The Role of Word of Mouth and Personal Selling in Improving MSME Marketing Performance in the Digitalization Era in Home Industry

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Abstract- This research discusses the Role of Marketing Strategies Using Word Of Mouth and Personal Selling Against THE Marketing Performance of MSMEs in the Home Industry Of Banana Chips Anisha with the subject of marketing using word of mouth and personal selling applied by home industry Banana Chips Anisha in the current era of digital marketing, this problem is researched using a type of qualitative descriptive research with a case study research approach. The purpose of the study to be achieved from this research is to find out the application of word of mouth and personal selling marketing strategies implemented by the home industry of Banana Chips Anisha and know the role of marketing strategies using word of mouth and personal selling to the marketing performance of MSMEs in the era of digitalization. The results showed that marketing using word of mouth and personal selling is relatively practical to be applied by the home industry Banana Chips Anisha because it can make customers confident and spread this information clearly and maximally. Marketing strategy through word of mouth and personal selling plays a positive role in the marketing performance of the Banana Chip home industry. Anisha is seen from the ability of an Anisha Banana Chips home industry to survive, maintain its existence and compete with other MSMEs that are not a few among competitors using digital marketing.

Keywords: Marketing Strategy, Word of Mouth, Personal Selling, Marketing Performance

I. INTRODUCTION

Economic growth and business competition are currently increasing, seen from the number of small, medium, and large companies that use different strategies to increase each other's competitiveness. In addition, every entrepreneur is also accompanied by a development in their business to increase quality, such as home industry business.

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Based on the recapitulation table of MSME data on cooperative and SME types of Bonê Regency, it can be seen that there is an increase in the number of MSMEs in each year. The increase in the number of MSMEs is quite significant, especially in the last two years; in 2019, there were 14,504, and in 2020 it increased to 16,754, meaning that within one year, there were more than 1000 budding entrepreneurs. Home industry business is juridically better known as small and medium-sized businesses. The home industry is a productive and commercial activity carried out by the community, where all economic activities are centered at home.
Its existence is very instrumental in empowering people to have independence in the economic field and improve their welfare. On the other hand, the home industry also contributes to the country. The contributions made, of course, reduce the burden of government responsibility as a provider of employment for the community.

Today the home industry is experiencing rapid development, especially in the home industry that produces food, such as chips. Chips are not a staple food in Indonesia, but many are found in stores and markets around us, and often chips are made souvenirs in an area. Chips are foods that have been widely consumed and become a favorite food among the public. The growing chip industry business in the community is a household industry or small industry and the home industry of Banana Chips Anisha. Home industry Banana Chips Anisha is located on the Street of Mango, Macege Village, Tannate Riattang West. Home Industry was first established in 2010 by a businessman named Muliati by utilizing existing land to create jobs and reduce the number of unemployed in the environment. At the beginning of pioneering the Banana Chip Business Anisha, the workforce amounted to two people, but as this business grew, workers also increased to ten people. The increase in the number of workers is motivated by increasing demand that requires business owners to increase production. Here's the average amount of income per year.

![Average Income of Anisha Banana Chips 2010-2021](image)

**Figure 1. Average Annual Income Home Industry Banana Chips Anisha**

Based on the graph above, it can be known that the average annual income continues to increase; of course, this is supported by the marketing strategy used. Home industry owners each have a way to attract customers. The Anisha Banana Chips home industry has its way of marketing its products, starting from personal selling methods, word of mouth (WOM), and product quality. The use of personal selling methods and word of mouth (WOM) can improve marketing performance, and this is as the results of research conducted by (Ahmad Zamil, 2011; Arifuddin et al., 2019; Dewi & Magdalena, 2017) that in each study has included aspects of personal selling and word of mouth (WOM) in influencing marketing activities carried out by market participants.

