

Customer Decisions, WOM, and Innovation Products: The Role of Destination Servicescape as an Intervening

Toyibatul Masruroh^{1,*}, Yudha Trishananto²

^{1,2}*Faculty of Islamic Economics and Business, Universitas Islam Negeri Salatiga, Salatiga, Indonesia*

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***Corresponding author:** toyiba1702@gmail.com

Abstract: Based on the research conducted and what you want to research about the effect of word of mouth and product innovation on customer decisions with the destination servicescape as an intervening variable. The method of this study is quantitative, with data collection techniques using questionnaires and data analysis techniques from this study using the SPSS 22 program. The results of the analysis of the research show that word of mouth has a significant positive effect on the destination servicescape. Product innovation has a significant positive effect on the destination servicescape. Word of mouth has a significant positive effect on customer decisions. Product innovation has a negative and insignificant effect on customer decisions. Destination servicescape has a significant positive effect on customer decisions. Destination Servicescape can mediate the influence of word of mouth on customer decisions. Destination servicescape can mediate the influence of Product Innovation on customer decisions.

Keywords: WOM; innovation product; customer decision; servicescape.

1. Introduction

In Indonesia, there are two financial institutions, namely conventional financial institutions and Islamic financial institutions, one of the non-bank Islamic financial institutions that is now starting to be in demand by the public is the Islamic pawnshop institution. In Indonesia, the development of the Islamic economy has increased significantly. It can be seen that there are more and more institutions based on Islam or sharia. This can be seen from the positive development of the Islamic economy through the banking financial institutions and non-banking financial institutions such as: baitul mal wattamwil (BMT), sharia pawnshops, and sharia insurance as well as other Islamic financial institutions (Ardhillatul, 2017).

Semarang Regency is a regency located in Central Java Province. Semarang Regency is also known as a trading center and service city. With this designation, it can be proven from the many companies branching out in Semarang. Likewise, the development of sharia-based products is increasingly in Semarang. The large number of sharia-based products is acceptable and with rapid development is influenced by the beliefs of the muslim-majority community. This is in demand because the Muslim community believes more in the existence of sharia provisions and sharia principles in a product so that it can provide deception for mankind. One of them is Pegadaian Syariah, with the existence of Sharia Pawnshops in Semarang can make it easier for people who are Muslims to do pawns based on sharia principle pawn law.

Sharia pawnshops located in the Semarang area, one of which is the Kaligarang Semarang branch of Pegadaian Syariah. Pegadian Syariah Kaligarang branch was established in October 2008, with the organizational structure of Pegadaian Syariah Kaligarang Semarang Branch consisting of Branch Heads, Estimators, Cashiers, and Security. Sharia pawnshop service products in sharia pawnshops are divided into three parts, namely the first pawnshop financing consisting of sharia pawn financing (rahn), amanah financing, and arum financing. Second, gold consists of noble, gold savings, and gold consignment. Third, various services consisting of estimation services and entrustment services.

2. Literature Review

2.1. Descisions

Purchasing decisions can be interpreted as an action taken by consumers to consider a transaction such as purchasing goods and using services. There are several processes in making a decision, namely seen from consumers thinking about whether or not to buy goods or a service to be used. There are also several indicatorious decisions such as problem recognition, information search, alternative evaluation, and purchasing decisions (Sifa, 2016).

2.2. Word of Mouth

Word-of-mouth marketing is considered by Rangkiti (2009:77) as a marketing business that allows customers to market, advertise, recommend, and sell goods or services to other customers Ravena Sifa, 'Analisis Pengaruh Inovasi Produk, Persepsi Harga, Lokasi Dan Word Of Mouth Terhadap Proses Keputusan Pembelian Venus Bakery (Studi Kasus Pada Konsumen Venus Bakery Jalan Pajajaran Bogor Timur) (Bachelor's Thesis, Perpustakaan FEB UIN Jakarta).', (Bachelor's Thesis, Perpustakaan FEB UIN Jakarta)., 2016, hlm. .. Kotler & Keller explained that Words of Mouth (WOM) is one of the marketing communication tools such as advertising, personal selling, sales promotion and others. According to Goyette's research (2017), word of mouth communication can be measured by the following dimensions: content (value offered to customers), valence (negative and positive word of mouth), intensity (consumers talking about a product/service) (Dede Yusup, 2020).

2.3. Innovation Product

According to Kotler (2007:36), innovations in product design are the result of different types of processes that continuously affect each other. So innovation is not the concept of a new idea or invention, but rather a description of all the processes that make up a product such as design, manufacturing, marketing, distribution and so on. It is a combination of various processes that influence each other (Firdausi, 2016). There are several indicators of product innovation according to Ferrell and Luke, namely line extensions, new products (me too product), and completely new products (new to the world product) (Widnyani et al., 2020).

