

The Role of Brand Image Mediates the Effect of Electronic Word of Mouth (E-WOM) on Purchase Intention

Ni Kadek Yora Yohana¹, Komang Ayu Puspita Dewi²,

I Gusti Ayu Ketut Giantari³

^{1,2,3}Faculty of Economics, Udayana University

ABSTRACT: *The purpose of this study was to describe the influence of e-WOM to purchase intention, the influence of e-WOM to brand image, the influence of brand image to purchase intention and brand image role in mediating the relationship between electronic word of mouth (e-WOM) to purchase intention of smartphone Xiaomi in Denpasar. The object of this study is Xiaomi smartphone. Samples using 100 respondent with purposive sampling techniques. This study used path analysis. The results showed, there is no significant with positive influence between e-WOM on the purchase intention, there is a positive significant influence between e-WOM on the brand image, there is a positive significant influence between the brand image and the purchase intention and brand image is able to significantly mediate the influence of e-WOM on purchase intention, which indicates that the e-WOM accompanied by the brand image will influence and determine the purchase intention of smartphone Xiaomi.*

KEYWORDS: *Brand Image, electronic word of mouth (E-WOM), purchase intention*

I. INTRODUCTION

The era of globalization accompanied by technological developments, such as the telephone, is currently experiencing increasingly rapid growth. This can be proven by various types of cellular phones found in Indonesia that provide various facilities for its users. The high demand for mobile telephones is also driven by the human need for communication and also due to the development of trends in society. Communication technology that is becoming a trend in society is a smartphone. The existence of a smartphone is one of the effects of rapid technological development. The smartphone is a medium in the use of cellular telecommunications technology that is experiencing the fastest growth at this time. This can be seen from the number of smartphone product manufacturers that offer a variety of new types that are different from the previous models. At present, all levels of society in Indonesia have been able to access telecommunications media using smartphone media. Indonesian smartphone users are increasing. Digital marketing research institute e-marketer estimates that by 2018 the number of active smartphone users in Indonesia will be more than 100 million (Kominfo.go.id, 2015).

Xiaomi's smartphone has a quality that can compete with other smartphones. One of the advantages of this smartphone is the battery's durability. On other smartphone products, battery life is one of the disadvantages. However, the array of the Xiaomi smartphone can last longer compared to other smartphones. These advantages can be one of the supporters of the brand image of the product.

Brand image is an active association in memory when someone thinks of a particular brand (Shimp, 2010). The right model for a brand is quite crucial for the company. A proper representation of a brand will make consumers have good thoughts about the brand (Indra, 2018). If the brand image of a product is terrible or tarnished, then the opportunity for consumers to buy the product will be small, because consumers will be moved to find other products whose brand image is better than the product (Arifin and Fachrodji, 2015). A product that has the right brand image is a critical way of capturing a consumer because consumers will unwittingly choose a product that has a positive image (Maulana, 2018). Thus, it can be said that brand image is one aspect that can influence consumer buying interest in a product.

Another element that can affect consumer purchase intention for a product is information received about the product. Advances in technology and information cause more and more consumers to find the information necessary for a product and then influence the attitudes and behavior of these consumers before making a purchase. Word of mouth (WOM) has evolved and become a new communication by utilizing modern technology. Electronic Word of Mouth (E-WOM) is a positive or negative communication of brand information

through the internet based on technology. WOM and e-WOM play an essential role in increasing consumer buying interest, creating the right image for brands and companies, and reducing promotional spending (Jalilvand and Samiei, 2012). Consumers participate in e-WOM with the reason to reduce the risk of uncertainty in purchasing products and services by finding accurate information before making a purchase decision and looking for the lowest price (Hossain, 2018).

