THE EFFECT OF PRODUCT INNOVATION, WORD OF MOUTH AND DIGITAL MARKETING ON CONSUMER BUYING INTEREST IN USED TIRE RUBBER CRAFTS IN PON VILLAGE

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ABSTRACT

This study aims to examine the effect ofThe Influence of Product Innovation, Word Of Mouth and Digital Marketing on Consumer Buying Interest in Used Tire Rubber Crafts in Pon Village, the results of this study indicate that . 1)product innovation(X1) has no positive and significant effect on consumer buying interest (Y). 2) word of mouth (X2) has a positive and significant effect on consumer buying interest (Y). 3) digital marketing (X3) has a positive and significant effect on consumer buying interest (Y). 4) Simultaneously variable product innovation (X1), word of mouth (X2) and digital marketing (X3) have a positive effect on consumer buying interest (Y).

Keywords : *Product Innovation, Word Of Mouth, Digital Marketing, Consumer Buying Interest*

1. INTRODUCTION

Entrepreneurship can be defined as an ability in terms of creating business activities. Ability that requires creativity and innovation in producing something different from the one that existed before which ultimately is able to contribute to society at large(Cashmir, 2013). Entrepreneurship is a value that is embodied in behavior that is used as the basis for resources, driving forces, goals, tactics, tips, processes, and business results.Entrepreneurship means the ability to have creative ideas and behave in a business struggle with wise risk-taking decisions to improve the quality of life. A person who has an entrepreneurial spirit is always able to read existing opportunities and is able to read existing situations and opportunities to be developed into business opportunities so as to produce innovative and creative products.(Hanum, 2014).

The development of MSMEs is considered to be still lacking in marketing strategies. Because there are still many MSMEs that are not able to compete in the wider business world and not infrequently some MSMEs are inconsistent and cannot last long in running their business, only last a few years and then the MSMEs go bankrupt and do not continue their business again. This is due to the weakness of the competitiveness strategy, especially in the marketing aspect owned by MSME actors. But not a few MSMEs that always appear every year. The increase in the number of MSMEs from year to year is a challenge for MSME actors to continue to grow.

*Word of mouth*has greater power than advertising and other forms of promotion. Word of mouth allows communicating information about new product innovations issued by the company to consumers. Consumers can see reviews of product innovations through word of mouth.

The existence of sellers of furniture and furniture shops in Jepara that provide various models is certainly a competition for this used tire rubber funiture craft business. For this reason, managers need marketing strategies and product innovation development so that they can be better known by the public. The decline in sales of used tire rubber crafts in 2020 is as follows:

Table 1.2 Sales Survey Data and Business Opinion for 2020

Month	Total Product Sales	1 Set of Rubber Table & Chair	Rubber swing	Rubber pot
January	40 units of Product	20 Sets	5	15
February	39 units of Product	25 Sets	1	13
March	52 units of Product	22 Sets	0	30
April	54 units of Product	15 Sets	2	37

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May	48 units of Product	22 Sets	3	23
June	38 units of Product	17 Sets	1	20
July	30 units of Product	18 Sets	0	12
August	26 units of Product	13 Sets	2	11
September	29 units of Product	11 Sets	5	13
October	24 units of Product	13 Sets	1	10
November	21 units of Product	9 Sets	3	9
\December	24 units of Product	14 Sets	2	8

Data: List of Orders for Used Rubber Tires Mr. Bambang

Based on the table above, it is known that there was a decline in sales that occurred due to delays in the development of product innovations offered. Lack of variety in the models offered by the products, of course, over time will have a saturation effect on consumers for the products offered.In addition, there is a lack of effectiveness in the marketing system which seems to be still less effective which causes the demand for products to decline. For this reason, it is necessary to evaluate the marketing system that is currently being developed both through word of mouth and digital marketing so that this craft business can survive in the face of increasingly competitive business competition.

2. LITERATURE REVIEW
Entrepreneurship
Entrepreneurship is a process of creating new things or developing existing things through innovative and creative ideas into something that has a higher value than before and can be developed into a profitable business.

