Analysis of Brand Image, Product Innovation, and Word of Mouth on Purchasing Decisions Tekiro in Surabaya

Ainul Yaqin¹, Nuruni Ika Kusuma Wardani²*, Reiga Ritomea Ariescy³
Universitas Pembangunan Nasional “Veteran” Jawa Timur
Corresponding Author: Nuruni Ika Kusuma Wardani ikanuruni.mnj@upnjatim.ac.id

ARTICLE INFO
Keywords: Purchase Decision, Diferensiasi Produk, Electronic Word of Mouth, Partial Least Square

Received: 04, August
Revised: 10, September
Accepted: 15, October

This study aims to determine the effect of brand image, product innovation, and word of mouth on purchasing decisions of Tekiro in Surabaya. This study uses a quantitative method, namely by using 98 people as a research sample. The respondents were taken using a non-probability sampling method with a purposive sampling technique. The data collection method was carried out through the distribution of conventional questionnaires and was measured using a Likert scale. The analysis used is Partial Least Square (PLS). The results of this study indicate that brand image and word of mouth variables have a significant influence on purchasing decisions, but product innovation variables do not significantly influence purchasing decisions for Tekiro in Surabaya.

ABSTRACT

Received: 04, August
Revised: 10, September
Accepted: 15, October

©2023 Yaqin, Wardani, Ariescy
This is an open-access article distributed under the terms of the Creative Commons Atribusi 4.0 International.

DOI: https://doi.org/10.55927/ijba.v3i5.5393
ISSN-E: 2808-0718
https://journal.yp3a.org/index.php/ijba
INTRODUCTION

The Ministry of Industry continues to develop the mold, dies, jigs and fixtures industry or what is commonly referred to as the equipment and tooling industry. Taufiek Bawazier as director general of the metal, machinery, transportation equipment and electronics industry said that the mold, dies, jigs and fixtures industry made a significant contribution to the national economy. Until August 2022, the export performance of the mold industry amounted to 15.8 million US dollars, the dies industry amounted to 8.7 million US dollars, and the jig and fixture industry amounted to 44 million US dollars.

Tekiro is a brand that is part of PT Altama Surya Anugerah and was introduced in 1998. Tekiro offers a wide selection of Engineering, machining, carpentry and industrial tools. Tekiro has high quality because Tekiro has its own standards by comparing its own products with Japanese or German brands. When compared to some of these foreign brands, Tekiro has an average price of 30-40% cheaper. Tekiro targets its market to industry players and automotive hobbyists.

Based on data from (topbrand-award.com) Tekiro experienced a decline from 2020 to 2022. Tekiro also fell to third place and was shifted by other tool brands. From this data, Tekiro experienced a significant decline from 2020 which reached 21% down to 17.6% in 2021 and again experienced a decline of 0.8% in 2022. In this data, consumer behavior has an important role in making purchasing decisions. According to Kotler and Keller (2016) consumers go through five stages of the decision-making process, namely: problem recognition, information search, evaluation of alternatives, purchase decisions, and post-purchase behavior. One of the strategies commonly used by companies is a differentiation strategy. Product differentiation strategy is the creation of a product or product image that is sufficiently different from products that have been circulating with the intention of attracting consumers (Suryawan, 2022).

Product innovation can be interpreted as the beginning of the implementation of an idea owned by the company to make new products. Reporting from (dapurpacu.id) in August 2022 Tekiro launched a new product innovation, namely a Tekiro cordless drill type CV 12V and XV 20V at the Gaikindo Indonesia International Auto Show (GIIAS) 2022. Previously Tekiro also issued tools such as folding limb saws, multipurpose folding knives, then along with cordless drills, namely grass cutter trimmers or so-called grass cutters that use batteries so that they do not require cables when used. According to Robbins & Coulter (2016), innovation is taking creative ideas and turning them into a useful product or work method.