Purchase intention is an essential phenomenon in marketing activities. Purchasing interest is a consumer behavior that underlies the purchase decision to be made. According to Iwan and Nainggolan (2017), buying a stake is obtained from a learning process and thought process that forms a perception. Interest in buying can then create a motivation that continues to be recorded in mind and becomes a powerful desire that, in the end, when a consumer must meet his needs will actualize what is in his mind. Previous research conducted by Ivana and Uturestantix (2018) states that if there is a positive influence on e-WOM and brand image, then this will undoubtedly increase purchase intention. The results of the study are also supported by research by Sohaib and Akram (2018). However, the results of a survey conducted by Torlak et al. (2014) states that e-WOM and purchase intention have no positive effect.

II. LITERATURE REVIEW AND HYPOTHESIS DEVELOPMENT

Electronic Word of Mouth (E-WOM)

Pedersen et al. (2014) argues that e-WOM is the development of word of mouth communication that utilizes the power of digital persuasion from consumers about a product. E-WOM can be defined as positive or negative communication towards brand information via the internet based on technology (Atika et al., 2016). E-WOM is considered as a source of accurate and reliable information that shapes expectations of consumer desires and influences on post-purchase and purchase decisions (Luo and Zhong, 2015).

Brand Image

Brand image is the process by which a person chooses, organizes, and interprets information input to create a meaningful picture (Kotler and Keller, 2009: 260). According to Wijanarko et al. (2016), brand image is a person's process of interpreting perceptions of a brand that is formed because of information and consumer experience on a brand. Brand Image can also be defined as a representation of consumers' perceptions of brands created from experience and brand information. If a positive image is embedded in the minds of consumers of a brand, it will be more possible for consumers to make purchases (Setiadi, 2003: 180). Brand image is also an essential consideration because by fulfilling what is needed and desired by consumers, the company is declared to have met the promise made by the brand to its consumers and can have a significant positive effect on consumer purchase intentions for the brand (Sahin et al., 2012).

Purchase Intention

Purchase intention is a consumer behavior that arises as a response to objects that indicate the customer's desire to make a purchase (Kotler & Keller, 2009: 137). Purchase intention is part of the behavioral component in a consuming attitude (Alatas and Tabrani, 2018). According to Schiffman and Kanuk (2010: 251), interest is one of the psychological aspects that has a considerable influence on behavioral attitudes. Purchase intention is obtained from a learning process and thought process, which will form a perception. This purchase intention creates a motivation that continues to be recorded in the minds of consumers and becomes a powerful desire that, in the end, when a consumer must meet his needs will actualize what is in his mind.

Research Hypothesis

Relationship of e-WOM with Purchase Intention Ivana and Uturestantix's research (2018) states that if there is a positive e-WOM, it will positively enhance Samsung's brand image and will undoubtedly increase the purchase intention of Samsung smartphone products. Brand Image has a significant effect on Purchase Intention. Halbusi and Tehseen (2018). The results of this study are also supported by the research of Sohaib and Akram (2018). Based on the results of these empirical studies, the following hypotheses can be constructed: H1: E-WOM has a significant effect on purchase intention.

Relationship of e-WOM with Brand Image

Consumers who have consumed a product will provide a separate assessment of the product. Through this, consumers will tend to choose products that are well known or already have the right brand image. E-WOM positively influences buyer buying intentions (Ivana and Uturestantix, 2018). The results of this study are supported by Torlak et al. (2014), Charo et al. (2015), Khan and Ali (2017), and Atika et al. (2016). Based on the results of these empirical studies, the following hypotheses can be constructed: H2: E-WOM has a significant effect on brand image.

Relationship of Brand Image with Purchase Intention

Consumers tend to choose products that are well known or already have the right brand image. If a product has a positive brand image in the eyes of consumers and is believed to be able to meet their needs and desires, then there will be an intention to buy a product in the consumer. Conversely, if a product is considered to have a negative image, the consumer's purchase intention for the product will be low. The results of previous studies, research by Arifin and Fachrodji (2015), found that brand image had a significant positive effect on buying

interest. The results of Ruhamak and Rahayu (2016) research stated that brand image has a positive impact on purchase intention. The results of this study are supported by the findings of Tseng et al. (2012), Maulana (2018), Prawira and Yasa (2014), and Putra and Giantari (2014). Based on the results of these empirical studies, the following hypotheses can be constructed: H3: Brand image has a significant effect on purchase intention.