Innovation
Innovation can be defined as an idea, practice or object that is considered new by an individual or other user unit. Innovation, namely: "as the ability to apply creativity in order to solve problems and opportunities to improve and enrich life"

Word Of Mouth
Word of mouth is a communication process carried out by non-organizational individuals or companies who have used the product and experienced satisfaction, then provide advice, discuss, promote and sell a brand to others.

Digital Marketing
Digital marketing is an activity to introduce a product, either goods or services that are marketed or offered online, either using buying and selling applications or social media in order to expand market reach.

Consumer Buying Interest
Consumer buying interest is consumer behavior where consumers have a feeling to want, use, and consume a product offered
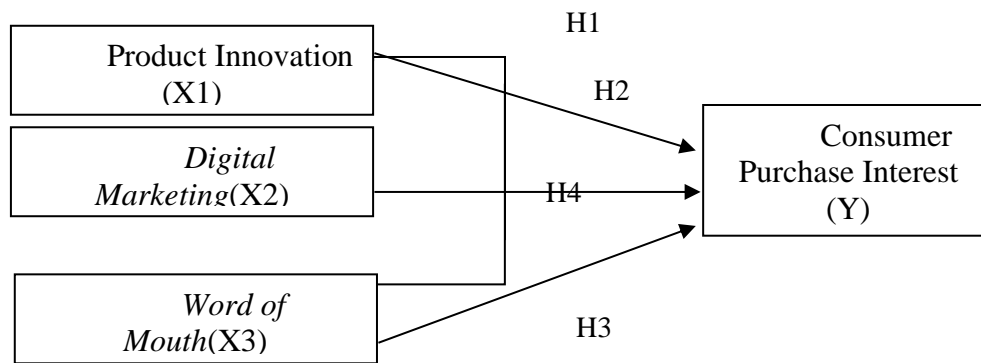
conceptual framework

3. IMLEMENTATION METHOD
Types of research
This research method is a type of quantitative research, which is a research method based on the philosophy of postpositivism, used to examine certain populations or samples with the aim of testing predetermined hypotheses, this research is classified as quantitative research, is a type of research that produces findings based on statistical procedures or certain way of quantification.(Juliandi, 2015)

Nature of Research
This research is developmental in the form of research that provides additional new variables or indicators. This research was developed from research belonging toSaputra & Ardani, (2020), with the title "The Influence of Digital Marketing, Word Of Mouth, And Service Quality On Purchase Decisions"

Research sites
This research was conducted at the Used Tire Rubber Handicraft Shop, which is one of the handicraft businesses in Pon village, established for approximately 5 years, having its address at V Hamlet, Pon Village, Sei Bamban District, Serdang Berdagai Regency.

Population And Sample
Based on the third point, the number of sample members is at least 10 times the number of variables studied, then the sample of this study is 10 times the number of variables studied. The total number of variables is 4, namely (Innovation (X1), word of mouth (X2), Digital marketing (X3) and Mina Beli (Y)) meaning 4 X 10 = 40 people, so it can be concluded that this study used 40 respondents who be the sample in this study. This is because it is difficult to find respondents who want to be studied

4. RESULTS AND DISCUSSION
Results
1. Instrument Test

Validity Test Results

VariableConsumer Purchase Interest (Y)			
Statement	rcount	rtable	Validity
1	0.773	0.367	Valid
2	0.817	0.367	Valid
3	0.745	0.367	Valid
4	0.847	0.367	Valid
VariableProduct Innovation (X1)			
Statement	rcount	rtable	Validity
1	0.624	0.367	Valid

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| Statement	rcount	rtable	Validity
2	0.813	0.367	Valid
3	0.831	0.367	Valid
Word Of Mouth Variable (X2)			
Statement	**rcount**	**rtable**	**Validity**
1	0.866	0.367	Valid
2	0.885	0.367	Valid
3	0.760	0.367	Valid
4	0.758	0.367	Valid
5	0.772	0.367	Valid
Digital Marketing Variable (X3)			
Statement	**rcount**	**rtable**	**Validity**
1	0.612	0.367	Valid
2	0.811	0.367	Valid
3	0.775	0.367	Valid
4	0.841	0.367	Valid

shows that all statement points, both variable Y, variable X1, variable X2 and variable X3 have a value of r count that is greater than the value of r table, it can be that if all of each statement is declared valid

Reliability Test Results

Variable	Cronbach Alpha	Constant	Reliability
Consumer Buying Interest (Y)	0.799	0.6	Reliable
Product Innovation Variable (X1)	0.637	0.6	Reliable
Word Of Mouth Variable (X2)	0.867	0.6	Reliable
Variable Digital Marketing (X3)	0.761	0.6	Reliable

Based on the reliability test using Cronbach Alpha, all research variables are reliable because Cronbach Alpha is greater than 0.6, so the results of this study indicate that the measurement tool in this study has met the reliability test (reliable and can be used as a measuring instrument).