In addition to having a high brand image and innovation, Tekiro can also be a recommendation from the automotive enthusiast community. But this can be contradicted when viewed from the results of a pre-survey conducted by researchers. most respondents prefer tools other than Tekiro on the grounds of personal needs that are not always used and are widely sold in the Surabaya area. According to Kotler & Keller (2016) word of mouth marketing is a marketing activity through person-to-person intermediaries either verbally, in
writing, or through electronic communication tools related to service purchasing experiences or experiences using products or services.

With the pre-survey conducted by researchers, researchers found a phenomenon that could result in a decrease in sales of terkilo products in Surabaya. The difficulty experienced by researchers is that when researchers were looking for respondents for the needs of the pre-survey, many people did not know what Tekiro was like. The majority of respondents received recommendations for other products besides Tekiro by sellers in stores in Surabaya. The majority of respondents mentioned that Tekiro is famous for its strong quality and expensive price. In addition, there are recommendations from sellers to choose other products that have lower prices for needs that are not used every day and also sellers also recommend tools with brands other than Tekiro. The majority of respondents also think that Tekiro's limited selection in offline store sales in Surabaya and complete Tekiro sales only exist in e-commerce or make purchases through online. This will require more time and additional costs such as shipping costs.

THEORETICAL REVIEW

Brand Image
Fahmi et al. (2020) explains that brand image is very important for product success, because when purchasing a product, people will tend to buy the brand. According to Kotler and Keller (2009), brand image is a belief held by consumers, as reflected in the associations embedded in customer memories, which are always remembered first when hearing a slogan and embedded in the minds of consumers. With this, most consumers will think that the brand already has a good image so that they think that the product is of good quality and is known by many consumers. According to Arif and Sari (2020), brand image is used as an introduction to a product or service that will introduce a company to be remembered and can make purchases and even purchases in terms of repetition. According to Freddy Rangkuti (2009), brand image has several indicators that characterize it, including that characterize it, among others: a) recognition; b) reputation; c) attractiveness; d) loyalty.

Product Innovation
Kotler in Alifuddin & Razak (2015) defines innovation as something new, related to goods, services or ideas that are perceived as new by someone. Even though the idea has long existed, it can be said to be an innovation for people who have just seen or felt it. According to Soegoto & Soepeno (2018) Product innovation is one way to provide additional points which is one of the key components of successful business operations, which can provide a competitive advantage for the company so that it requires quality products. Consumers always want products that are new and different from the previous products they have purchased. According to Cheng-Hsun Ho (2011), innovation has
several indicators, including several indicators, including: a) relative advantage; b) compatibility / suitability; c) trialability; d) visibility.

**Word of Mouth**

Joesyiana (2018) explains that consumer satisfaction and dissatisfaction will greatly affect the impact that is brought both positive and negative so that it can affect a company. According to Pratiwi (2017) word of mouth is an activity carried out by consumers voluntarily offering, introducing and suggesting a product to others to use the product. use the product. According to Husen et al., (2018) word of mouth has several indicators, including: a) talk about; b) recommend; c) encourage; d) invite.

**Purchase Decision**

Kotler and Armstrong, (2001) in Nurul (2019) explain Consumer purchase decisions are the stage in the buyer’s decision-making process where consumers actually buy products. Process where consumers actually buy the product. Tjiptono (2016) states that purchasing decisions are a process where consumers recognize their problems, seek information about certain products or brands and evaluate how well each of these alternatives can solve their problems, which then leads to a purchase decision. According to Setiadi in Lubis et al. (2017) purchasing decisions are the stage of integration and combination of knowledge to evaluate several alternative behaviors, and selecting the best according to criteria. The result of integration is a cognitive choice. According to Thompson (2016) there are 4 indicators in purchasing decisions, namely: a) according to needs; b) has benefits; c) accuracy in buying products; d) repeat purchases.

**METHODOLOGY**

This research is quantitative with the measuring instrument used to measure each research variable using a Likert scale. The research population is consumers who have purchased Tekiro in Surabaya, for the sampling method using Non-probability sampling with purposive sampling technique. So that a sample of 98 people was obtained. In collecting research data, a questionnaire in the form of a Google Form is used, the link to which is given conventionally via social media Instagram and WhatsApp.

