

## The Role of Brand Image Mediated the Effect of Word of Mouth on Purchase Intention

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**ABSTRACT:** The technology industry sector that is currently growing rapidly is smartphone technology. The high consumer demand for smartphone products has made very intense competition, which makes all companies always try to meet the needs and desires of consumers. The purpose of this study is to explain the effect of word of mouth on brand image on Oppo smartphone products, to explain the effect of word of mouth, and brand image on the purchase intention of Oppo smartphone products, and explain the role of brand image mediating the relationship between word of mouth and purchase intention on Oppo smartphone products. The population in this study is the community in the city of Denpasar. This study used a sample of 110 communities in the city of Denpasar with a purposive sampling method. Data was collected by distributing questionnaires with a five-point Likert scale to measure 11 indicators. The analysis technique in this research is path analysis and Sobel test. The results showed that word of mouth had a positive and significant effect on brand image on Oppo smartphones, Word of mouth and brand image had a positive and significant effect on purchase intention on Oppo smartphone products. Brand image positively and significantly mediated the effect of word of mouth on purchase intention on Smartphone Oppo products.

**KEYWORDS:** Word Of Mouth, Brand Image, Purchase Intention

### I. INTRODUCTION

The technology industry sector that is currently growing rapidly is smartphone technology. One country that is being hit by advances in smartphone technology is Indonesia. Indonesia is "the Asian digital technology giant that is sleeping", according to data from the Ministry of Communication and Information that the population of Indonesia which reaches 265 million people is a big market. Indonesian smartphone users are also growing rapidly, digital marketing research institute emarketer estimates that in 2018 the number of active smartphone users in Indonesia is more than 100 million people. With such a large number, Indonesia will become the country with the fourth largest active smartphone user in the world after China, India, and America (Kominfo.go.id, accessed 11 November 2019).

The Indonesian Internet Service Providers Association (APJII), which has conducted a survey of Indonesian people, shows that around 83.5% use smartphones in accessing the internet. The following is Table 1 of the results of a survey conducted by APJII of telecommunications equipment users in Indonesia.

**TABLE 1: INTERNET DEVICE USERS IN INDONESIA**

Internet Device Users	%
Smartphone and computer	39,3%
Smartphone	44,2%
computer	4,5%

Source: APJII, 2017

The increasing development of technology and the telecommunications sector has resulted in an increasing number of smartphone users throughout the world (Lay-Yee *et al.*, 2013). The trend of switching from smartphones to secondary needs has increased the demand for smartphones. Of course this has become a great opportunity owned by smartphone manufacturers to sell their products to a wider market share. The high consumer demand for smartphone products has made very intense competition, which makes all companies always try to meet the needs and desires of consumers by always innovating their products with the latest technology and features (Agus and Jatra, 2017).

The strategy adopted by a company will have a direct effect in building an image of the product being produced. The traditional marketing method that is word of mouth (WOM) promotion or rather word of mouth promotion is still the most effective type of marketing activity in Indonesia. The image of Oppo smartphone products will be a factor that influences the phenomenon of getting infected or commonly known as WOM. WOM can be categorized as a very effective method of convincing prospective consumers because prospective consumers tend to trust people around them who have already used certain products or services compared to advertisements or other marketing tools used by producers (Aditya and Wardana, 2017). Oppo should be able to use direct communication with potential customers to attract their interest in buying its products, because this method can convince potential customers.

Little John and Foss (2014: 411) mention that oral communication is very flexible and organic, oral messages are very fast and temporary, so individuals and groups must store information in their minds and provide it again through conversation. WOM (word of mouth) is more influential in product selection than information obtained from print media. There are many word of mouth factors that consider consumers as the preferred source of information (Saba *et al.*, 2015). Consumers will share their experiences using products or services from a particular company, or even to the stage of recommending the product or service to others (Permadi *et al.*, 2014). Sutrisna (2007) argues that communication enables people to share information, exchange ideas, share feelings and solve problems faced. Communication is carried out between individuals, groups, communities to communities between nations. Everyone, whether realized or not, communicates verbally and non-verbally.

Purchase intention is determined by the benefits and value felt by consumers (Wang and Tsai, 2014). Purchase intention is a real thought form of a consumer plan to buy a certain number of products from several brands available in certain situations. Oppo smartphones should highlight the advantages of their products in order to increase the value felt by consumers. After they can feel the benefits and value, the customer's willingness to buy a product has a higher probability, even though the customer may not actually buy it. Tjiptono (2005) explains that purchase intention can be increased by taking into account several factors including; (1) Psychological factors (2) Social factors and (3) Empowerment of the mix. A good brand image will lead to emotional values of consumers, therefore companies need to improve their brand image because this emotional value will trigger a positive perception of a product that will lead to purchase intention (Weli and Rahyuda, 2016). Consumers will tend to rely on various sources of information to ensure the quality of a product, in this case the internet as a means of finding information before making a purchase.