The Role of Brand Image Mediating the Relationship of E-WOM with Purchase Intention

Based on Ivana and Utirentix's research results, brand image has a significant effect in mediating e-WOM on purchase intention. Brand image can be a mediating variable between e-WOM on purchase intention, so the more positive e-WOM will have an impact on increasing brand image, which will indirectly also affect the appearance of purchase intention. Research by Yunus et al. (2016) shows that brand image partially mediates the relationship between e-WOM and purchase intention. Kala and Chaubey (2018) also stated that brand image plays a role in mediating E-WOM and purchase intention. The results of this study are supported by the findings of Dewi and Ardani (2018) and Hamidun and Sanawiri (2018). H4: Brand Image can mediate the relationship between e-WOM and purchase intention.

III. METHODS

This research uses the associative method. Associative analysis is a conjecture about the relationship between variables in the population being tested (Sugiyono, 2013: 55). The relationship examined in this study is the relationship between e-WOM variables and purchase intention mediated by brand image. The location of this research was conducted in the city of Denpasar. The objects to be examined in this study are the relationship between e-WOM and purchase intention, the relationship between e-WOM and brand image, the relationship between brand image and purchase intention, and the role of brand image as a mediator. In this study, the classification of variables is as follows: exogenous variables are e-WOM, mediating variables are brand image, and endogenous variables are purchase intentions. The population in this study are all consumers who have never been and intend to buy Xiaomi smartphones. Sampling was done by purposive sampling technique. The number of samples used was 100 respondents. The measurement scale used is a Likert scale with five levels. The data analysis technique used is path analysis. Riduwan and Kuncoro (2011: 152) state that path analysis is used to analyze the pattern of relationships between variables to determine the direct effect of being able to set a set of exogenous variables to endogenous variables indirectly.

IV. RESULT AND DISCUSSION

Path Analysis

Path analysis is the finer part of the regression analysis. Where, in the path analysis not only tests the direct effect, but this analysis also examines the presence or absence of indirect effects between the independent variables through mediating variables on the dependent variable. Path coefficient calculation is done by regression analysis through SPSS 20.0 for Windows software, the results shown in Table 1 and Table 2 are obtained.

Table 1.
Path Analysis I

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	5.409	1.535		3.523	.001
	E-WOM	.202	.062	.315	3.282	.001

R² : 0.090
F hitung : 10.771
Sig.F : 0,001

$$Y_1 = \beta_1 X + e$$

$$Y_1 = 0.315X + e_1$$

Table 2.
Path Analysis II

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	3.664	1.330		2.755	.007
	Brand image	.013	.053	.020	.243	.809
	E-WOM	.635	.082	.633	7.701	.000

$R^2 : 0,397$

F hitung : 33.600

Sig.F : 0,000

$$Y_1 = \rho_2 X + \rho_3 Y_1 + e_2$$

$$Y_1 = 0,633 X + 0,020 Y_1 + e_2$$

Hypothesis test

Hypothesis 1 Testing: E-WOM has a significant effect on purchase intention

Based on the regression equation in table 3, we can interpret the e-WOM variable has a regression coefficient of 0.020, meaning that e-WOM has a positive effect on purchase intention. The results of the analysis of the effect of e-WOM on Xiaomi smartphone purchase intentions in Denpasar obtained Sig. T of 0.809 with a beta coefficient value of 0.020. Sig value $t 0.809 > 0.05$, indicating that H_0 is accepted and H_1 is rejected. This result means that e-WOM has a positive and not significant effect on the purchase intention of Xiaomi smartphone products in Denpasar.

Hypothesis 2 Testing: E-WOM has a significant effect on brand image

Based on the regression equation in table 4, it can be interpreted that the e-WOM variable has a regression coefficient of 0.315, meaning that e-WOM has a positive influence on brand image. By comparing the significance level (sig) of the study with a significance level of 0.001 from the calculation results, a value of $0.001 < 0.05$ is obtained, indicating that H_0 is rejected and H_1 is accepted, then there is a significant effect of e-WOM on brand image. Thus, hypothesis 2 is accepted.