**RESULTS**

Based on a total of 98 respondents, the majority of respondents came from the age range between 22-26 years, namely 56.1% and the remaining 43.9% came from other age categories. Meanwhile, from gender, the number of respondents is dominated by male gender, namely 65 people or 66.3% of the total number of respondents, then for the number of female respondents there are 33 people or if the percentage is 33.7%.
Table 1 Respondents’ Answers to Brand Image Statement Score

<table>
<thead>
<tr>
<th></th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>X1.1</td>
<td>0</td>
<td>1</td>
<td>19</td>
<td>50</td>
<td>29</td>
<td>98</td>
</tr>
<tr>
<td>X1.2</td>
<td>0</td>
<td>0</td>
<td>15</td>
<td>55</td>
<td>28</td>
<td>98</td>
</tr>
<tr>
<td>X1.3</td>
<td>0</td>
<td>0</td>
<td>16</td>
<td>50</td>
<td>32</td>
<td>98</td>
</tr>
<tr>
<td>X1.4</td>
<td>0</td>
<td>2</td>
<td>27</td>
<td>51</td>
<td>18</td>
<td>98</td>
</tr>
</tbody>
</table>

Resource: processed data 2023

a. The first brand image indicator is Tekiro's ability to introduce its identity. The data shows the highest result at score 4, meaning that 50 people or 51% of respondents answered agree to the statement given.

b. The second brand image indicator is the reputation that Tekiro has for its consumers. Power shows the highest result at score 4, meaning that 55 people or as many as 56.1% of respondents answered agree to the statement given.

c. The third brand image indicator is how attractive Tekiro is to its consumers. The data shows the highest result on a score of 4, meaning that 50 people or as many as 51% of respondents answered agree to the statement given.

d. The fourth brand image indicator is tekiro's ability to maintain consumers to make repeat purchases. The data shows the highest result on a score of 4, meaning that 51 people or as many as 52% of respondents answered agree to the statement given.

Table 2 Frequency Results of Respondents’ Answers Regarding Product Innovation

<table>
<thead>
<tr>
<th></th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>X2.1</td>
<td>0</td>
<td>1</td>
<td>18</td>
<td>46</td>
<td>33</td>
<td>98</td>
</tr>
<tr>
<td>X2.2</td>
<td>0</td>
<td>2</td>
<td>12</td>
<td>47</td>
<td>37</td>
<td>98</td>
</tr>
<tr>
<td>X2.3</td>
<td>0</td>
<td>1</td>
<td>19</td>
<td>44</td>
<td>34</td>
<td>98</td>
</tr>
</tbody>
</table>

Source: processed data 2023

a. The first indicator of product innovation is Tekiro's ability to be different and superior to its competitors. The data shows the highest result at score 4, meaning that 46 people or 46.9% of respondents answered agree to the statement given.

b. The second indicator of product innovation is Tekiro's innovation ability to be easily understood by its consumers. The data shows the highest result at score
4, meaning that 47 people or as many as 48% of respondents answered agree to the statement given.

c. The third indicator of product innovation is Tekiro’s ability to produce innovations that are easy to observe and have advantages over previous products. The data shows the highest result at score 4, meaning that 44 people or as many as 44.9% of respondents answered agree to the statement given.

Table 3 Frequency Results of Respondents’ Answers Regarding Word Of Mouth

<table>
<thead>
<tr>
<th>Statement Score</th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>X3.1</td>
<td>0</td>
<td>1</td>
<td>10</td>
<td>44</td>
<td>43</td>
<td>98</td>
</tr>
<tr>
<td>X3.2</td>
<td>0</td>
<td>1</td>
<td>17</td>
<td>57</td>
<td>23</td>
<td>98</td>
</tr>
<tr>
<td>X3.3</td>
<td>0</td>
<td>1</td>
<td>10</td>
<td>47</td>
<td>40</td>
<td>98</td>
</tr>
</tbody>
</table>

Source: processed data 2023

a. The first word of mouth (WOM) indicator is the willingness of consumers to talk about good things about Tekiro to others. The data shows the highest result at score 4, meaning that 44 people or 44.9% of respondents answered agree to the statement given.

b. The second word of mouth (WOM) indicator is that consumers recommend Tekiro as an option to others. The data shows the highest result at score 4, meaning that 57 people or as many as 58.2% of respondents answered agree to the statement given.

c. The third word of mouth (WOM) indicator is that consumers encourage friends or other people to make purchases of Tekiro. The data shows the highest result at score 4, meaning that 47 people or as many as 48% of respondents answered agree to the statement given.

