

THE INFLUENCE OF REFERENCE GROUP AND ELECTRONIC WORD OF MOUTH (E-WOM) ON PURCHASE DECISION AT PECEL 99 MADIUN THROUGH TRUST AS A MEDIATING VARIABLE

Yuniar Widya Ningrum¹), Hari Purwanto²), Dian Citaningtyas Ari Kadi³)

¹ Management Study Program, Faculty of Economics and Business, Universitas PGRI Madiun yuniarwidya00@gmail.com

² Management Study Program, Faculty of Economics and Business, Universitas PGRI Madiun hari.purwanto@unipma.ac.id

³ Management Study Program, Faculty of Economics and Business, Universitas PGRI Madiun dian.citaningtyas@unipma.ac.id

Abstrak

Penelitian ini mengkaji pengaruh Kelompok Referensi dan *Electronic Word of Mouth* (e-WOM) terhadap Keputusan Pembelian melalui Kepercayaan pada konsumen Pecel 99 Madiun. Dengan menggunakan pendekatan survei kuantitatif, data dikumpulkan dari 384 konsumen yang pernah membeli produk Pecel 99 serta menerima informasi atau rekomendasi melalui Kelompok Referensi atau e-WOM. Data dianalisis menggunakan *Structural Equation Modeling–Partial Least Squares* (SEM-PLS). Hasil penelitian menunjukkan bahwa Kelompok Referensi berpengaruh positif dan signifikan terhadap Kepercayaan ($\beta = 0,356$; $t = 7,015$; $p < 0,001$), sementara e-WOM juga berpengaruh positif dan signifikan terhadap Kepercayaan ($\beta = 0,378$; $t = 7,331$; $p < 0,001$). Kepercayaan berpengaruh positif dan signifikan terhadap Keputusan Pembelian ($\beta = 0,414$; $t = 6,661$; $p < 0,001$). Kelompok Referensi dan e-WOM juga memiliki pengaruh langsung yang signifikan terhadap Keputusan Pembelian, dengan koefisien masing-masing sebesar 0,188 ($t = 3,577$; $p < 0,001$) dan 0,253 ($t = 4,881$; $p < 0,001$). Selain itu, Kepercayaan memediasi pengaruh Kelompok Referensi dan e-WOM terhadap Keputusan Pembelian, dengan nilai pengaruh tidak langsung masing-masing sebesar 0,147 dan 0,156. Temuan ini mengindikasikan bahwa pengaruh sosial dan informasi digital berkontribusi terhadap keputusan pembelian, baik secara langsung maupun melalui Kepercayaan konsumen.

Kata kunci: Kelompok Referensi, *Electronic Word of Mouth*, Kepercayaan, Keputusan Pembelian, perilaku konsumen

Abstract

This study examines the effects of Reference Group and Electronic Word of Mouth (e-WOM) on Purchase Decision through Trust among consumers of Pecel 99 Madiun. Using a quantitative survey approach, data were collected from 384 consumers who had purchased from Pecel 99 and had received information or recommendations through Reference Group or e-WOM. Data were analyzed using Structural Equation Modeling–Partial Least Squares (SEM-PLS). The results show that Reference Group positively and significantly affects Trust

($\beta = 0.356$; $t = 7.015$; $p < 0.001$), while e-WOM also positively and significantly affects Trust ($\beta = 0.378$; $t = 7.331$; $p < 0.001$). Trust positively and significantly affects Purchase Decision ($\beta = 0.414$; $t = 6.661$; $p < 0.001$). Reference Group and e-WOM also have significant direct effects on Purchase Decision, with coefficients of 0.188 ($t = 3.577$; $p < 0.001$) and 0.253 ($t = 4.881$; $p < 0.001$), respectively. Furthermore, Trust mediates the effects of Reference Group and e-WOM on Purchase Decision, with indirect effects of 0.147 and 0.156. The findings indicate that social influence and digital information contribute to purchase decisions both directly and through consumer Trust.