The marketing of Home Industry chips has been spread not only in Bonè Regency but also outside cities such as Makassar. Based on a preliminary survey of the problems faced by the home industry today can inhibit the increase in sales, seeing every month there is an increase in MSMEs in Bonè regency amounting to about 100 units. The increase of MSMEs indirectly makes the number of competitors also tighter; today, many competitors use digital marketing in marketing their products, in contrast to the home industry of Banana Chips Anisha, which still uses traditional marketing methods. Therefore, it is essential to conduct an in-depth study on the marketing performance used by The Banana Chip Home Industry Anisha in maintaining the existence of its business during the current digital era.

This era of digitalization has changed marketing methods that rely not only on traditional but also blend with the use of technology and information. Information in digitalization marketing has a vital role in increasing sales volume, thus contributing to marketing performance. One way to speed up conveying information is through word of mouth. The role of word of mouth in e-marketing is currently prevalent, and researchers are interested in researching word of mouth in e-marketing. Some of the researchers are (Aramendia-Muneta, 2017; Braucksa, 2013), who has researched the role of word of mouth in improving the e-marketing business, while research (Ahmad Tajuddin et al., 2020; Ichlas, 2018) focuses on the role of electronic word of mouth (e-WOM) in creating repeat purchases that have an impact on marketing performance.
II. LITERATURE REVIEW

A. MSMEs
Rudjito (Hamidah et al., 2019) stated that MSMEs are businesses that have an essential role in the Indonesian economy, both in terms of jobs created and the number of businesses. In line with Tambunan (Halim, 2020), MSMEs are productive business units that stand alone, carried out by individuals or business entities in all sectors of the economy. So it can be concluded that Micro, Small, and Medium Enterprises (MSMEs) is one of the popular business practices among the public because it becomes a business sector that drives the wheels of the country's economy. MSMEs are also businesses run by individuals, households, or small business entities. The classification is based on the amount of turnover per year, the amount of wealth or assets, and the number of employees employed.

B. Word of Mouth
(Ahmad, 2014) states that word of mouth is one of the most effective marketing distribution methods. Word of mouth can influence other people's thoughts, images, and decisions. If the power of word of mouth is used to the maximum, it can promote the product of an effort for a long time. (Laksmi & Oktafani, 2016; Veronica, 2016)Divides word of mouth through the two sources that created it, namely reference groups and opinion leaders. Word of mouth is formed in a group because, in reality, consumers will trust others more than ads issued by the company. (Andreas, 2012) Agree with Mahendrayasa et al., explaining about word of mouth that word of mouth is a message about the product or service of a company as well as about the company itself, both in the form of comments about product performance, honesty, speed, service friendliness and other things felt by consumers which are then distributed to others.

Based on research conducted by Fitrianto in (Wicaksono & Seminari, 2016), word of mouth is one type of traditional marketing that is still very effective to run by a company today. The speaker has a significant influence on word-of-mouth marketing strategies, where the speaker acts as a disseminator of information or messages about the products he consumes. Indicators of communicators that will be the author's reference are blogs, chat rooms, and people talking to people.

C. Blog
The use of the Blog has specific purposes or purposes such as to display company profiles, imaging, promotion of products or services, and others. Most SMEs who have a blog usually introduce products and companies and post posts related to their business fields, even articles that are not related at all. The goal is to master keywords in search engines like Google. The more discussion topics in the Blog, the more likely people are to visit the Blog.
Blogs are indicators of word of mouth with many to many characteristics. Business people do not only use blogs; even users of a good or service sometimes use a blog to deliver reviews or provide reviews about products or services that have been used. Every consumer can become a communicator or only as a recipient of information from various sources.

D. Chat Room
A chat room is a place or space used by chat actors to communicate online. Chat room is an indicator of word of mouth with many characteristics. Chat rooms are also a means of online communication where people can socialize and exchange information to build relationships and build loyalty to consumers who talk about recommending or buying a product after they've engaged with the product.

