

## **The Influence of Company Image and Trust and Word Of Mouth on Purchasing Decisions of Postal Express Services**

Muhammad Arif<sup>1</sup>, Adisya Nadira Putri<sup>2</sup>

Email: [muhammadarif@umsu.ac.id](mailto:muhammadarif@umsu.ac.id)

*Fakultas Ekonomi dan Bisnis, Universitas Muhammadiyah Sumatera Utara*

### **ABSTRACT**

*The purpose of the research is to identify some of the factors that influence corporate image on purchasing decisions, the impact of trust on purchasing decision, And the impact of the corporate decisions and the trust and the word of mouth pn the purchasing of the service express at PT. Pos Indonesia (PERSERO) Medan 20000. In this research is a research technique used throught nonprobability sampling technique. Sampling which will be used in this research is purposive sampling with respondents' criteria that have ever used a pos service express. Data gathering technique used in the research are questionnaires and data analysis techniques using SPSS (Statistical package for the social sciences) to draw a four hypotheses put forward in the research shows that (1) how corporate image affect positive and signifivant purchasing decisions, how corporate trust affect positive and signifivant purchasing decisions, (3) how word of mouth affect positive and signifivant purchasing decisions, (4) how corporate image and trust, and word of mouth affect positive and signifivant purchasing decisions.*

**Keywords :** *Corporate Image, Trust, Word Of Mouth, and Purchase Decisions*

### **INTRODUCTION**

Along with the times and technology that continues to develop today requires a shipping service company to meet the wants and needs of service users for package/goods delivery. Currently there are many shipping companies in Indonesia such as JNE, JNT, Pos Indonesia, SiCepat Express. Many choices are offered make consumers more selective in using goods delivery services. This makes each company formulate a strategy to compete, one of which is to provide the best service so that consumers use the company's services (Wahyuni, 2018).

Purchasing decision making is very important for individuals and organizations. Making purchasing decisions is sometimes easy but often very difficult, decision making is one of the most important management processes for any organization. Decisions can be defined as a process of assessing and selecting various alternatives according to interests by determining an option that is considered the most profitable (Amirullah, 2015). In the world of marketing, decision-making services are of the most concern, whether consumers decide to use these services or prefer to use other services, this purchasing decision is very influential for the survival of a company.

To make purchasing decisions, customers must pay attention to the company's image. A good company image will make consumers familiar with the company and

it is easy to decide to use these services. Image is the public's perception of a company or its product, so building an image is very important because image can affect customer and public perceptions (Muis & Fahmi, 2017).

In addition, trust is also one of the things that must be considered, consumer trust has a huge influence on the sustainability of a company, because if the company is no longer trusted by consumers, the product will be difficult to develop in the market. However, if the product is trusted by consumers, the company's products will develop in the market (Mutiarawati, 2019). In a goods delivery service company, trust in the company is very important for customers to decide to use these services, trust can also be built through the customer's personal experience, whether he has ever used the services at the company or not. This experience will form a customer trust in the product or service.

*Word of mouth* can be a powerful source of information in influencing purchasing decisions (Wahyuni, 2018). Word of mouth is a form of praise, recommendations, and customer comments about their experience of services and products that really influence customer decisions or their purchasing behavior (Hasan, 2010, p. 6). Communication by word of mouth can provide recommendations to a person or group regarding a product or service, with this word of mouth can be a promotional medium that can spread quickly to customers. In service delivery of goods, word of mouth can happen very easily, because individuals communicate with other individuals, word of mouth is created which will have an impact on consumers, of course this also affects sales and company life.

## **LITERATURE REVIEW**

### **Buying Decision**

Decision making is a very important matter for individuals and organizations Decision making by consumers to make purchases begins with an awareness of meeting needs and desires which Assael calls need arousal (Putri et al., 2015, pp. 220-228). The purchase decision according to (Arif, 2016, page 2) is the final result of a thought and action in making a purchase decision to use, use, or consume a good or service in fulfilling his needs and desires.

