or scientific method because it has fulfilled scientific principles concretely or empirically, objectively, measurably, rationally, and systematically (Sugiyono, 2017).

This research is causal quantitative research according to Sugiyono (2017). Casual research (causal research) is research that aims to determine the causal relationship of several variables. This casual research is research that has a causal relationship. This research can be used to test whether a variable has an influence on other variables, and can be used to find out how big or small the influence of the independent variable (X), namely word of mouth and place on the dependent variable (Y), namely brand awareness.

This study uses quantitative data types. Quantitative data is a research method that is based on positivistic (concrete data), research data is in the form of numbers that will be measured using statistics as a calculation test tool, related to the problem under study to produce a conclusion. (Sugiyono, 2019). The source data from this study was obtained through primary data. Primary data is a data source that directly provides data to data collectors (Sugiyono, 2019).

The data collection technique in this study is by using a survey technique through an instrument, namely a questionnaire (Google Form). A questionnaire or questionnaire is a data collection tool that is carried out by giving a set of questions or written statements to respondents to answer (Sugiyono, 2017).

#### **RESULTS**

# Validity test

A validity test is used to measure whether or not a questionnaire is valid. A questionnaire is said to be valid if the questionnaire can reveal something that will be measured by the questionnaire. This validity test uses Pearson Correlation by calculating the correlation between the values obtained from the questions. A question is said to be valid if the significance level is below 0.05. (Ghozali, 2012: 52).

Table Summary of Validity Test of Word Of Mouth Variable (X1)

No.	RCount	$\mathbf{R}^{\mathrm{Table}}$	Sig.	Status
Question				
1	0,743	0,148	0.000	Valid
2	0,849	0,148	0.000	Valid
3	0,853	0,148	0.000	Valid
4	0,835	0,148	0.000	Valid
5	0,813	0,148	0.000	Valid

Based on the table above, it can be seen that Rcount > RTable 0.148, and a significant level of <0.05, which means that all question items variable X1, namely Word of Mouth, are said to be valid.

Table Summary of Validity Test from Variable Place (X2)

No.	<b>R</b> Count	R <sup>Table</sup>	Sig.	Status
Question			_	
6	0,684	0,148	0.000	Valid
7	0,768	0,148	0.000	Valid
8	0,731	0,148	0.000	Valid
9	0,732	0,148	0.000	Valid
10	0,692	0,148	0.000	Valid

Based on the table above, it can be seen that RCount > RTable 0.148, and a significant level of <0.05, which means that all question items variable X2, namely Place, are said to be valid.

Table Summary of Validity Test of Variable Brand Awareness (Y)

No.	<b>R</b> Count	$\mathbf{R}^{\mathrm{Table}}$	Sig.	Status
Question			· ·	
11	0,669	0,148	0.000	Valid
12	0,828	0,148	0.000	Valid
13	0,859	0,148	0.000	Valid
14	0,845	0,148	0.000	Valid
15	0,856	0,148	0.000	Valid
16	0,802	0,148	0.000	Valid

Based on the table above, it can be seen that Rcount > RTable 0.148, and a significant level of <0.05, which means that all question items variable Y, namely Brand Awareness, are said to be valid.

# Reliability Test

The real reliability test is a tool for measuring a questionnaire which is an indicator of a variable or construct. A questionnaire is said to be reliable or reliable if one's answers to the questions are consistent or stable from time to time. Questionnaire items are said to be reliable (proper) if Croncbach's alpha > 0.06 and are said to be unreliable if Cronbach's alpha < 0.06.

Research Variable Reliability Test Table

Variables	Croncbach alpha	N of Items
Word Of Mouth	0,877	5
Place	0,764	5
<b>Brand Awareness</b>	0,894	6

It can be seen that the Word Of Mouth variable with Croncbach alpha 0.877 > 0.06, Place with Croncbach alpha 0.764 > 0.06, and Brand Awareness Variable with Croncbach alpha 0.894 > 0.06 can be said to be reliable and can be used consistently.