E. People Talk to People
People talk to people through communication conducted by consumers who have made purchases and told their experiences about the product or service to others. Indirectly, the consumer has done promotions to attract other consumers who listen to the conversation.

F. Personal Selling
According to Arianty (Purnama, Nadia Ika, 2021), personal selling is a promotion done face-to-face or directly between the seller and prospective consumers (person-to-person communication) in the process of introducing the product. According to Machfoedz (Koswara et al., 2021), personal selling is the process of conveying messages or information to prospective consumers and persuading them to buy products offered through private communication.
According to William G. Nickels in (Agus Hermawan, 2012, p. 107), personal selling is the interaction between individuals, face to face, creating, improving, and maintaining exchange relationships that benefit each other. Personal selling is direct communication
between sellers and prospective consumers to introduce a product to prospective consumers and form an understanding of a product to be interested in trying and buying it. Indicators used are salespeople, sales percentages, and samples.

G. Sample Product
A sample product (tester) is a product offer of a certain number of products for trial. Product samples are free offers of several products or services that can be taken in the store, accompanied by the product, or displayed in advertising or promotional offers. Sampling is indeed the most effective way to attract customers, but on the other hand, it is also the most expensive way to introduce new products.

H. SalesPerson
A salesperson represents a company in offering products or services directly to consumers, as for the salesperson: 1. Looking for prospective customers/buyers, Salespeople search for prospective buyers/customers. 2. Set goals make decisions about allocating their time among potential customers. 3. Communicate, communicate information about the company's products or services. 4. Sell, by approaching, making presentations, answering objections or rebuttals, then closing with a sale. 5. Serve, Provide various services to customers, provide consultation on issues, provide technical assistance, plan payments, and make deliveries. 6. Gather information, conduct market research, and carry out intelligence tasks. 7. Allocate, Decide which customers will acquire the product during times of product shortage.

I. Percentage of Sales
The percentage of sales aims to determine the level of sales performance expected by an individual sales representative or sales team over a period, weekly, monthly or annual.

J. Marketing Performance
According to Cravens and Piercy (Priyanto et al., 2020), marketing performance is a plus that has been achieved in marketing and evaluating the effectiveness and marketing strategy. This is in line with Ma’arif & Maftukhah in (Priyanto et al., 2020). Marketing performance is an essential element of the company's performance in general because the performance of a company can be seen from its marketing performance so far. So it can be concluded that marketing performance is a part of the marketing process to measure the performance of activities generated by the company. Indicators used in measuring marketing performance are the expansion of market share, increased sales, and increased profits.

K. Research Frame Work
Findings of factors that affect marketing performance in the home industry Banana Chips Anisha is outlined in the empirical model of the framework of thinking about the role of marketing strategies used by the Anisha Banana Chips home industry, including word of mouth and personal selling to the performance of marketing in the home industry of Banana Chips Anisha. A research model or theoretical framework of thought is built as follows:

![Research Frame Work](image)

III. RESEARCH METHODS
The type of research used is qualitative descriptive research to systematically describe the characteristics or facts of a particular population or field factually that produces descriptive data in written or oral words from observed behavior or people. The approach used in this research is a case study to optimize understanding through academic research questions. The use of case studies in this study will be obtained a series of thoughts that lead to the conclusion of why a decision is taken, how the process, and the results.
Based on the description above, this study will be described data obtained from the object of the study, namely Banana Chip Anisha products, and directed to conclusions related to marketing performance through Word of Mout and Personal Selling. This study is located in Street of Mango, Macege Village, Tanete Riattang Barat District, Bonê Regency, in Anisha Banana Chips Home Industry Business. The study began on December 8, 2021, until January 14, 2022. The primary data source in this study was obtained from the owner of the Banana Chips home industry, Anisha, on behalf of Muliati's mother and her son named Anisha. Secondary data is obtained from documents, journals, and other sources relevant to the study. The process of collecting data conducted by researchers is by conducting in-depth interviews with informants through a direct question and answer process and visual documentation.