Keywords: Reference Group, Electronic Word of Mouth, Trust, Purchase Decision, consumer behavior

A. INTRODUCTION

Pecel is a traditional food strongly associated with Madiun and has become part of the local culinary identity. However, increasing competition in the culinary business and the development of digital media have changed how consumers search for and evaluate information before making purchase decisions. Consumers can obtain recommendations from family, friends, public figures, and other reference groups, as well as from social media and online reviews.

Reference Group can influence consumer perceptions and behavioral intentions through recommendations and opinions from people considered credible. This influence is related to the subjective norm in the Theory of Planned Behavior (TPB), which explains that social expectations can shape behavioral intention (Ajzen, 1991). Meanwhile, Electronic Word of Mouth (e-WOM) provides reviews, comments, testimonials, and recommendations through digital media. Such information can help consumers evaluate products and reduce uncertainty before purchasing (Cheung & Thadani, 2012; Erkan & Evans, 2016).

Trust is considered an important factor in connecting social influence and digital information with Purchase Decision. Consumers who trust the information received and the reputation of a business are more likely to make a purchase. Therefore, Trust is positioned as a mediating variable between Reference Group and e-WOM and Purchase Decision.

Based on this background, this study aims to analyze the effects of Reference Group and Electronic Word of Mouth (e-WOM) on Purchase Decision through Trust as a mediating variable among consumers of Pecel 99 Madiun.

B. METHOD

This research employed a quantitative approach with a survey design. The population consisted of consumers who had purchased from Pecel 99 Madiun, while the exact population size was unknown. The sample size was determined using the Lemeshow formula with a 95% confidence level, a population proportion of 0.5, and a 5% margin of error. The calculation resulted in 384.16 respondents and was rounded to 384 respondents. Sampling used non-probability sampling with purposive sampling.

Respondents were required to have purchased from Pecel 99 Madiun and to have obtained information or recommendations through Reference Group or e-WOM. Data were collected online using a Google Form questionnaire. Each statement was measured using a five-point Likert scale ranging from 1 (strongly disagree) to 5 (strongly agree). Reference Group was measured through indicators related to the influence of reference individuals or groups. e-WOM was measured through purchase encouragement from reviews or comments, usefulness of reviews for product evaluation, source credibility, and the intensity of reviews on social media. Trust covered confidence in food quality, reputation, safety, and conformity with expectations. Purchase Decision covered decisions after receiving information, conversion of purchase intention into actual purchase, the influence of social media/e-WOM, and decisions based on online information.

Data analysis used Structural Equation Modeling–Partial Least Squares (SEM-PLS). The analysis consisted of measurement model evaluation and structural model evaluation. Convergent validity was assessed using outer loading and Average Variance Extracted (AVE), while reliability was assessed using Cronbach's Alpha and Composite Reliability. The structural model was evaluated using R^2 , f^2 , and Q^2 . Hypotheses were tested using bootstrapping with a 5% significance level; a relationship was considered significant when t-

statistics exceeded 1.96 and p-values were below 0.05. Mediation was evaluated through indirect effects; because the direct and indirect effects were both significant, the mediation was interpreted as partial.

C. RESULTS AND DISCUSSIONS

Respondent Characteristics

The study involved 384 respondents. The largest age group was 31–40 years, consisting of 119 respondents (30.99%), followed by 17–23 years with 94 respondents (24.48%), 24–30 years with 92 respondents (23.96%), and over 40 years with 79 respondents (20.57%). Female respondents accounted for 282 respondents (73.44%), while male respondents accounted for 102 respondents (26.56%). The respondent profile indicates that Pecel 99 attracts consumers from several age groups, with adult consumers representing the largest segment.

