

# Implementation of Word Of Mouth (WOM) On Micro Business Fashion Sales Omzet

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**Abstract.** This research process aims to determine the Impact of WOM (Word Of Mouth) Implementation on the Sales Turnover of Micro Business Fashion Products. The research used descriptive qualitative with direct interviews with informants in the field, direct observation at the research site, and documentation. The result of the study state that the owner's WOM (Word Of Mouth) method is supported by 5 elements: Talkers, Topics, Tools, Taking Part, and Tracking. Customers as Talkers who have Topics to convey to the media as a place for branding. So that the promotion process is considered successful and positively impacts the sales turnover of Aulia Collection fashion products by providing responsive service while maintaining the quality of the product; it has succeeded in making customers believe in Aulia Collection and promoting it to those around them.

**Keywords:** Marketing, Word Of Mouth, Sales Turnover, Qualitative, Micro Business

## 1 Introduction

Indonesia is the country with the first largest Muslim population in the world. Data from the Ministry of Home Affairs states that the total Muslim population of Indonesia is more than 200 million, or equivalent to 86.7% of the total population in Indonesia, which reaches 273.32 million people [2]. With the large Muslim population in Indonesia, of course, this is a market opportunity for Muslim fashion products. With this huge market opportunity, there is also a competitive rivalry between producers of Muslim fashion products. Therefore, to handle the process of perfect market competition, a good marketing strategy is needed.

Micro and Medium Enterprises (MSMEs) have a very important role in the economic development process of a region or country. Moreover, in Indonesia, the government welcomes the presence of MSMEs. MSMEs in Indonesia are considered important for progress or pillars of the economy that can grow and develop in the long term. Data from the Statistics Agency states that after the economic crisis around 1998, the number of MSMEs that existed at that time did not experience a decline. Instead, it increased. The increase in the number of MSMEs in Indonesia today can absorb around 85 to 100 million workers in 2012 [1]

WOM (Word of Mouth) is a marketing communication suitable for MSME business actors. The process of WOM also determines the level of success of marketing shown to consumers in

determining the choice of products that suit the wants or needs of each consumer. With this, WOM (Word of Mouth) marketing communications influence a business.

Aulia Collection is a business founded by Dinur Aulia individually, who is engaged in the fashion sector. In 2020, during the Covid-19 pandemic, Dinur started this fashion business. The process of starting a business is certainly not fast; Dinur Aulia himself revealed that his sales volume had changed during the Covid-19 pandemic to now after the pandemic; initially, the marketing strategy process carried out by Dinur Aulia focused on online marketing with a net income of around IDR 50,000,000 up to IDR 60,000,000. During the post-pandemic period, offline sales from the Aulia collection increased quite well, namely around 30% from the initial 10%.

**Table 1.** Aulia Collection Sales Table

<b>Tahun</b>	<b>Omzet</b>	<b>Aset</b>	<b>Jumlah Karyawan</b>
2020	Rp 607.538	Rp 2.000.000	2 orang
2021	Rp 56.554.909	Rp 67.254.687	3 orang
2022 (per 7 Desember)	Rp 82.773.199	Rp 88.162.744	5 orang

Source: Aulia Collection Sales Data (2020-2022)

Based on the sales table from Aulia Collection above, it can be seen that from year to year it has a good increase in sales turnover. This is due to the promotional factors that occur, namely word-of-mouth promotions carried out by the owners and consumers of this Aulia Collection. Dinur Aulia and Aulia Collection customers have unknowingly carried out the WOM (Word Of Mouth) process. WOM (Word Of Mouth) that occurs in the Aulia Collection customer environment is due to the satisfaction obtained by Aulia Collection customers. Some of the segments that can affect customer satisfaction include product quality, services provided by the owner of the Aulia Collection, as well as prices that are suitable for student pockets.