Consumer behavior towards a brand is largely determined by the brand image, this means that brand image is one important element that is able to encourage potential customers to buy a product. The better the brand image attached to the Oppo smartphone, the more consumers will be interested in buying it, for that Oppo smartphone must be able to highlight the positive side rather than the negative side of its product, because consumers assume that a product with a good brand image will be trusted and give more flavor safe when consumers use the product to be purchased (Iswara *et al.*, 2017). Oppo smartphones must have a positive brand image that affects the sustainability of a product and is still preferred in the market so that it will determine the attitude of consumers to continue (Darma and Sulistyawati, 2015).

Rahi (2016) believes that brand image needs to be planned, developed, supported and maintained to gain excellence. Brand image is built through advertising, word of mouth, reference groups, celebrities and media (R. Mihalcea and I. Catoiu, 2008). Marketers need to carry out intensive strategies to enhance brand image in the hearts of consumers. Dwi Putra and Ekawati (2017) argue that a strong brand image will provide a major advantage for companies such as creating a competitive advantage. A good brand image will have a positive impact on the company because it is able to provide satisfaction to consumers, so as to increase the attractiveness of consumers to use a product (Aristyowati *et al.*, 2015). Positive brand image will be more often remembered by consumers if spoken positively, on the contrary it becomes less remembered if spoken negatively by word of mouth. In addition, higher brand image causes higher quality perception and lower brand image will cause perceived quality degradation. More positive word of mouth also causes a higher quality perception, and vice versa will lead to a decrease in quality perception.

The technology industry sector that is currently growing rapidly is smartphone technology. The cell phone which was once a very exclusive communication tool turned into a commercial communication tool that is almost owned by everyone. Smartphone is an indispensable technology for most people throughout the world so that many smartphone manufacturers compete in increasing their market share. Some of these companies are among other things: The top 5 smartphone vendors that are competing globally are Samsung, Apple, Huawei, Oppo, and Xiaomi. Following are the latest global market share data obtained from Statista shown in Table 2.

**TABLE 2: GLOBAL MARKET SHARE SMARTPHONE VENDORS**

Brand	Year		
	2015	2016	2017
Samsung	20,4%	18%	21,9%

Apple	18,7%	18,2%	15,2%
Huawei	8,2%	10,5%	10,8%
Oppo	3,6%	7,3%	7,6%
Xiaomi	4,6%	3,3%	76,4%

Source: Statista, 2018

Based on Table 2 which shows that the major producers in the smartphone industry are Samsung and Apple, this can be seen from the acquisition of the most market share than any other competitor. Market leader in 2017 is Apple after successfully seizing Samsung's market share in 2016 and 2017. Huawei can maintain its market share at around 10 percent even though it has decreased by 0.3 percent from 2016 to 2017. Xiaomi can increase its market share it has a high enough from 3.3 percent to 7 percent in 2016 to 2017. This indicates that Xiaomi products are starting to be well received by consumers. Since its inception, Oppo has built its strength on expert selfie technology and camera phones. Both of these technologies are served as well as being a strong tagline of smartphones from China to Indonesian consumers. Oppo experienced high market share growth in 2016 which means high consumer interest in Oppo smartphone products, but in 2017 Oppo market share experienced a decline which indicates that the products offered by Oppo are starting to compete with other brands. Oppo's market share decline is also caused by changes in its channel strategy by becoming more selective towards its retail partners (International Data Corporation, 2018). Decline in market share, Oppo must develop its marketing strategy to be able to compete in international markets, including Indonesia.

The competition for smartphone products in the country of Indonesia is very tight with various smartphone manufacturers entering the Indonesian market. Seeing the results of the Top Brand Award survey is a way that can be used to view smartphone products that are of interest in the Indonesian market. The assessment used by Top Brand Award in determining Top Brand is by comparing the mind share, market share and commitment share indicators of a product with the same type of product. Smartphones of interest in the Indonesian market can be seen from the results of the latest Top Brand Award smartphone category survey in Table 3.

**TABLE 3 : TOP BRAND PHASE 1 SMARTPHONE CATEGORY IN 2018**

Merek	TBI
Samsung	48,6%
Oppo	11,2%
Xiaomi	5,5%
Lenovo	4,5%
Nokia	4,3%

Source: Top Brand Award, 2018

Table 3 shows that Samsung is Indonesia's number 1 top brand. This is because Samsung is a large smartphone manufacturer and has played for a long time in the smartphone industry, especially in the Indonesian market. The position of the top brand number 2 is occupied by the Oppo brand which is able to build a strong brand image within 5 years since entering the Indonesian market in 2013. This shows Oppo smartphone products are able to give a strong impression in the minds of consumers so as to be able to get the top brand number 2 beat Xiaomi, Lenovo, and Nokia in early 2018 although in 2017 Oppo experienced a decrease in market share in the international market.