Hypothesis 3 Testing: Brand image has a significant effect on purchase intention.

Based on the regression equation in table 4, it can be interpreted that the e-WOM variable has a regression coefficient of 0.633, meaning that e-WOM has a positive influence on brand image. By comparing the significance level (sig) of research with a significance level of 0,000 from the calculation results, a value of $0,000 < 0.05$ is obtained, so there is a significant influence of brand image on purchase intention. Thus, hypothesis 3 is accepted.

Hypothesis Testing 4: The role of Brand image mediates the relationship of e-WOM with purchase intention.

Hypothesis testing on the role of brand image in mediating the influence of e-WOM on purchase intention using the Sobel Test or Sobel Test proves the role of brand image positively and significantly mediates the effect of e-WOM on the purchase intention of Xiaomi smartphone products in Denpasar with the result $z = 4,422 > 1.96$ with a significance level of $0,000 < 0.05$. The fourth hypothesis (H_4) is accepted.

Discussion

Relationship of e-WOM with Purchase Intention

By comparing the significance level (sig) of the study with a significance level of 0.809 from the calculation results, a value of $0.809 > 0.05$ is obtained, so there is no significant effect of e-WOM on brand image. Regression coefficient of 0.020, means that e-WOM has a positive influence on purchase intention. The results of this study contradict the research conducted by Ivana and Utrestantix (2018), Halbusi and Tehseen (2018), and Sohaib and Akram (2018).

Relationship of e-WOM with Brand Image

By comparing the significance level (sig) of the study with a significance level of 0.001 from the calculation results, a value of $0.001 < 0.05$ is obtained, then there is a significant effect. Regression coefficient of 0.315, means that e-WOM has a positive influence on brand image. E-WOM towards brand image. The results of this study are in line with research conducted by Torlak et al. (2014), Charo et al. (2015), Elseidi and EL-Baz (2016), Tariq et al. (2017), Khan and Ali (2017) and Atika et al. (2016).

Relationship of Brand Image with Purchase Intention

By comparing the significance level (sig) of research with a significance level of 0,000 from the calculation results, a value of $0,000 < 0.05$ is obtained, so there is a significant influence of brand image on purchase intention. Regression coefficient of 0.633, means that e-WOM has a positive influence on brand image. The results of this study are in line with the results of research conducted by Arifin and Fachroddji (2015), Ruhamak and Rahayu (2016), Maulana (2018), Prawira and Yasa (2014) and Putra and Giantari (2014).

The Role of Brand Image Mediating e-WOM and Purchase Intention

The role of brand image in mediating the effect of celebrity endorser on the purchase intention of Xiaomi smartphone products has been tested in this study. The test results of the influence of e-WOM on purchase intention were originally 0.020, then after the brand image as a mediating variable, the value of the effect of e-WOM on purchase intention increased to 0.199. These results indicate that the brand image partially mediates the relationship between e-WOM and purchase intention partially. The Sobel test that has been carried out reinforces these results with the z coefficient obtained is $4.422 > 1.96$, which indicates that the brand image is considered capable of mediating the effect of e-WOM on the purchase intention of Xiaomi smartphone products.

V. CONCLUSION

1. There is a positive and insignificant influence between e-WOM on purchase intention of Xiaomi smartphones.
2. There is a positive and significant influence between e-WOM on the brand image of the Xiaomi smartphone.
3. There is a positive and significant effect between brand image on purchase intention of Xiaomi smartphones
4. Brand image mediate the effect of e-WOM on purchase intention.

The results of this study have the following implications:

1. For Xiaomi smartphone companies, efforts to reintroduce to consumers or the public that Xiaomi as a product that has good quality is important because it will be able to improve brand image and purchase inference from consumers.
2. For further researchers can consider other variables related to purchase intention

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