

THE INFLUENCE OF LOCATION AND WORD OF MOUTH PROMOTION ON PURCHASING DECISIONS AT CIPULIR MARKET, SOUTH JAKARTA

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Abstract

This research aims to determine the influence of location and word of mouth promotion on purchasing decisions at the Cipulir market. This research uses a quantitative and qualitative approach by applying multiple regression analysis. Data collection was carried out by distributing questionnaires to respondents who were asked to rate them using a Likert scale of 1 to 5. The population that was the research subject was visitors to Cipulir Market, with a sample size of 100 respondents. Sampling was carried out using the Accidental Sampling method. communication of product value to strengthen their market position. The strategic nature of the Cipulir market influences purchasing decisions with accessibility, product availability, socio-cultural environment and market image. Markets with many sellers and product variations are the main choice for consumers, coupled with a friendly environment and a positive market image. Word of Mouth is also important because of social interaction in traditional markets, where recommendations and reviews from other parties provide strong incentives for potential buyers.

INTRODUCTION

Cipulir Market is one of the famous traditional markets in Jakarta, Indonesia. This market is famous for selling various kinds of clothes, garments and textile materials.

Various types of clothing, from ready-made clothes to raw fabrics are available in this market. Cipulir Market is a shopping destination for many people because apart from having a variety of textile products, it also offers affordable prices. Visitors can find ready-to-wear clothes, metered fabrics, accessories and other textile supplies here.

Apart from that, this market is also a gathering place for tailors and textile craftsmen who look for raw materials to make their products. The lively and traditional market atmosphere also adds to the unique shopping experience for visitors. Traditional markets such as Cipulir Market play an important role in the local economy and are also part of the cultural heritage of the Indonesian people. This area is not only a place to shop, but also a meeting place for local culture, traditions and communities.

The strategic location of Cipulir Market in Kebayoran, South Jakarta, has an impact on purchasing decisions due to easy access for customers from inside and outside the city, the availability of various textile products, and the high population density around the area. According to Hardiansyah et al. (2019) that with good accessibility, customers can easily visit their destination to fulfill their needs, thereby creating healthy competition and encouraging traders to offer competitive prices and quality.

Even though Cipulir Market does not carry out promotions through social media, mass media or electronic media, promotions carried out by word of mouth by consumers have a big influence on purchasing decisions. Because these promotions are based on first-hand experiences and recommendations from individuals who have shopped at those markets, they create strong trust and a positive reputation among potential customers. Thus, word of mouth promotion plays an important role in attracting interest and influencing purchasing decisions at Cipulir Market, Kebayoran, South Jakarta.

Word of mouth promotion has a big influence on purchasing decisions because it is based on personal recommendations from individuals to other individuals (Fakhrudin et al., 2021). The information provided in this promotion tends to be more trustworthy because it comes from direct experience, personal opinions and existing social relationships (Mantauv, 2020). Word of mouth promotion creates a strong sense of trust and can significantly influence a person's perception and purchasing decisions (Joesyiana, 2018). Therefore, word of mouth promotion is often considered one of the

most effective marketing strategies in influencing consumer behavior.

METHODS

This research uses a quantitative and qualitative approach by applying multiple regression analysis. Data was collected by distributing questionnaires to respondents who were asked to rate them using a Likert scale from 1 to 5. The population that was the research subject was visitors to Cipulir Market, with a sample size of 100 respondents. Sampling was carried out using the Accidental Sampling method, where researchers accidentally interact with respondents to collect data.

RESULTS AND DISCUSSION

Table 1. Respondent Characteristics based on Gender

Characteristics	Frequency	Percentage
Male	23	23%
Female	77	77%
Total	100	100%

Source: Data processed by researchers (2024)

Table 1 shows that the number of women who visited Cipulir Market reached 77 people, or 77%, because this market offers a variety of products at affordable prices and a fairly wide variety. This is in accordance with the main shopping needs of women who are responsible for purchasing clothes and various textile materials.

Table 2. Respondent Characteristics based on Age

Characteristics	Frequency	Percentage
>20 years old	10	10%
20 - 40 years old	62	62%
> 40 old	28	28%
Total	100	100%

Source: Data processed by researchers (2024)

Table 2 shows that the majority of visitors who come to Cipulir Market are aged between 20 and 40 years, with the number reaching 62 people or 62%. This age range was chosen because it is the period when individuals are active in living their daily lives and starting their careers, so Cipulir Market is considered an ideal shopping destination

for this age group who are looking for a balance between product quality and economic value.

Table 3. Respondent Characteristics based on Frequency of visits

Characteristics	Frequency	Persentase
1 times	8	8%
2 – 5 times	12	12%
> 5 times	80	80%
Total	100	100%

Source: Data processed by researchers (2024)

Table 3 shows that the majority of Cipulir Market visitors visited more than five times, 80 people or 80%. This is due to the fact that this market is the main place for many people around it to fulfill their daily needs, and has built comfort and trust in the quality of products and services provided by traders in this market.