Table 4 Frequency of Respondents’ Answers Regarding Purchasing Decisions

<table>
<thead>
<tr>
<th>Statement Score</th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Y1.1</td>
<td>0</td>
<td>0</td>
<td>9</td>
<td>42</td>
<td>47</td>
<td>98</td>
</tr>
<tr>
<td>Y1.2</td>
<td>0</td>
<td>1</td>
<td>11</td>
<td>50</td>
<td>36</td>
<td>98</td>
</tr>
<tr>
<td>Y1.3</td>
<td>0</td>
<td>0</td>
<td>12</td>
<td>41</td>
<td>45</td>
<td>98</td>
</tr>
<tr>
<td>Y1.4</td>
<td>0</td>
<td>1</td>
<td>17</td>
<td>52</td>
<td>28</td>
<td>98</td>
</tr>
</tbody>
</table>

Source: processed data 2023

a. The first indicator of purchasing decisions is that consumers make purchases because Tekiro suits their needs. The data shows the highest result at score 5, meaning that 47 people or as many as 48% of respondents answered strongly agree to the statement given.

b. The second purchasing decision indicator is that consumers make purchases because they get benefits from Tekiro. The data shows the highest result on
score 4, meaning that 50 people or as many as 51% of respondents answered agree to the statement given.
c. The third purchasing decision indicator is that consumers make purchases because they feel that Tekiro's price is in accordance with the quality offered. The data shows the highest result at score 5, meaning that 45 people or as many as 45.9% of respondents answered strongly agree to the statement given.
d. The fourth purchasing decision indicator is that consumers are satisfied with Tekiro and will make repeat purchases. The data shows the highest result at score 4, meaning that 52 people or 53.1% of respondents answered agree to the statement given.

Data Analysis, Hypothesis Testing, and Measurement Model (outer model)

Convergent Validity

Indicator validity can be measured by looking at the Factor Loading value from the variable to the indicator, it can be said that the validity is sufficient if it meets the requirements greater than 0.5 and or the T-Statistic value obtained is greater than 1.96 (Z value at α = 0.05). Factor Loading is the correlation between indicators and their variables, if the validity value is greater than 0.5, it is considered that the validity is fulfilled as well as if the value of the T-Statistic is greater than 1.96, the significance can be fulfilled. All reflective indicators on the Brand Image variable (X1), Product Innovation (X2) and Word Of Mouth (X3) as well as the Purchase Decision variable (Y1), show factor loading (original sample) greater than 0.50 and or significant (T-Statistic value is more than the Z value α = 0.05 (5%) = 1.96), thus the estimation results of all indicators have met Convergent validity or good validity.

Discriminant Validity

The validity of latent variables is considered good if the convergent AVE value is greater than 0.5. The AVE test results for the Product Innovation variable (X2) of 0.518906, the Word Of Mouth variable (X3) of 0.503930, and the Purchase Decision (Y) of 0.555410 show an AVE value above 0.5, so it can be said that overall the variables in this study have good validity. Meanwhile, the AVE test results for the Brand Image variable (X1) of 0.466606 show an AVE value below 0.5, so it can be said that overall in this study the validity is not good.