## **2 Literature Review and Hypothesis Development**

### **Marketing Mix**

([8], 2013) explains that the marketing mix consists of several components (Product, Price, Promotion, Place) in achieving the objectives of an existing company's marketing. Some of these goals include getting a

more significant sales turnover for the company. The marketing mix can be described as follows:

a. **Product**

Everything offered by a person or company in the form of tangible or intangible objects aims to fulfil the desires and needs of consumers. A product with good quality in the market will attract consumer buying interest. Based on the opinions of several researchers and experts, 3 (three)

aspects of a product must be considered, including core product, extended Product, and formal Product.

b. Price

In the view of consumers, the Price itself is a form of cost or value that consumers must issue to own and obtain a product at a price comparable to the benefits or services that consumers get. Meanwhile, in the company's view, Price is a determination to provide a differentiating point from business opponents in the market.

c. Promotion

Promotion is a process of conveying information about a one-way matter carried out by a company in order to create the right information in the marketing process. Promotions that aim to increase sales or profits from the company must be right on target for the promotion recipients. Activities in the promotion category include advertising, sales promotion, and publication process.

d. Distribution (Places)

Distribution is a marketing activity that seeks the distribution process and delivery of goods and services from producers to consumers easily and smoothly. The distribution process can also be an important influence on consumer buying interest in an item. If the seller's distribution process is good, consumers will likely have the Product to buy.

### **WOM (Word Of Mouth)**

Hasan (2020) states that in the business world, WOM (Word Of Mouth) is the act of a customer giving information to other customers in person about products and services. WOM (Word Of Mouth) activities are a medium that is quite strong in communicating about products or services to two or more customers. Customers who have enjoyed, consciously or unconsciously, convey to others directly (Word Of Mouth) on various occasions.

[7] explains that 5 (five) elements must be considered in creating a WOM (Word Of Mouth) process, namely:

- a. Talkers. Speakers who have experience in the product or service.
- b. Topics. Satisfaction from the buyer makes the buyer talk about his experience.
- c. Tools. A tool used to maintain the company's image or product branding.
- d. Taking Part. The responsive attitude of the seller to the buyer,
- e. Tracking. The process of supervising the results of WOM so that the results of positive or negative WOM from buyers can be known.

(Sernovitz, 2012) revealed that there are 3 (three) basic things that encourage someone to do WOM (Word Of Mouth), namely:

- a. People love the products they consume
- b. People feel satisfied when they thoroughly describe the product
- c. WOM (Word Of Mouth) communication makes people feel connected in one group

Under the explanation of some of the experts above regarding WOM (Word Of Mouth) it can be drawn from the definition of WOM (Word Of Mouth) is an activity or one of the marketing strategies carried out indirectly by customers in the company for a product or service that has been customers get, both in terms of price, quality, to the services provided by the company to customers. Thus, the marketing strategy through word of mouth is quite profitable for the company because promotions have been carried out unconsciously by customers based on the experience received and have a fairly strong influence on other parties.

### **Micro Business**

(Tambunan, 2020) explains that UMKM are productive business units that stand alone and are formed by individuals or business entities in all economic sectors.

UMKM is a business run by an individual, group or business entity. Based on Law no. 20 of 2008 concerning MSMEs, listed in Chapter V Article 6 of the Law of the Republic of Indonesia regarding MSMEs:

- a. Micro businesses, assets or net worth of at least IDR 50,000,000 (excluding land and building assets) and have profits from businesses > IDR 300,000,000.
- b. Small business, sales per year of around IDR 300,000,000 to IDR 2,500,000,000 and a net worth of IDR 50,000,000 to IDR 500,000,000.
- c. Medium Enterprises have criteria for net worth of a medium-sized business > IDR 500,000,000 to IDR 10,000,000,000 (not including buildings and land where the business is located). Then the annual sales results reach IDR 2,500,000,000 to IDR 10,000,000,000

(Rahim & Karana, 2014) stated that in the Decree of the Minister of Finance No. 40/KMK.06/2003 on January 29 2003, regarding micro businesses, namely productive businesses owned by families and individual Indonesian citizens (WNI) and having the most sales results for IDR 100,000,000 (One Hundred Million Rupiah) per year. Micro businesses can apply for a loan from a bank for a maximum of IDR 50,000,000 (Fifty Million Rupiah). The characteristics of the Micro business are the types of goods or businesses that are not fixed, can change shortly, business locations that easily move from one place to another, the lack of existing Human Resources (HR), and generally lack of legality.

## **3 Research Methods**

The type of research used by researchers is descriptive qualitative research. [4] many types of qualitative research, including Action Research, produce a deliberate change in an environment. A case study is the process of exploring a particular phenomenon in a particular time or social group. Ethnography is research that tries to understand patterns of human behaviour in order to interpret what is done in a certain social environment. Grounded theory is the process of generating theory through several data collection and filtering stages.