IV. RESULTS AND DISCUSSIONS

Home industry Banana Chips Anisha is an industry engaged in food with the primary raw materials of bananas. Home Industry was established in 2010 by a businessman named Muliati and located in Street of Mango, Macege Village, Tanete Riattang Barat District, Bonê Regency. Banana Chip products have various flavor variants, namely original, Balado, cheese, and chocolate, and three price variations, ranging from 1000, 5000, and 10,000. The price is relatively affordable considering the quality of Banana Chips Anisha is also no less competitive. The guarantee of quality and affordable price will not significantly affect the development of a business, for that is needed a marketing strategy. Home industry Banana Chips Anisha implements word of mouth marketing strategy and personal selling.

A. Word Of Mouth Marketing Strategy for Anisha Banana Chips Home Industry

Based on the results of interviews conducted with the owner of the Banana Chip home industry, Anisha knows that the marketing strategy used is in the word of mouth way because the banana chip industry Anisha can make customers confident about the product offered. The owner can spread information about the product clearly and maximally because what is conveyed about banana chip products Anisha directly explained from people who have Home industry banana chips are in the name of Muliati's mother. If we look at the strategy applied by Banana Chips Anisha, indeed many think that The Banana Chip Home Industry Anisha does a marketing strategy that is very difficult, slow, and left behind with the current business life in terms of marketing methods, where MSMEs, especially those in Bonê Regency, have many who apply digital marketing, but not for Banana Chips Anisha.

Based on information explained by Muliati's mother that the Wordof mouth marketing method implemented by MSME Pisang Anisha Chips is a long-standing method; even since it first operated in 2010, they have used this marketing method. Although fairly traditional, Banana Chips Anisha has used the Word of mouth method until now because it can make customers more confident in the quality of its products and is very effective to use when looking to attract customers. This is in line with research conducted by (Fitriani, 2015), which states that Word of mouth is one type of traditional marketing that is still very effective to run by a company today.

Word-of-mouth marketing can be done through chat rooms or blogs currently widely applied by MSMEs. Based on the results of interviews conducted by researchers to Anisha as the son of the Banana Chip home industry owner, Anisha said that they do not use chat rooms or blogs in introducing Banana Chips Anisha products. Still, sometimes they get submissions in the form of screenshots of conversations from customers who review their products in chat rooms owned by customers. In addition to chat rooms, people talk to people and help market products, not only done by the owner of the Banana Chip home industry, Anisha, but also by customers who review their experience after trying Banana Chips Anisha. So far, the feedback provided by customers through people talking to people or chat rooms has always been positive and has a good impact on the image of Anisha's Banana Chip products.

B. Personal Selling Marketing Strategy on Anisha Banana Chips Home Industry

Marketing strategy through personal selling applied by Banana Chips Anisha, according to the author, is a very appropriate strategy to do, based on information explained by the owner of Banana Chips Anisha that who does marketing in this case the salesperson is the owner of the business itself and utilizes the closest family by helping to inform the product. They also have colleagues outside the city, so the products owned by Anisha Banana Chips are also spread outside Bonê Regency, one of which is that there are several shops scattered in the city of Makassar such as Grand Mall, Top Mode, Indo Mode, Galeal, Grand Department store, and some souvenir shops in Makassar. Salespeople are very influential on the success of a business; with the salesperson, it will affect the buying interest of consumers, and if the salesperson used has high creativity and empathy for customers, it will increase buying interest sustainably. In addition to salespeople who promote directly, in this case, the ones who contribute are owners, families, and partners; it can be analyzed that to improve and maintain sales products, of course, it needs to be based on product quality and strong ability to care for existing customers, this can be measured by an explanation that says that personal selling. However, it is challenging to explain the quality of the product to all consumers. It is considered slow in promotion but faster in convincing consumers of the quality of the product and can improve the emotional relationship between producers and consumers so that customers do not do so quickly move.
Attracting customers to be interested and decide to buy the products offered is not an easy matter; there needs to be a planting of confidence in prospective customers to describe the advantages of the product and provide guarantees on taste and quality through samples. Including product samples in marketing certainly requires marketing costs; even so, prospective customers will be more confident in the taste and quality they will buy with the product sample. Therefore, Home Industry Banana Chips Anisha includes product samples when marketing to prospective customers because it is considered very effective in attracting customers.