2.4. Servicescape

Hall & Mitchell (2008) servicescaape is a physical environment with a service meeting occurring and influencing consumer perceptions of servicescape (quality perception) and subsequently on internal responses (satisfaction levels from consumers) and external responses (behaviors to subscribe and return to purchase. (Emor, R. Y., & Soegoto, 2015). There are indicators from the servicescape, namely ambient conditions, layout and functionality, signs, symbols, and artifacts (Indrawan and Imanto, 2016).

3. Research Methods

In this study, researchers ingn examined customers from Sharia Pawnshops. Pegadaian Syariah customers are given a questionnaire to fill out for data collection. The type of research used in this study is quantitative research methods. The use of quantitative research techniques can be seen as positivist-based studies that examine specific populations and samples and test hypotheses . This type of research uses primary data obtained in data collection techniques, namely observation and dissemination of questionnaires or questionnaires. As well as in data processing techniques, researchers use IBM SPSS Statistics 22 to process data that has been collected. With the research location located in Pegadian Syariah Kaligarang Semarang branch.

The population of this study amounted to 100 customers. With sampling carried out after the population is established. Sampling uses a non probability technique with the purposive sampling method (determination of a group of subjects with considerations based on certain traits that are closely related to previously known population traits). In the calculation with the Slovin formula, it was found that the number of samples was 99.84 rounded to 100 people, which was calculated by the total population of approximately 2017-2021.

This study uses data analysis techniques that begin with instrument analysis using the reliability test validity test, then using classical assumption tests (normality test, heteroskedasticity test and multicollinearity test), then using statistical tests (uji T, uji F, dan uji R²).

4. Results and Discussion

4.1. R² test

Table 1. Coefficient of Determination Test Results (R²) Equation I To Z
Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.801 ^a	.642	.634	2.26350

a. a. Predictors: (Constant), Innovation Product, Word Of Mouth

It can be concluded that table 4. 14 with a correlation coefficient (R) is 0.801 which concludes that there is a strong relationship between independent and dependent variables because > 0.5. While the coefficient of determination (Adjusted R²) is 0.634 where the independent variable affects the dependent variable which is 63.4%. Where the remaining 36.6% got the influence of other variables outside this study.

Table 2. Coefficient of Determination Test Results (R²) Equation II To Y
Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.765 ^a	.584	.571	4.21262

b. Predictors: (Constant), Servicescape, Word Of Mouth, Innovation Product

It can be concluded that table 4. 15 with a correlation coefficient (R) is 0.765 which concludes that there is a strong relationship between independent and dependent variables because > 0.5. While the coefficient of determination (Adjusted R²) is 0.571 where the

independent variable affects the dependent variable which is 57.1%. Where the remaining 42.9% got the influence of other variables outside this study.

4.2. F test

Table 3. Test Results f test Equation 1 (Simultaneous Test against Z)
ANOVA^a

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	889.619	2	444.809	86.819	.000 ^b
	Residual	496.971	97	5.123		
	Total	1386.590	99			

a. Dependent Variable: Servicescape

b. Predictors: (Constant), Innovation Product, Word Of Mouth

Based on the data above, if F calculates, it is 86,819 where the signification rate is 0.000. The value of the sig. it < a value of α 0.050, and it can be concluded that the Word of Mouth and Innovation Product variables, are positively significant to the Destination Servicescape variables.

Table 4. Test Results f test Equation 1 (Simultaneous Test against Y)
ANOVA^a

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	2396.366	3	798.789	45.012	.000 ^b
	Residual	1703.634	96	17.746		
	Total	4100.000	99			

a. Dependent Variable: Keputusan

b. Predictors: (Constant), Servicescape, Word Of Mouth, Innovation Product

Based on the data above, if F calculates, it is 45,012 where the signification rate is 0.000. The value of the sig. it < a value of α 0.050, so it can be concluded that the Word of Mouth, Innovation Product, and Destination Servicescape variables are positively significant to the Customer Decision variables.

4.3. T test

Table 5. T Test Results of Equation I Against Z
Coefficients^a

Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.
		B	Std. Error	Beta		
1	(Constant)	2.987	1.605		1.862	.066
	Word Of Mouth	.309	.094	.316	3.299	.001
	Innovation Product	.576	.104	.532	5.558	.000

a. Dependent Variable: Servicescape

The following is an explanation of the data above (Numbers 1 and 2, explaining the data processing of the first equation. While numbers 3, 4, and 5, explain the data processing of the second equation:

- 1) In the data processing above, it is concluded that there is a significant value of the Word of Mouth variable, which is 0.001. The value is less than 0.05. Based on this number, it can be concluded that there is a significant influence between the Word of Mouth

variables on the Destination Servicescape variable.

- 2) A recognized value of the Innovation Product variable of 0.000 was obtained. The value is less than 0.05. Based on this figure, it can be concluded that there is a significant influence between the Innovation Product variable on the Destination Servicescape variable.