2. **Classic assumption test**

Normal P-P Plot of Regression Standardized Residual
Dependent Variable: Minat Beli
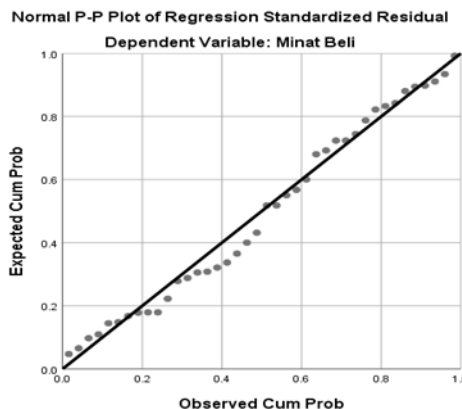
Data that is normally distributed will form a straight diagonal line and plotting the residual data will be compared with a diagonal line, if the distribution of residual data is normal, the line that describes the actual data will follow the diagonal line (Ghozali, 2016:154).

Multiple Linear Regression Results

Coefficientsa		
Model	Collinearity Statistics	
	Tolerance	VIF
1 (Constant)		
Product Innovation	.264	3,787
Word Of Mouth	.368	2,720
Digital Marketing	.264	3,787
a. Dependent Variable: Buying Interest		

It can be seen that the tolerance value of the X1 variable is 0.264, the X2 variable is 0.368 and the X3 variable is 0.264 where all of them are greater than 0.10 while the VIF value of the X1 variable is 3.787, the X2 variable is 2.720 and the X3 variable is 3.787 where all of them are smaller than 10. Based on the calculation results above, it can be seen that the tolerance value of all independent variables is greater than 0.10 and the VIF value of all independent variables is also smaller than 10 so that there is no correlation symptom in the independent variables.

3. Multiple Linear Regression Test

Multiple Linear Regression Test Results

Coefficientsa			
	Unstandardized Coefficients		Standardized Coefficients
Model	B	Std. Error	Beta
(Constant)	2,947	2,092	
Product Innovation	1.045	.662	.718
Word Of Mouth	.560	.132	.746
Digital Marketing	.676	.156	.632
a. Dependent Variable: Buying Interest			
Coefficientsa			

Based on these results, the multiple linear regression equation has the formulation: Y = a + b1X1 + b2X2+b3X3+ , so that the equation is obtained: Y = 2.947+ 1.045X1 + 0.560X2 + 0.676X3.

4. Coefficient of Determination

Coefficient of Determination

Model Summaryb									
				Std. Error of the Estimate	Change Statistics				
Model	R	R Square	Adjusted R Square		R Square Change	F Change	df1	df2	Sig. F Change
1	770a	.594	.560	1.48912	594	17,523	3	36	.000

a. Predictors: (Constant), Digital Marketing , Word Of Mouth , Product Innovation
b. Dependent Variable: Buying Interest

it can be seen that the adjusted R square value is 0.560 or 56%. This shows that product innovation (X1), Word of mouth (X2) and digital marketing (X3) variables can explain consumer

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buying interest (Y) by 56%, the remaining 44% (100% - 56%) is explained by other variables.
outside of this research model.