Table 5 Average Variance Extracted (AVE)

<table>
<thead>
<tr>
<th></th>
<th>AVE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Brand Image (X1)</td>
<td>0.466606</td>
</tr>
<tr>
<td>Product Innovation (X2)</td>
<td>0.518906</td>
</tr>
<tr>
<td>WOM (X3)</td>
<td>0.503930</td>
</tr>
<tr>
<td>Purchase Decision (Y1)</td>
<td>0.555410</td>
</tr>
</tbody>
</table>

Source: processed data 2023
**Composite Reliability**

To measure construct reliability, Composite Reliability is used above 0.70 so that indicators can be said to be consistent in measuring latent variables. The Composite Reliability test results show that the Brand Image variable (X1) is 0.776520, the Product Innovation variable (X2) is 0.761536, the Word Of Mouth variable (X3) is 0.750295, and the Purchasing Decision variable is 0.832143. The four variables show a Composite Reliability value above 0.70 so that it can be said that all variables in this study are reliable.

<table>
<thead>
<tr>
<th>Composite Reliability</th>
</tr>
</thead>
<tbody>
<tr>
<td>Brand Image (X1)</td>
</tr>
<tr>
<td>0.776520</td>
</tr>
<tr>
<td>Product Innovation (X2)</td>
</tr>
<tr>
<td>0.761536</td>
</tr>
<tr>
<td>Word Of Mouth (X3)</td>
</tr>
<tr>
<td>0.750295</td>
</tr>
<tr>
<td>Purchase Decision (Y)</td>
</tr>
<tr>
<td>0.832143</td>
</tr>
</tbody>
</table>

Source: processed data 2023

**PLS Model Analysis**

![Picture 1 Outer Model Output SmartPLS](image)

Source: processed data 2023

**R-square**

Inner model testing can be done by looking at the R-Square value in the equation between latent variables, $R^2$ explains the amount of exogenous variables (independent / free) in the model, able to explain the endogenous variables (dependent / dependent). The value of $R^2 = 0.525518$, can be interpreted that the model is able to explain the phenomenon of Purchase Decision (Y) which is influenced by the independent variables, among others, (Brand Image, Product Innovation, and Word of Mouth) a variant of 52.55%.
While the remaining 47.45% is explained by other variables outside this study (other than Brand Image, Product Innovation, and Word of Mouth).

**Picture 2 R-square**

<table>
<thead>
<tr>
<th></th>
<th>R-Square</th>
</tr>
</thead>
<tbody>
<tr>
<td>Brand Image (X1)</td>
<td></td>
</tr>
<tr>
<td>Product Innovation (X2)</td>
<td></td>
</tr>
<tr>
<td>Word Of Mouth (X3)</td>
<td></td>
</tr>
<tr>
<td>Purchase Decision (Y)</td>
<td>0.525518</td>
</tr>
</tbody>
</table>

Source: processed data 2023

**Hypothesis Testing**

- **Hypothesis 1**: Brand Image has a positive effect on Purchase Decision can be accepted, with path coefficients of 0.302767, and a T-Statistic value of 2.620789 greater than the value of Zα = 0.5 (5%) = 1.96, so it can be said to be Significant (positive).
- **Hypothesis 2**: Product Innovation has a positive effect on Purchase Decision cannot be accepted, with path coefficients of 0.109555, and a T-Statistic value of 1.310200 smaller than the Zα value = 0.5 (5%) = 1.96, so it can be said that it is not significant (positive).
- **Hypothesis 3**: Word of Mouth has a positive effect on Purchase Decision can be accepted, with path coefficients of 0.439815, and a T-Statistic value of 4.490303 greater than the Zα value = 0.5 (5%) = 1.96, so it can be said to be Significant (positive).

**Picture 3 Inner Model Output SmartPLS**

Source: processed data 2023
DISCUSSION

The Effect of Brand Image on Purchase Decision

The results of the research conducted obtained the results that Tekiro's Brand Image can affect consumer Purchase Decision in Surabaya. This can also be seen from the results of factor loading which shows that the Brand Image variable with reputation indicators has the greatest effect on Purchase Decision. One of its superior products is the T socket wrench. This product is the most sold product in one of the e-commerce in Indonesia. This makes consumers feel satisfied and creates the same perception of other Tekiro products offered. In addition, Tekiro products are also very easy to find in offline stores. Therefore, Tekiro has a good track record for consumers. This will increase the reputation that Tekiro has towards its consumers. This can be adjusted to previous research researched by Riza Yunizar (2022) which found that Brand Image has a positive effect on Purchase Decision.