Table 6. T Test Results of Equation II Against Y
Coefficients^a

Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.
		B	Std. Error	Beta		
1	(Constant)	5.250	3.039		1.727	.087
	Word Of Mouth	.655	.184	.389	3.565	.001
	Innovation Product	-.069	.221	-.037	-.311	.756
	Servicescape	.801	.189	.466	4.240	.000

a. Dependent Variable: Keputusan

- 3) In processing the data above, it is concluded that there is a significant value of the Word of Mouth variable, which is 0.001. The value is less than 0.05. Based on this figure, it can be concluded that there is a significant influence between the Word of Mouth variables on the Customer Decision variable.
- 4) A signifc value was obtained from the Innovation Product variable of 0.756. The value is greater than 0.05. Based on this figure, it can be concluded that there is no significant influence between the Innovation Product variable on the Customer Decision variable.
- 5) A recognized value of the Destination Servicescape variable of 0.000 was obtained. The value is greater than 0.05. Based on this figure, it can be concluded that there is a significant influence between the Destination Servicescape variable on the Customer Decision variable.

4.4. Path Analysis

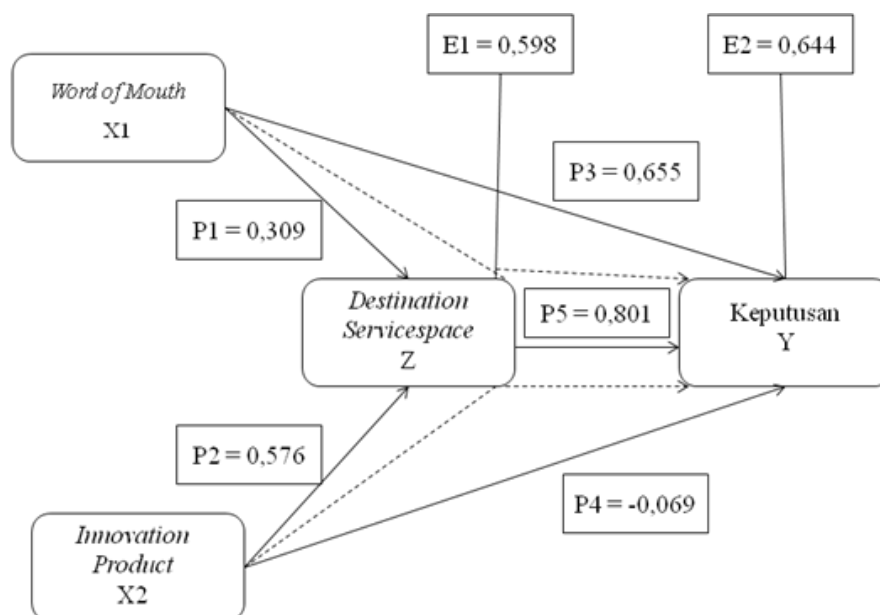


Figure 1. Path Analisis

From the path analysis, it can be calculated using a sobel test which concludes that :

- 1) Destination Servicescape (Z) can minimize the effect of Word Of Mouth (X1) on Customer Decisions (Y).
- 2) Destination Servicescape (Z) can minimize the effect of Innovation Product (X2) on Customer Decisions (Y).

5. Conclusion

Based on the results of the study above, it can be concluded that the influence of word of mouth and product innovation on customer decisions with destination servicescape as an intervening variable, namely first, Word Of Mouth (X1) has a significant positive effect on Destination Servicescape (Z). Based on this, the higher the Word Of Mouth, the higher the Destination Servicescape. Second, Innovation Product (X2) has a significant positive effect on Destination Servicescape (Z). Based on this, the higher the Innovation Product, the higher the Destination Servicescape. Third, Word Of Mouth (X1) has a significant positive effect on Customer Decisions (Y). Based on this, the higher the Innovation Product, the higher the Customer Decision. Fourth, Innovation Product (X2) has a negative and insignificant effect on Customer Decisions (Y). Based on this, Innovation Product does not affect customer decisions. Fifth, Destination Servicescape (Z) has a significant positive effect on Customer Decisions (Y). Based on this, the higher the Servicescape, the higher the Customer Decision. Sixth, Destination Servicescape (Z) can minimize the effect of Word Of Mouth (X1) on Customer Decisions (Y). Sharia Pawnshops must increase the Word Of Mouth so that customers can draw conclusions to decide to use the services of Sharia Pawnshops. Seventh, Destination Servicescape (Z) can minimize the effect of Innovation Product (X2) on Customer Decisions (Y). Pegadaian Syariah must improve the Innovation Product so that customers can draw conclusions to decide to use the services of Pegadaian Syariah. From the Innovation Product itself, it can be an interest to better use the services of Sharia Pawnshops.

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