The smoothness of a business can be seen from the percentage of sales of the business. Anisha Banana Chips home industry business does production almost every day. The number of chips produced per production ranges from 100 to 150 Pcs. The distribution of products is done once in four days as much as 500 Pcs. The sale of Banana Chips Anisha can be stable because direct customers also to vendors or stores where the demand is specific and sustainable and the amount tends to be stable.

Figure 2. Average Income of Banana Chips Anisha, Year 2010-2021

Based on the average income chart above, it can be seen that there is an increase in the percentage of sales by 17% from 2020 to 2021. Although the sales method used by the home industry, banana chips Anisha, is relatively traditional and lags behind the rampant use of digital marketing today. Still, applying the unique selling method made the home industry Banana Chips Anisha able to survive and continue to grow until now.

C. The Role of Marketing Strategies Using Word Of Mouth and Personal Selling Against The Home Marketing Performance of Banana Chips Anisha

Word of Mouth (WOM) and Personal Selling have a role in the marketing performance of a business (Abdurrahim & Sangen, 2019; Purbawa et al., 2019; Rahmadi, Afif Nur, 2021). The existence of word-of-mouth marketing and personal selling that is considered backward and traditional can improve the quality of service to customers and prospective customers to produce satisfaction in (Kuo & Nakhata, 2019; Taghizadeh et al., 2013). Customer satisfaction results in good communication between customers and prospective customers, there will be an increase in sales, which is suitable for the business’s survival.

Word of Mouth and Personal Selling marketing strategies simultaneously play a positive role in the marketing performance of the Anisha Banana Chips Home Industry. The findings of this study are reinforced by the research results conducted by (Adewale et al., 2019; Medjahdi & Saoudi, 2016) that Word of Mouth and Personal Selling influence increased sales that ultimately contribute to marketing performance in a competitive environment. Although this is currently the era of digitalization with the marketing strategy carried out by The Banana Chip Home Industry, Anisha can maintain its existence and survive and compete with other MSMEs that are not a few among competitors using digital marketing.

V. CONCLUSION

Word of mouth marketing strategy through chat rooms, blogs, and people talk to people, not fully implemented by the home industry banana chips Anisha, home industry banana chips Anisha only apply the method of people talk to people done by the owner in marketing the product is also done by customers who view the product and tell their experience about the product that has been tried to others. This is also done by customers through chat rooms to help market banana chip products, Anisha. Home industry banana chips Anisha implements a personal selling marketing strategy by including samples to guarantee the taste and quality of the product, accompanied by salespeople who jump directly to market banana chips Anisha products with their marketing capabilities. The
existence of samples and salespeople who can attract buyers makes the percentage of home industry sales of banana chips Anisha tend to be stable and continue to increase.

Marketing strategies through Word of Mouth and Personal Selling play a positive role in the marketing performance of the Anisha Banana Chips Home Industry. Although this is currently the era of digitalization with the marketing strategy carried out by The Banana Chip Home Industry, Anisha can maintain its existence and survive and compete with other MSMEs that are not a few among competitors using digital marketing. Anisha Banana Chips should be able to utilize marketing through digital marketing, considering the scope of market share through digital marketing is more comprehensive when compared to traditional marketing through word of mouth and personal selling. In the limitations of this study, it is expected that there is new research in addition to WOM variables and personal selling that will affect home industry performance. Research like this should also be done in other areas to find new findings that will help the development of MSMEs.

REFERENCES