# Classic Assumption Test

# **Normality Test**

The normality test is carried out to find out whether the dependent, independent or both variables contribute normally, close to normal or not. The basis for decision-making can be based on probability, namely:

• If the probability > 0.05 then the distribution of the population is normal.

If the probability < 0.05 then the population is not normally distributed

One K-S Normality Test Table

It is known that the results of the K-S test have a significance value of 0.200, meaning that it can be concluded that the residuals are normally distributed because the p-value > 0.05

# **Multicollinearity Test**

Look at the Tolerance value: If the Tolerance value is greater than > 0.10, it means that there is no Multicollinearity

• Look at the VIF value: If the VIF value is less than < 10.00, it means that there is no multicollinearity

# X1 (Word Of Mouth)

- T value 0.661 > 0.10, meaning that multicollinearity does not occur
- VIF value of 1.514 <10.00, meaning that multicollinearity does not occur

# X2 (Place)

- T value 0.661 > 0.10, meaning that multicollinearity does not occur
- VIF value of 1.514 <10.00, meaning that multicollinearity does not occur

# **Heteroscedasticity Test**

One way to detect the presence or absence of heteroscedasticity is to look at the plot graph between the predictions of the dependent variable, ZPRED, and the residual, SRESID.

# Basic Research:

- Sig. > 0.05 There is no heteroscedasticity
- Sig. < 0.05 There is Heteroscedasticity

Heteroscedasticity Test Table

Sig. of the two independent variables show a number > 0.05 which means there is no heteroscedasticity in the research data this time

# **Multiple Linear Regression Analysis**

The hypothesis testing carried out in this study was carried out using the linear regression method which is used to predict how far the value of the dependent variable changes. This coefficient is obtained by predicting the value of the dependent variable with an equation. The multiple linear regression equation is as follows:

Based on the results that have been obtained from the regression coefficients above, a regression equation can be made as follows:

```
Y = a + b_1.X_1 + b_2.X_2 + b_3.X_3 + e

Y = 2.320 + 0.265.X_1 + 0.814.X_2 + e
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#### Information:

Y = Brand Awarness

a = Konstanta

e = Error distribances  $b_1$ -  $b_3$  = Koefisien Regresi  $X_1$  = Word Of Mouth

 $X_2$  = Place

- 1. A constant of 2.320 means that if the variable Word Of Mouth (X1), Place (X2) is 0, then the resulting Brand Awareness value is 2.320 assuming other variables that can affect Performance Management are considered constant.
- 2. The regression coefficient of the Word of Mouth variable (X1) is 0.265 which states that each additional Word of Mouth variable (X1) is one unit, it will increase Brand Awareness
- 3. The regression coefficient of the Place variable (X2) of 0.814 states that each additional Place variable (X2) is one unit, it will increase Brand Awareness

# Coefficient of Determination (R2)

It can be seen that the variable value of the coefficient of determination is found in the Adjusted R Square value of 0.530. This means that the ability of the independent variable in explaining the dependent variable is 53%, the remaining 47% is explained by other variables not discussed in this study.

# **Count T Test (Partial Test)**

H1: There is an influence of Word of Mouth (X1) on Brand Awareness (Y)

If we look at the significance value, the value of X1 on Y is 0.001 probability value of 0.05, and it can be concluded that there is a positive effect of X1 on Y. Then, if we look at the calculated t value of 3.502 > t table of 1.972, there is an influence of X1 on Y

H2: There is an influence of Place (X2) on Brand Awareness (Y)

T table = t (a/2; n-k-1) = (0.025;190) = 1.972

# **Count F Test (Simultaneous Test)**

It can be seen that the variable has a significance value of 0.000 < 0.005, so it can be concluded that X1 and X2 together have a positive influence on Y. If seen from the calculated F value of 109,328 > F table 3.04, the hypothesis is accepted that X1 and X2 together have a role in Y

F table = F(k; n-k) = F(2; 191) = 3.04

# **DISCUSSION**

The research was carried out by taking a sample of 193 respondents where the respondents were declared valid and as many as the respondents were not. The results of the validity test and reliability test showed that all question items which counted as many as 16 questions in word of mouth (X1), place (X2), and Brand Awareness (Y) variables could be declared valid and reliable. The normality test also states that the research data is normally distributed, it is concluded that there is no multicollinearity, and there is no heteroscedasticity.

Based on the results of the analysis through testing using Multiple Linear Regression, it shows that word of mouth (X1) and place (X2) has a positive effect on brand awareness (Y). The results of the Determination Coefficient Test (R2) prove that the word-of-mouth variable (X1) and also the place variable (X2) can affect brand awareness (Y) by 53%, and the rest is explained by other variables or factors. The test results using the test state that the first hypothesis (H1) and the second hypothesis (H2) can be accepted.

After going through various stages of testing and analysis of the 16 questions, the two hypotheses in this study have been answered, as evidenced by the word-of-mouth variable (X1) having a positive effect on brand awareness (Y) as the first hypothesis and place (X2) as the second hypothesis having a positive effect. on brand awareness (Y) as the Second Hypothesis.

# CONCLUSIONS AND RECOMMENDATIONS

The purpose of this research is to analyze the use of word of mouth and place the brand awareness of the people in Malang City. Based on the problems

that have been formulated, hypothesis testing, and the results of the research that has been done, some conclusions can be drawn as follows:

- 1. There were 193 respondents with 192 valid respondents (meeting the criteria) used as data and one respondent who was not valid. The sample from this study was dominated by respondents aged 15-24 years at 82.4%. Research participants were dominated by people with college/equivalent education at 85%. Most of the respondents with a score of 99% met the qualifications to fill out the questionnaire, so it can be concluded that almost all of these people have enjoyed Mixue products.
- 2. The results of this study indicate that word of mouth and place have a positive and significant effect on brand awareness. This means that the use of word of mouth and place tends to increase Mixue's brand awareness among people in Malang City.
- 3. The results of this study indicate that word of mouth and place have a positive and significant effect on brand awareness. This means that the use of word of mouth and place tends to increase Mixue's brand awareness among people in Malang City.

Based on the results of the research conclusions above, some suggestions are expected to be useful for the company and for other parties. The suggestions that the author can give include:

# 1. For Further Research

For further research, it is expected to involve more research subjects so that the results obtained will be closer to more accurate conditions. In addition, this study only uses one independent variable, namely word of mouth and place, and one dependent variable, namely brand awareness. So that in future research it is expected to be able to add other variables such as advertising, social media, and also taglines which are other variables outside the variables that have been studied in this study so that later it is expected to be able to represent consumers as a whole and increase references as supporters the topics studied, to obtain a good research model supported by a strong theory.

# 2. For Companies

It is hoped that this research will become a concern for Mixue as a Food and Beverage company to always try to pay attention to and maintain the credibility of a person/group by word of mouth and place so that the promos launched can have an impact on achieving company goals and goals because brand awareness is needed to increase consumers who enjoy the brand.

# 3. For Society

This research is also limited to the people in Malang City so it is hoped that further research can conduct research with a more complex and broader scope to get maximum results. For the community, especially in Malang City as the parties involved as respondents in this research, it is hoped that this research can be a form of contribution so that students can more easily acquire knowledge and obtain more accurate results regarding word of mouth and place in increasing community brand awareness.

#### **FURTHER STUDY**

The limitations contained in this study are that this research only takes samples in the scope of society in Malang City. Therefore, the results of further research can be developed so that it becomes a wider scope for future research. In addition, other variables can influence brand awareness but are not used or not examined in this study. The author examines the word of mouth, place, and brand awareness variables based on previous studies which are used as a reference in this study.

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