Table 1. Respondent characteristics

Characteristic	Category	n	Percentage
Age	17–23 years	94	24.48%
	24–30 years	92	23.96%
	31–40 years	119	30.99%
	> 40 years	79	20.57%
Gender	Female	282	73.44%
	Male	102	26.56%

Source: Processed by the researcher

Measurement Model Evaluation

The measurement model indicates that all indicators meet the required validity and reliability criteria. Outer loading values ranged from 0.766 to 0.918, exceeding the 0.70 threshold. AVE values were 0.728 for Reference Group, 0.776 for e-WOM, 0.723 for Purchase Decision, and 0.734 for Trust, all above 0.50. Reliability was also satisfactory: Cronbach's Alpha values ranged from 0.925 to 0.959 and Composite Reliability values

ranged from 0.941 to 0.965. These results indicate that the constructs were measured consistently and that the indicators adequately represented their respective variables.

Table 2. Measurement model results

Construct	Outer Loading Range	AVE	Cronbach's Alpha	Composite Reliability
Reference Group	0.783–0.892	0.728	0.925	0.941
e-WOM	0.832–0.901	0.776	0.959	0.965
Purchase Decision	0.766–0.894	0.723	0.936	0.948
Trust	0.787–0.918	0.734	0.948	0.957

Source: Processed by the researcher

Structural Model Evaluation

The structural model produced an R^2 value of 0.407 for Trust, meaning that 40.7% of the variance in Trust can be explained by Reference Group and e-WOM. Purchase Decision had an R^2 value of 0.522, indicating that 52.2% of its variance can be explained by Reference Group, e-WOM, and Trust. The remaining variance is explained by factors outside the model. The model also showed predictive relevance because Q^2 was 0.295 for Trust and 0.369 for Purchase Decision, both greater than zero.

The f^2 results indicate that Reference Group had a medium effect on Trust (0.158), while e-WOM had a medium effect on Trust (0.178). For Purchase Decision, Reference Group (0.047) and e-WOM (0.084) had small effects, whereas Trust had a medium effect (0.212). These findings reinforce the importance of Trust in explaining the transition from social and digital information to an actual Purchase Decision.

Table 3. Structural model results

Endogenous construct	R^2	Q^2
Trust	0.407	0.295
Purchase Decision	0.522	0.369

Source: Processed by the researcher

Hypothesis Testing

Table 4. Hypothesis and mediation testing

Relationship	β	t-statistic	p-value	Decision
Reference Group $\rightarrow$ Trust	0.356	7.015	<0.001	Supported
e-WOM $\rightarrow$ Trust	0.378	7.331	<0.001	Supported
Trust $\rightarrow$ Purchase Decision	0.414	6.661	<0.001	Supported
Reference Group $\rightarrow$ Purchase Decision	0.188	3.577	<0.001	Supported
e-WOM $\rightarrow$ Purchase Decision	0.253	4.881	<0.001	Supported
Reference Group $\rightarrow$ Trust $\rightarrow$ Purchase Decision	0.147	4.768	<0.001	Partial mediation
e-WOM $\rightarrow$ Trust $\rightarrow$ Purchase Decision	0.156	4.985	<0.001	Partial mediation

Source: Processed by the researcher

Discussion

Reference Group positively and significantly affects Trust. The path coefficient of 0.356 and t-statistic of 7.015 indicate that stronger social reference influence is associated with higher consumer Trust. This finding is consistent with the role of reference groups in shaping consumer perceptions and subjective norms. At Pecel 99, recommendations or examples from people considered credible may reduce uncertainty and create a positive perception of the business. The result is also in line with the TPB perspective because people who are important to consumers can influence perceived social expectations and, consequently, behavioral intention.

e-WOM positively and significantly affects Trust, with a coefficient of 0.378 and t-statistic of 7.331. This indicates that reviews, comments, testimonials, and recommendations delivered through digital platforms can contribute to consumer confidence. The result supports the view that online information can influence consumers when the information is useful and credible (Cheung & Thadani, 2012; Erkan & Evans, 2016). In the context of Pecel 99, consumers can use digital reviews and content to form expectations about the food and the overall experience before visiting.