5. T test test

Partial Test (t)

Model		Unstandardized Coefficients		Standardized Coefficients		
		B	Std. Error	Beta	t	Sig.
1	(Constant)	2,947	2,092		1.409	.167
	Product Innovation	1.045	.662	.718	1,580	.123
	Word Of Mouth	.560	.132	.746	4.255	.000
	Digital Marketing	.676	.156	.632	3.232	.000
a. Dependent Variable: Buying Interest						

it can be seen that tcount (1.580) < ttable (2.026), and the significance value is 0.123 > 0.05,
it can be concluded that the first hypothesis is rejected, meaning thatproduct innovation (X1) has
no significant effecton consumer buying interest (Y).

it can be seen that tcount (4.255) > ttable (2.026), as well as the significance value of 0.00
<0.05, it can be concluded that the second hypothesis is accepted, meaning thatvariable word of
mouth (X2) has a significant effecton consumer buying interest (Y).

it can be seen that tcount (3.232) > t table (2.026), and the significance value is 0.00 < 0.05,
it can be concluded that the third hypothesis is accepted, meaningdigital marketing (X3) has a
significant effecton consumer buying interest (Y).

6. F Test (Simultaneous)

Simultaneous Test Results (F)

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	116,571	3	38,857	17,523	.000b
	Residual	79,829	36	2.217		
	Total	196,400	39			
a. Dependent Variable: Buying Interest						
b. Predictors: (Constant), Digital Marketing, Word Of Mouth , Product Innovation						

It can be seen that Fcount (17.523 > Ftable (2.86), and a significance value of 0.000 <0.05,
it can be concluded that the third hypothesis is accepted, meaning that there is an influenceproduct
innovation (X1), word of mouth (X2) and digital marketing (X3) have a joint effect on consumer
buying interest (Y).

7. Discussion

Based on the results of the analysis of hypothesis 1, it can be seen that product innovation
(X1) has no positive and significant effect on consumer buying interest (Y). This is due to the
changing needs, wants, and demands of customers. Customers will not always consume the same
product. Customers will look for other products from other companies that are felt to satisfy their
needs.

Based on the results of the analysis of hypothesis 2, it can be seen that the word of mouth
variable (X2) has a positive and significant effect on consumer buying interest (Y). Word of mouth

can be interpreted as a marketing effort that triggers consumers to talk about, promote, recommend, and sell our products/brands to other customers. (Masykur, 2017). The power of informal word of mouth communication circulating among consumers is almost always more effective than paid message promotion by advertisers(Schiffman & Wisenblit, 2015).

Based on the results of the analysis of hypothesis 3, it can be seen that the digital marketing variable (X3) has a positive and significant effect on consumer buying interest (Y). Digital marketing is a promotional activity and market search through digital media online by utilizing various means, such as social networks

Based on the results of the analysis of hypothesis 4, it can be seen that the product innovation variables (X1), word of mouth (X2) and digital marketing (X3) have a positive effect on consumer buying interest (Y). Product innovation is very important because the product is something that is directly related to consumers and the product is something that is offered to consumers. Product innovation is defined as the introduction of a new product or service that improves or expands the function of using the previous product so that it will increase consumer interest in the development of the products offered (Laela Susdiani, 2020).

5. CONCLUSION

1. The Effect of Product Innovation (X1) on Consumer Buying Interest (Y) There is no positive and significant effect of innovation on consumer buying interest. This is due to the changing needs, wants, and demands of customers. Customers will not always consume the same product. Customers will look for other products from other companies that are felt to satisfy their needs.
2. The Effect of Word of Mouth (X2) on Consumer Buying Interest (Y) There is a positive and significant influence of word of mouth on consumer buying interest, this is due to the need, word of mouth is almost always more effective than paid message promotions carried out by advertisers and magazines that provide information directly from consumers to consumers so that purchased products can be more trusted through information on product usage experiences from previous consumers as a reference.
3. The Effect of Digital Marketing (X3) on Consumer Buying Interest (Y) There is a positive and significant influence of digital marketing on consumer buying interest. Digital marketing is currently important because it can provide knowledge to business actors regarding the ways and stages in expanding consumer networks through the use of social media in marketing their products so as to increase competitive advantage and market share so as to increase consumer interest in shopping.
4. The Effect of Product Innovation (X1), Word Of Mouth (X2) and Digital Marketing (X3) on Consumer Buying Interest (Y) Simultaneously there is an influence between product innovation, word of mouth and digital marketing on consumer buying interest. Product innovation that meets consumer needs and is supported by a strategic marketing system by designing marketing through word of mouth recommendations which creates or builds positive issues related to the products offered accompanied by digital marketing that is able to access a broad market share of course will affect consumer interest in the products offered.

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