The Effect of Product Innovation on Purchase Decision

The results of the research conducted show that Product Innovation has no effect on Tekiro's Purchase Decision in Surabaya. This is because the innovations made by Tekiro are less differentiating than the products made before. Besides that, consumers prefer to use previous products with the same function and are more affordable. For example, with the innovation of cordless drills that have cordless technology and use battery power. The majority of consumers will choose other Tekiro drills that use cables because they have functions and are not too complicated to use. In addition, innovations made by Tekiro are not easily accessible and are rarely available at offline stores in Surabaya. This can be adjusted to previous research conducted by Alisa, A., Tumbel, A. L., & Djemly, W. (2021) which found that Product Innovation has no significant effect on Purchase Decision.

The Effect of Word of Mouth on Purchase Decision

The results of the research conducted show that word of mouth can have a positive effect on Tekiro's Purchase Decision in Surabaya. In factor loading, the thing that has a big influence is the indicator of talking about. The Tekiro brand and Tekiro products are known for their quality which is equivalent to tools made in exports (Germany and Japan). This quality means that consumers have a positive experience regarding the quality provided by the Tekiro brand and its products. With the quality obtained by consumers, consumers will feel satisfied and consumers will make the Tekiro brand and Tekiro products talk to others. The number of consumers who talk about the Tekiro brand and Tekiro products to others, the more other people will understand the Tekiro brand and Tekiro products. This can be adjusted to previous research conducted by Prayitno, Bayu Bagus (2019) which found that word of mouth has a positive effect on Purchase Decision.
CONCLUSIONS AND RECOMMENDATIONS

Brand Image owned by Tekiro has a role in Tekiro's Purchase Decision in Surabaya. The better the consumer's impression of Tekiro, the better the reputation will be for consumers. With this, the higher the consumer's decision to make a purchase at Tekiro in Surabaya.

Product Innovation at Tekiro is not significant in making consumer Purchase Decision in Surabaya. This is because Tekiro does not maximize its latest Product Innovation and the results of the innovation are not much different from the previous product. So that consumers prefer pre-existing products.

Word of mouth (WOM) has an influence on the emergence of Tekiro consumers' Purchase Decision in Surabaya. The quality provided by Tekiro to its consumers makes these consumers talk to others. With this consumer talk, the higher the consumer's decision to purchase Tekiro in Surabaya.

Based on the results of this study, Tekiro has a good Brand Image, Product Innovation, and word of mouth. But in general, in this study people did not fully know the Tekiro brand. Tekiro, which is a brand of engineering, machinery, carpentry and industrial tools, maximizes its marketing. With marketing that languishes throughout the community, Tekiro, such as advertising on social media and on television channels like its competitors.

The Tekiro brand must make innovations that make the innovative product look very different and have different conveniences compared to existing products, so that consumers can choose these innovative products over existing products.

Tekiro must maintain its quality and be able to conduct an event itself not only for vocational students but also for students and workers because based on the data the most respondents are 22 - 26 years old. So that they can directly understand the Tekiro brand and the advantages possessed by Tekiro.

FURTHER STUDY

Suggestions for future researchers who choose Tekito as an object for their research, as well as those with similar themes, are expected to be able to develop research objects with new data sources in order to obtain new and accurate research results. and study more deeply about the problems that are used as research objects by increasing literature studies, interviews, and the latest reference sources. due to the limited information on tekiro found on the internet. besides that for future researchers who want to conduct further research, it is advisable to expand the research object and add other variables.
REFERENCES


Yaqin, Wardani, Ariescy


Sri Nurhasanah. (2021). *Pengaruh Brand Image (Brand Image) Terhadap Purchase Decision Sepatu Merek Ventela (Studi Kasus Siswa SMK Yadika Jambi).*