In making purchasing decisions, of course, there are factors that influence consumers in making decisions, according to (Kotler & Armstrong, 2012, p. 110) the factors that influence purchasing decisions are (1) Cultural factors, which are the most extensive and profound influence on consumer behavior. . Cultural factors are the culture, sub-culture and social class of the buyer. (2) Social factors, namely, a person's behavior is influenced by various groups such as reference groups, family, and social roles and status, which have a direct or indirect influence on the position or behavior of a person where the person interacts in making purchase decisions. (3) Personal factors, namely, a buyer's decision is influenced by the characteristics of his personality, including age and life cycle, occupation, economic conditions, lifestyle, personality and self-concept. (4) Psychological factors, namely a consumer's buying

choice is influenced by four main psychological factors, namely motivation, perception, knowledge, belief and attitude.

Purchasing decision indicators used according to (Kotler & Keller, 2012, p. 161) are (1) Product Options, namely Consumers can make decisions to buy a product or use their money for other purposes. In this case the company must focus its attention on people who intend to buy or use a product and the alternatives they are considering. (2) Brand Choice, namely the Consumer makes the decision to choose which brand to buy. Each brand has its own differences. (3) Seller Choices Consumers must make decisions about which sellers to visit. Each consumer has different things in determining the seller due to factors of close location, cheaper prices, complete inventory of goods, comfort and breadth of the place. (4) Purchase Time Consumers' decision in choosing a time interval to make purchases. For example, there are those every day, once a week, once every two weeks or once a month.

### **Company image**

Company image according to (Muis & Fahmi, 2017) is the view or perception of the company by people both inside and outside the company. Thus the company image is a public impression of the company based on their knowledge and experience. It can change and change because each person's knowledge and experience is personal. According to (Ruslan, 2014, p. 68). Image is the main goal and at the same time is the reputation and achievement to be achieved, the meaning of image itself is abstract and cannot be measured mathematically, but its form can be felt from the results of good or bad assessments. Every company has factors that support the success of the company.

According to (Sudarso, 2016, p. 54) states that the factors forming the company's image are (1) Advertising, which is the whole process which includes preparation, planning, implementation and monitoring of advertising delivery. (2) Public Relations, namely efforts that are planned continuously on purpose, in order to build and maintain a mutual understanding between the organization and its society. (3) Physical image, namely, physical evidence that can provide a self-image for the company in the eyes of its consumers. (4) Actual experience That is the experience directly felt by customers in consuming goods and services.

Things that can improve the company's image, namely through the success of the company and can be measured through indicators. The indicators of company image according to (Suprpto & Wahyuddin, 2020, page 8) are (1) Community support for the existence of the company (2) Good social relations between the company and the community (3) Tolerance of the company towards the community in carrying out company activities (3) Implementation company activities do not disturb residents.

## **Trust**

Trust according to (Romindo et al., 2019) is defined as a subjective probability where consumers expect the seller to make certain transactions in accordance with the expectations of consumer confidence. So trust is the hope that the seller will perform certain behaviors that are beyond the control of consumers. Trust according to (Fahrian et al., 2015) is if one of the parties has confidence in the reliability and integrity of the partner. So trust is a belief that the other party's statement can be relied on to fulfill its obligations. Minimal or low information can increase distrust, Trust in a brand is formed from past experiences and previous interactions,

Feelings of trust or not a person appears in his behavior which is determined by factors. The factors of trust according to (Chung, 2018) are (1) Information, namely parties who will believe will receive and use information from trusted parties more and there will be times to produce greater benefits from that information. (2) Influence, namely the power that exists or arises from something that contributes to the character of a person's beliefs and actions. (3) Control, is an assessment of consumers or society, either directly or indirectly.

Trust level is influenced by positive past experiences with other parties which will increase mutual trust. Then trust can be measured through indicators according to (Chung, 2018) (1) Can fulfill its promise, namely that consumers can trust a company because the company can fulfill the promises offered to consumers. (2) Trustworthy transactions, namely trust is an important thing in order to create an ideal transaction that is not detrimental to any party. (3) The information offered is honest, namely the information provided is true, transparent and has benefits.

## **Word Of Mouth**

Often marketers encourage word of mouth by consumers about a promotion. This helps spread awareness beyond consumers who are beginning to interact directly with the promotion (Peter & Olson, 2014, p. 222). Word of mouth according to (Hasan, 2010, page 6) is a form of praise, recommendations, and customer comments about their experience of services and products that really influence customer decisions or their purchasing behavior. Word of mouth or word of mouth according to (Nurhaeni & Astuti, 2014) is a communication process in the form of purchasing recommendations both individually and in groups of a product or service that aims to provide personal information.