Taking this type of case study, qualitative research or descriptive research aims to understand or know the phenomenon of the marketing strategy of SMEs. Furthermore, researchers will study and further analyze marketing strategies through the WOM (Word Of Mouth) method.

This research is located at the Muhammadiyah University of Surabaya, precisely at Aulia Collection Jalan Sutorejo number 31, Mulyorejo District, Surabaya. The data source in this research is primary data, which comes from the owners and customers of the Aulia Collection from the results of interviews, in line with the opinion of Wardiyanta (Sugiarto,2017) that primary data is information obtained directly from the source.

Data analysis in qualitative research is carried out when and after data collection occurs for a certain time. At the time of the interview, the researcher had analyzed in advance of the interviewee's answers. (Sugiyono, 2019)

The snowball procedure is often used to find 'hidden informants', namely groups not easily found by other researchers. [4] The exponential Discriminative Snowball Model is the model that researchers use. After all, researchers consider a selective process which means that not all informants will be selected by researchers because researchers have the right to determine which informants will use their information, as well as where to stop informants in the process of developing their information.

The data collection process carried out by researchers was direct interviews with relevant sources. The intended resource persons are the owners and customers of the Aulia Collection, which will be conducted offline. Aulia Collection owner and their customers observe the marketing process and the service. This study also collects documents such as Aulia Collection products, business history, and other matters related to the Aulia Collection. The stages are carried out.

The data analysis process in this study, namely: Data reduction, is filtering things following the research being carried out—the appearance of data in the form of narrative text and concluding, concluding the results of existing research in the field. For the process of checking the validity of the data in this study, it is necessary to have an inspection technique carried out. Based on the researcher's data collection process, the technique for checking the validity of the data used by the researcher is the Triangulation technique (Sources, Data Collection Techniques, and Time). Here are some temporary informants in this study:

**Tabel 2.** Data Narasumber Penelitian

Coding	Informant Name	Work	Adress	Purchase Amount	know Aulia Collection
DAPN	Dinur Aulia Putri Ningtyas	Owner	Surabaya	-	-
NH	Nurul Hindayati	Student	Surabaya	>3	Owner
NUDF	Nur Utami Diana Fitri	Student	Surabaya	>3	Owner
FRD	Farikha Rahmatu Dina	Student	Malang	1	Friend
AAU	Alfin Aslichatul Ummah	unemployment	Lamongan	>3	Friend

## 4 Results And Discussion

Aulia Collection is a local brand owned by Dinur Aulia Putri Ningtyas, a young woman born in Lamongan

who focuses on fashion. Dinur also said that the Aulia Collection was first born during the Covid-19 pandemic in 2020. At that time, while waiting for the results of the exam to enter the State University, he busied himself with the business of selling this hijab with promotional media on Instagram, WhatsApp, as well as Shopee. These products include hijabs of various types or models, Muslimah skirts, and hampers containing products from the Aulia collection, according to requests from buyers, starting at IDR 20,000.

#### Poin 1. Talkers

Speakers or people involved in the promotion process have a big influence on the business world; promotional media between customers also positively impacts the Aulia Collection. Customers who feel satisfied with the quality of service and their products make them not hesitate to give recommendations to people around them.

"It was founded in 2020, at that time it was still an early pandemic... I also intended to fill my free time but it turned out to be a business until now." (DAPN-Owner-Talkers)

The initial process of starting a business started in the digital world. Finally, it also spread to offline marketing. Research informants as owners also often use their products in activities on campus until finally, people are familiar with the Aulia Collection brand, supported by the statements of several informants who revealed that they know the Aulia Collection brand from their closest people, as the following statement:

"Incidentally, I found out from the owner himself from the Dinur Aulia collection because he happened to be one of my juniors at UMS college" (NUDF4-C4-Talkers)

NUDF informant said that he knows the Aulia Collection brand because of the owner himself, who is also a junior in college. The process of the NUDF informant was the same as that experienced by the NH informant; the following statement was intended:

"... from my friend, the Aulia Collection belongs to my friend..." (NH3-C3-Talkers)

#### Poin 2. Topics

The information obtained and conveyed to other people by these informants is due to a factor, such as a sense of satisfaction within both the customer and the buyer for the shopping experience that has occurred before. The satisfaction obtained varies, as well as the research informants who expressed their satisfaction with the Aulia Collection as follows:

"Oh yes, from a friend of mine, I can see that she uses a lot of products, isn't it just three or four more? The point is that she also often says that... she can use it straight up, so the veil doesn't sag, the main thing is it's comfortable, it's not too hot like that" (FR2-C2-Topics)

The opinion of the FR informant is also in line with the statement from the NUDF informant as follows:

"... Well, Dinur's headscarves are not only of good quality, but they are also big, so for the usual ones, you can buy them there, because apart from the quality of the material, the size is also bigger than other Bella Square." (NUDF4-C4-Topics)

Referring to the statements of the informants above, the researcher can conclude that paying attention to product quality, in the end, will make customers satisfied and invite those closest to them to feel or provide recommendations.

#### Poin 3. Tools

Providing satisfactory service in a sale and purchase transaction is a tool or form of service that is quite important. Because it will make buyers feel free to repeat purchases at the same place, they do not hesitate to recommend it to those around them. The researcher asked about the media used by the owner in promoting his product. The owner, as the informant, also answered the form the following:

"If you don't use it, it actually doesn't exist, because everything is still being used until now and from the past, right at that time, during a pandemic, so the focus was online on social media, there is Instagram, then

Shopee is also a place for buying and selling. promotion too. It's the same, sometimes if I use my product then a friend of mine is interested, that's all" (DAPN-Owner-Tools)

Statements from other informants also contributed to the answers from previous informants; the following statements were intended:

"I see it's often filled with WhatsApp, so status updates are often made, maybe it's also on Instagram, it seems like it's always going around on Tiktok.." (NH-C3-Tools)

#### Poin 4. Taking Part

With a response or response that is gentle and precise about everything about the product being sold, applied by the owner of the Aulia Collection to all buyers with the following statement:

"Yeah, often, if there's a gathering or something like that, it's very frequent, for example I talk to my customer about "how was the product like this yesterday" then sometimes when he uses it I wonder how comfortable it is. Then maybe there are suggestions for the product like that there are other people around there who are usually sometimes interested in trying" (DAPN-Owner-Taking Part)

Based on the statement from the DAPN informant following the facts in the field based on statements from the following informants:

"I feel like I want to be more sure, this is also each other's perspective, the convenience of using it, so I went straight to the owner and my friend, and then I tried what the material was, it turned out that it's really comfortable to wear, comfortable, isn't it so sluggish" (FR2-C2 -Taking Parts)

FR informant who said that every customer has criteria in purchasing various products, by coming directly to the place to try the product to be purchased is a good response given by Aulia Collection to prospective buyers.

#### Poin 5. Tracking

AAU informant revealed that after the AAU informant made the purchase, the owner asked the buyer for permission to take photos to be used as personal promotional media carried out on Aulia Collection social media, according to the following statement:

"Oh yeah, I just remembered that before the owner, after I received the item, asked "Ma'am, can I take a photo for a while without using the item?" like that, so that's how much it's like in the photo with the owner" (AAU1-C1-Tracking)

The same thing was also received by the FR Informant, as follows in his statement:

"Only yesterday I was only asked to take a photo, but if for example it's like a review like that, don't make the story owner" (FR2-C2-Tracking)

According to the explanation of the AAU and FR informants, who both received the tracking process from the owner of the Aulia Collection by asking permission from the customers to take pictures after purchasing the hijab at the Aulia Collection, it was very different from the opinion expressed by the owner of the Aulia Collection regarding the post-purchase monitoring process carried out by the customer.

## 5 Conclusion

Based on the results of the research and then data analysis, it can be concluded that the implementation of WOM (Word Of Mouth) implemented by Aulia Collection is by promoting it to those closest to them, as well as actively branding on social media which also makes the Aulia Collection WOM process faster. . In addition, by providing a positive response attitude to all customers as well as being friendly and informative. Then having an influence on sales

turnover at Aulia Collection has also proven to have a positive impact from the direct marketing process (Word Of Mouth) that has been implemented by the owner in the people closest to him, this is evidenced by the increase in sales turnover of Aulia Collection by 30% after implementing the WOM (Word Of Mouth) in his neighborhood. So that due to the implementation of the WOM (Word Of Mouth) marketing process, as well as promotional support on social media, it has had a positive impact on the Aulia Collection. The process of transferring information that is communicative, supported by the service provided is also positive, making the impact of the implementation of WOM on Aulia Collection's sales turnover also have a significant increase from before.



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