Trust has the strongest direct coefficient toward Purchase Decision in the model, at 0.414, with a t-statistic of 6.661. This result indicates that consumers who have greater confidence in the business are more likely to make a purchase decision. Trust can reduce uncertainty and make consumers more confident that their expected experience will be

fulfilled. This finding supports the role of Trust as a key mechanism in consumer decision-making.

Reference Group also has a positive and significant direct effect on Purchase Decision ($\beta = 0.188$; $t = 3.577$). The result indicates that recommendations or behavioral examples from people considered influential can directly encourage consumers to purchase. However, the relatively smaller effect size compared with Trust suggests that social influence alone is not the only mechanism involved. Consumers may still need confidence in the business before converting social recommendations into a purchase.

e-WOM positively and significantly affects Purchase Decision ($\beta = 0.253$; $t = 4.881$). Digital reviews and recommendations therefore function not only as information sources but also as stimuli that can support the decision process. This finding is consistent with the literature emphasizing the role of online consumer information in purchase evaluation (Hennig-Thurau et al., 2004; Erkan & Evans, 2016). For local culinary businesses, positive and credible online experiences can increase the likelihood that prospective consumers will decide to visit and purchase.

Trust partially mediates the effect of Reference Group on Purchase Decision. The indirect effect is 0.147 with $t = 4.768$ and $p < 0.001$, while the direct effect remains significant. This means that reference-group influence operates through two routes: directly affecting Purchase Decision and indirectly increasing Purchase Decision by first building Trust. Recommendations from family, friends, public figures, or other trusted individuals can therefore be more effective when they strengthen confidence in the business.

Trust also partially mediates the effect of e-WOM on Purchase Decision. The indirect effect is 0.156 with $t = 4.985$ and $p < 0.001$, while the direct effect remains significant. Thus, digital information influences Purchase Decision both directly and by first shaping Trust. Consumers may encounter reviews or recommendations online, evaluate their credibility, develop confidence in Pecel 99, and then make a purchase decision. This finding positions Trust as an important mechanism linking digital communication with consumer behavior.

Overall, the findings provide empirical support for the proposed TPB-based framework. Reference Group represents a social influence that can shape consumer

perceptions and Trust, while e-WOM provides digital information that contributes to evaluation and confidence. Trust then becomes an important mechanism that connects these influences with Purchase Decision. The results also indicate that a local culinary business can benefit from managing both social influence and digital information rather than relying on only one promotional channel.

D. CONCLUSIONS

The research concludes that Reference Group and Electronic Word of Mouth positively and significantly influence Trust among consumers of Pecel 99 Madiun. Trust also has a positive and significant effect on Purchase Decision. In addition, Reference Group and e-WOM each have positive and significant direct effects on Purchase Decision. Most importantly, Trust partially mediates both the relationship between Reference Group and Purchase Decision and the relationship between e-WOM and Purchase Decision. These findings show that consumers' purchase decisions are shaped not only by social recommendations and digital information but also by the confidence that develops from those sources.

The study has limitations. The respondents were selected using purposive sampling and the data were collected through an online questionnaire, so the findings describe the perceptions of the selected respondents and cannot automatically be generalized to all consumers. The model also focuses on Reference Group, e-WOM, Trust, and Purchase Decision, while other possible determinants are outside the scope of the research.

E. SUGGESTIONS

Pecel 99 Madiun should strengthen the positive role of Reference Group by maintaining relationships with credible public figures, loyal customers, community members, and other relevant reference groups. Testimonials, recommendations, and authentic documentation of visits can be communicated appropriately to strengthen positive consumer perceptions.

The business should also manage e-WOM actively across social media and online review platforms. Content should be informative, authentic, and consistent with the actual

consumer experience. Encouraging satisfied customers to share honest reviews and responding professionally to consumer feedback can help maintain the credibility of digital information.

Because Trust plays a central mediating role, management should prioritize activities that maintain consumer confidence. Future research may expand the model by adding other variables, using different culinary businesses or locations, and applying

The suggestions section contains the researcher's suggestions for subsequent scientific research that will be carried out with the same and different variables and objects.

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