Many factors can determine the success or failure of word of mouth. The factors according to (Hasan, 2010, page 8) are: (1) Antecedents (2) Triggers (3) Organizational Strength (4) Material (5) Media (6) Typology of Receiver products. Indicator is a measure or reference regarding the level of success in word of mouth. The indicators of word of mouth according to (Hasan, 2010, p. 11) are (1) The range of communication dissemination, which is where and to whom the information is spread. (2) Trust in recommendations, namely trusting recommendations given by

others. (3) Complaints against recommendations, namely the number of complaints given determines the success or failure of word of mouth.

## **METHODS**

This research uses quantitative research methods. According to (Juliandi et al., 2014) the quantitative research approach is not found at the beginning, but the problem is found after the researcher goes to the dam field if the researcher gets a new problem then the problem is re-examined until all the problems are saturated and have been answered. . In this research, the research technique used is nonprobability sampling technique. Sampling that will be used in this research is purposive sampling with the criteria that respondents have ever used express postal services. By using the Bernoulli sample calculation formula, it can be determined the number of samples needed in this study as many as 96 respondents.

The data collection techniques used in this study were questionnaires and data analysis techniques used SPSS (Statistical Package for The Social Sciences) version 22 to test the four hypotheses proposed in this study. In order for the questionnaire to be used as a data collection tool, it must pass validity and reliability tests. The author uses multiple linear regression analysis to determine the effect of the relationship between the independent variables, which consists of (1) classical assumption test consisting of normality test, multicollinearity test and heteroscedasticity test and (2) hypothesis testing consisting of partial test, simultaneous test. and the coefficient of determination In order for the questionnaire to be used as a data collection tool, it must pass validity and reliability tests.

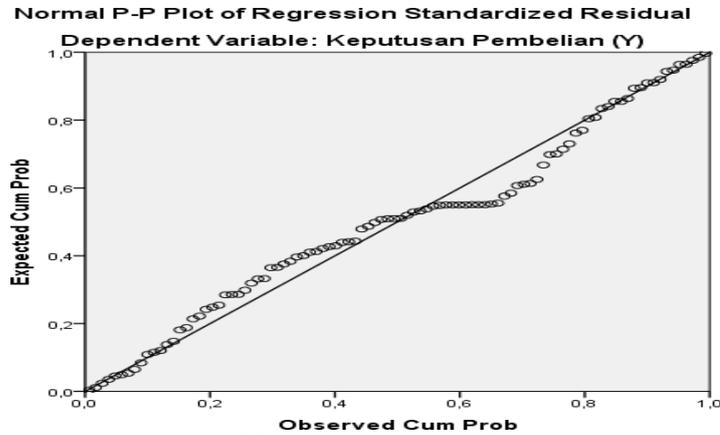
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## **RESULT AND DISCUSSION**

### **RESULT**

#### **Data Normality Test**

Data normality testing is performed to see if in the regression model, dependent variables and independence have a normal distribution or not. If the data spreads around the diagonal line and follows the diagonal line direction then the regression model meets the assumption of normality.



**Figure 1. P-Plot Normality Test Results**

This figure shows that the graph of the results of processing normality test data, based on the PP Plot Of Regression Standardized Residual image, shows that the data is in the form of a horizontal line pattern and some of the data is spread up and down outside the line. This shows that this data is normally distributed.

**Multicollinearity.**

There should be no multicollinearity between the explanatory variables in the model which is indicated by a perfect relationship or a high relationship between some or all of the explanatory variables (Sopiah & Sangadji, 2010, p. 249). One of the ways to detect multicollinearity is by looking at the Tolerance and variance inflation factor (VIF). Tolerance measures the variability of other independent variables. The cut off value that is commonly used to indicate multicollinearity is a tolerance value <0.10 or equal to the VIF value> 10.