Table 4. Respondent Characteristics based on Occupation

Characteristics	Frequency	Persentase
Student	3	3%
Employee	15	15%
Entrepreneur	65	65%
Housewife	17	17%
Total	100	100%

Source: Data processed by researchers (2024)

Table 4 shows that the most visitors to Cipulir Market are those who have their own business or are entrepreneurs, 65 people or 65%. This is because this market provides various kinds of clothing items or wholesale textile materials at cheaper prices, allowing entrepreneurs to obtain products with higher profit margins.

Table 5. Validity Test Results

Variable	Quisioner Item	r-count
Location	X1.1	0.632
	X1.2	0.618
	X1.3	0.624
	X1.4	0.603
	X1.5	0.667
Word of Mouth Promotion	X2.1	0.679
	X2.2	0.631
	X2.3	0.608

Variable	Quisioner Item	r-count
	X2.4	0.619
	X2.5	0.591
Purchasing Decision	Y1	0.611
	Y2	0.636
	Y3	0.609
	Y4	0.644
	Y5	0.665

Source: Data processed by researchers (2024)

Table 5 shows the results of the validity test for all question items contained in the three variables. Validity can be seen from the calculated r-value which is greater than the r-table. This means that all questions on the three variables are valid because the calculated r value is greater than the r table (0.1966).

Table 6. Reliability Test Results

Variable	Cronbach's Alpha
Location	0.698
Word of Mouth Promotion	0.627
Purchasing Decision	0.635

Source: Data processed by researchers (2024)

The table 6 shows the results of the third variable reliability test. Reliability can be seen from the Cronbach's alpha value which is greater than the alpha value. This means that the third variable is reliable because the Cronbach's alpha value is greater than the alpha value (0.600).

Tabel 7. Koefisien Determinasi

R	R-Square	Adjusted R-Square	Std. Error of The Estimate
.682a	.661	.622	1.050027723

Sumber: Data diolah peneliti (2024)

Table 7 shows the Adjusted R-Square value which shows that as much as 62.2% of purchasing decision variables can be influenced by location and word of mouth promotion. Meanwhile, the remaining 37.8% is influenced by other variables that are not yet known in this research.

Tabel 8. Uji Parsial

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	7.792	.555		14.039	.000
Location	3.089	.403	.304	7.665	.000
Word of Mouth Promotion	6.060	.611	.216	9.918	.000

Sumber: Data diolah peneliti (2024)

Table 8 shows that location influences purchasing decisions because it has a significance value (0.00) > 0.05. Meanwhile, word of mouth promotion also influences purchasing decisions because it has a significance value (0.00) > 0.05.

Location has a significant influence on purchasing decisions at Cipulir Market because strategic location can influence accessibility, product availability, social and cultural environment, and market image. By being in a location that is easily accessible to potential buyers and having many sellers and product variations, the market is the main choice for consumers. In addition, a friendly environment and positive market image also influence consumer perceptions of product quality and price, making location a crucial factor in purchasing decisions.

Research conducted by Rifa'i et al. (2020) shows that location has a significant influence on purchasing decisions in traditional markets because its strategic geographical location influences accessibility, availability of goods and prices. Research conducted by Tumbel & Rate (2015) shows that market locations close to residential areas or main roads can increase ease of access for consumers to shop regularly, while the presence of markets in city centers or busy areas will attract more buyers potential.

This research shows that word of mouth has a significant influence on purchasing decisions at Cipulir Market, this is because traditional markets are often places of intense social interaction between buyers and sellers, as well as between one buyer and another. In an environment like this, recommendations and reviews from others carry great weight in shaping buyers' perceptions and trust in products and sellers. Positive experiences spread by word of mouth can provide a strong incentive for potential buyers to choose certain products or sellers in the market, considering the direct interaction and personality involved in the buying and selling process in traditional markets.

Research conducted by Maulidawati & Anisah (2017) shows that traditional

market relationships between sellers and buyers are often more personal and close, allowing for word-of-mouth conversations about purchasing experiences, quality of goods, and prices. Research conducted by Husna & Nurainun (2016) shows that recommendations from friends, family or neighbors have a high weight in purchasing decisions because of the trust built in the local community, so word of mouth promotion is one of the main factors that influence purchasing preferences in traditional markets.

CONCLUSIONS AND RECOMMENDATIONS

The strategic location at Cipulir Market has a big impact on purchasing decisions because it affects accessibility, product availability, socio-cultural environment and market image. Markets that are easy to reach and busy with sellers and a wide variety of products are the main choice for consumers. A friendly environment and positive market image also influence consumer perceptions of product quality and price. Word of mouth also plays an important role in purchasing decisions due to the intense social interaction in traditional markets, where recommendations and reviews from others provide a strong incentive for potential buyers to choose a particular product or seller.

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