**Table 1. Multicollinearity Coefficients<sup>a</sup>**

Model		Collinearity Statistics	
		Tolerance	VIF
1	(Constant)		
	Company Image	.215	4.658
	Trust	.259	3.861
	Word of Mouth	.359	2.747

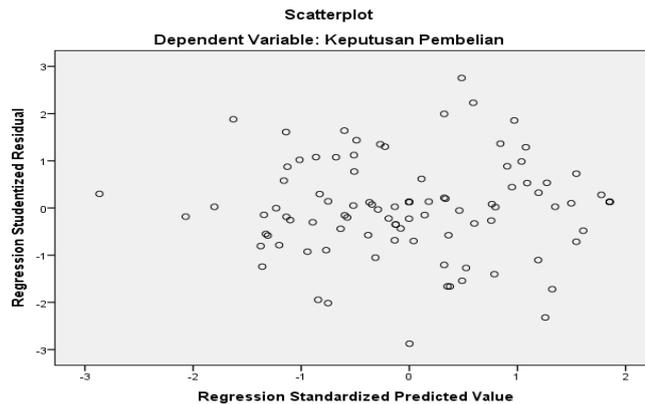
a. Dependent Variable: Purchase Decision

The results of Collinearity Statistics can be seen in the output coefficient model, it is said that multicollinearity does not occur if VIF <10 The calculation results produce VIF values for company image (X1), trust (X2), word of mouth (X3) below the number > 10, it can be concluded that there is no multicollinearity symptom in the regression model.

**Heterokedastisty Test**

Hetrocedasticity causes the predictive ability of the coefficients in the model to be inefficient and does not have much meaning.

**Figure 2. Heterokedastisty**



The scatterplot image shown aims to determine whether this research is heterocedastic or not. This can be seen from the points in the form of a pattern or not. From the results of the SPSS scatterplot output, it can be seen that the missing points form a certain pattern. So the data in this study can be said that heteokedastistik free.

**Multiple Linear Regression**

**Partial test (t test)**

Statistical tests are performed to test whether a free variable (X) individually has a significant relationship or not to a bound variable (Y).

**Table 2 Partial Hypothesis Test results (t)**  
 Coefficients<sup>a</sup>

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	-.382	2.242		-.170	.865
	Company Imager	.300	.115	.269	2.603	.011
	Trust	.285	.098	.273	2.898	.005
	Word of Mouth	.416	.079	.417	5.252	.000

a. Dependent Variable : Purchase Decision

Based on the table above, a research model can be drawn up, the regression equation is as follows:

$$Y = -382 + 0.300X1 + 0.285X2 + 0.416X3$$

The equation above shows that variable X (company image, trust and word of mouth) has a positive coefficient, meaning that all independent variables have a

direct effect on variable Y (purchase decision). The research model in the form of the multiple linear regression equation above can be interpreted as follows:

1. If the company image (X1), trust (X2) and word of mouth (X3) have a value of 0, then the purchase decision (Y) is -382.
2. If the other independent variables are fixed in value and the company's image (X1) increases by 1%, the purchase decision (Y) will increase by 0.300%. A positive coefficient means that there is a positive relationship between company image (X1) and purchasing decisions (Y), the higher the company's image (X1), the more purchasing decisions (Y).
3. If the other independent variables are fixed in value and trust (X2) increases by 1%, the purchase decision (Y) will increase by 0.285%. A positive coefficient means that there is a positive relationship between trust (X2) and purchase decisions (Y), the higher the confidence (X2), the more the purchasing decision (Y).
4. If the other independent variables are fixed in value and word of mouth (X3) increases by 1%, the purchase decision (Y) will increase by 0.416%. A positive coefficient means that there is a positive relationship between word of mouth (X3) and purchase decisions (Y), the more word of mouth (X3) increases, the more the purchase decision (Y).

**Simultaneous Test (Test F)**

Statistic F tests are performed to test whether a free variable (X) simultaneously has a significant relationship or not to a bound variable (Y).

**Table 3 Simultaneous Hypothesis Test results (F)**

ANOVA <sup>b</sup>						
Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	2762.263	3	920.754	114.877	.000 <sup>b</sup>
	Residual	737.393	92	8.015		
	Total	3499.656	95			

a. Predictors: (Constant), Company Image, Trust, Word of Mouth

b. Dependent Variable: Purchase Decision

From the table above, it is found that the value of F is equal to Fcount 114.877 > F table 2.70 and a probability of 0.000 < 0.05 indicates that Ho is rejected and H1 is accepted. This shows that simultaneously states that there is a significant influence on corporate image (X1), trust (X2) and word of mouth (X3) simultaneously on purchasing decisions (Y).

**Determination Coefficient**

To find out the amount of contribution to corporate image, trust and word of mouth on purchasing decisions simultaneously, it can be seen based on the R-Square value in the following table:

**Table 4 Determination Coefficient Model Summary<sup>b</sup>**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.888 <sup>a</sup>	.789	.782	2.83110

a. Predictors: (Constant), Company Image, Trust, Word of Mouth

b. Dependent Variable: Purchase Decision

From the table above, it can be seen that the R-Square value is 0.789 or 78.9%. To find out the extent to which the contribution or percentage influence of company image and trust and word of mouth on purchasing decisions, it is known through the determination test as follows:

$$\begin{aligned}
 D &= R^2 \times 100\% \\
 &= 0.789 \times 100\% \\
 &= 78.9\%
 \end{aligned}$$

The value of R Square above is known to be 0.789, which means that around 78.9% of the purchasing decision variable (Y) can be explained by the corporate image variable (X1), trust (X2) and word of mouth (X3) or it can be said that the company image and trust and word of mouth on purchasing decisions at express postal services at PT.Pos Indonesia (PERSERO) Medan 20000 amounted to 78.9% while the rest is influenced by other variables not examined in this study. Table 4 shows that the R Square value of 0.721 means that the percentage of the influence of independent variables (K3 Program and Work Environment) on dependent variables (employee's commitment) is the value of the determination coefficient or 72.1%. While the remaining 27.9% were affected or described by other variables not included in this study model.

## DISCUSSION

### The Effect of Company Image on Purchasing Decisions

From the results of the partial test (t-test) regarding the effect of corporate image on purchasing decisions which states that  $t = 2.603 > t \text{ table } 1.986$  and has a significant number of  $0.011 < 0.05$ . From these results it can be concluded that partially there is a significant influence between corporate image on purchasing decisions. This research is in line with research previously conducted by several researchers who stated that the influence of corporate image on purchasing decisions has a positive and significant effect (Pratiwi et al., 2014), (Manik, 2018).

### The Effect of Trust on Purchasing Decisions

From the results of the partial test (t-test) regarding the effect of the image of trust on purchasing decisions which states  $t = 2.898 > t \text{ table } 1.986$  and has a significant number of  $0.005 < 0.05$ . From these results it can be concluded that partially there is a significant influence between trust in purchasing decisions. This

research is in line with research previously conducted by several researchers who stated that the effect of trust on purchasing decisions has a positive and significant effect (Nugroho, 2018), (Nasution et al., 2019).

### **The Influence of Word Of Mouth on Purchasing Decisions**

From the results of the partial test (t-test) regarding the effect of word of mouth on purchasing decisions which states  $t_{count} = 5.252 > t_{table} 1.986$  and has a significant number of  $0.000 < 0.05$ . From these results it can be concluded that partially there is a significant influence between word of mouth on purchasing decisions. This research is in line with research previously conducted by several researchers who state that the effect of word of mouth on purchasing decisions has a positive and significant effect (Astuti, 2018), (Adikumoro & Achmad, 2018).

### **The Influence of Company Image and Trust and Word Of Mouth Against Purchasing Decisions**

From the results of the simultaneous test (f test) regarding the influence of corporate image (X1), trust (X2), and word of mouth (X3) which states that the f test value is  $F_{count} 114.877 > F_{table} 2.70$  and a probability of  $0.000 < 0.05$ . This means that  $H_0$  is rejected, it can be concluded that company image, trust and word of mouth have an effect on purchasing decisions.

### **CONCLUSION**

Based on the results of the analysis and discussion, it can be concluded that the company image partially has a significant influence on purchasing decisions. The results showed that trust partially had a significant effect on service purchase decisions. The results showed that word of mouth partially has a significant influence on purchasing decisions. The results showed that company image, trust and word of mouth influenced the purchasing decision of express postal services at PT. Pos Indonesia (PERSERO) Medan.

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