Oppo's success in maintaining its brand image is inseparable from innovation and following the trend of market demand, such as the trend of smartphones with large screens and having a camera capable of producing clear selfies (Oppo F5). Oppo itself continues to build its brand image, especially in instilling the characteristics as a smartphone with a camera capable of taking the best selfie pictures. This can be seen from Oppo's efforts to focus on developing smartphones in selfie technology for the past 10 years and Oppo itself has used the smartphone brand motto that shows the characteristics of its selfie camera by using the motto "The Selfie Expert and Leader". The increasingly competitive competition between smartphone players in Indonesia needs to be handled by Oppo to prepare a good strategy and build a strong after-sales network and high marketing costs.

**TABLE 4 : INDONESIAN TOP 5 SMARTPHONE COMPANIES BY YEAR OVER YEAR (YOY) MARKET SHARE COMPARATION IN 2018**

Brand	Year	
	2017	2018
Samsung	32%	27%
Xiaomi	3%	25%
Oppo	24%	18%
Vivo	3%	9%

Advan	9%	6%
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Source: IDC, 2018

In table 4 it can be seen that Xiaomi managed to gain a 25 percent market share, up significantly from the previous year which was only 3 percent. Xiaomi shifted Oppo, which in the second quarter of 2018 experienced a decline in market share to 18 percent, compared to 24 percent last year. From Table 4, Oppo's market share in the global market and in Indonesia is smaller than Xiaomi's market share, which can increase dramatically from the previous year. It can be seen that Oppo's market share in Indonesia is greater than its global market share, therefore to be able to further increase global market share and in Indonesia Oppo must be able to improve its brand image to its products in order to be able to compete with other competitors. Improving brand image is expected to influence consumer purchase intention in taking steps to make purchases. Word of mouth plays an important role in consumer behavior.

Consumers who are exposed to positive word of mouth are more likely to make purchase intentions, and conversely consumers who are exposed to negative words from word of mouth are less likely to make purchase intentions. The intended behavior here is the behavior of consumers in making a purchase intention that starts from the consumer's purchase intention for a product or service. The phenomenon of the success of the Oppo smartphone that has just entered the Indonesian smartphone market but within 5 years managed to become the number 2 top brand in 2018 even though in 2018 Xiaomi smartphones experienced a rapid increase compared to Oppo so that the Oppo smartphone brand was considered attractive to be the subject of research.

**TABLE 5 : THE RESULT OF INTERVIEW ABOUT OPPO SMARTPHONE CONSUMER COMPLAINTS**

Complaints	Total Complaints
Batteries run out quickly and heat	28
Expensive price, standard quality	23
Non removable battery	19
The smartphone body is still made of plastic	17

Source: Primary data processed, 2019

Based on the chosen research subject, the Oppo smartphone, an initial interview with Oppo smartphone consumers was conducted. The results of interviews with several Oppo smartphone users stated that some Oppo smartphone users were dissatisfied with the purchase of the Oppo smartphone. This is because there are specifications and features of the Oppo smartphone that are not in accordance with the price offered and the price offered is also still too expensive for some groups in the community. The existence of Oppo smartphone users who feel dissatisfied, thereby reducing customers' purchase intentions because Xiaomi smartphones know what trends the market will like in the future. This was seen in the Xiaomi Redmi 5, 5 Plus, and Note 5, which answered the desire of many people to have a smartphone with the latest model compared to Oppo smartphones.

Ruslim and Andrew (2012), Jalilvand and Samei (2012), Wahyuni and Suparna (2014), Wang and Tsai (2014), and Subiyanto (2013) found that there were positive and significant influences between brand image and purchase intention. Research by Ruslim and Andrew (2012), Wahyuni and Suparna (2014), and Wang and Tsai (2014) revealed that the credibility of a celebrity endorser has a positive and significant influence on brand image, and influences consumer purchase intention through the brand image of a product.

Rahma in Kurniawan (2012) argues that brand image will directly influence the high buying interest of a product because consumers will have a reason to buy or use a product with a brand image that is considered to be good, quality, and used by famous people. Based on research conducted by Torlak *et al.* (2014) shows that e-WOM has a positive effect on brand image. Research by Aberdeen *et al.* (2016) which states that brand image influences purchase intention. Different results were found by Herdani & Sunaryo (2016), in the study WOM did not significantly influence purchase intention. The inconsistency of these findings is suspected because there is one factor that influences purchase intention, namely brand image in line with research conducted by Aberdeen *et al.* (2016) which states that brand image has a positive and significant influence on purchase intention. Ruslim and Andrew (2012), Jalilvand and Samei (2012), Wahyuni and Suparna (2014), Wang and Tsai (2014), and Subiyanto (2013) found that there were positive and significant effect between brand image and purchase intention.

## II. CONCEPTUAL MODEL AND HYPOTESIS DEVELOPMENT

### Literature Review

#### *Purchase Intention*

Purchase intention is the stage of respondent's tendency to act before actually making a purchase (Kinneer, 1995). There is a difference between actual purchases and buying trends. Actual purchases are

purchases that are actually made by consumers, the tendency of a purchase is an intention that arises for consumers to make purchases in the future.

### **Brand Image**

A strong brand image usually has different characteristics from its competitors so that the brand image can be reflected in the hearts and minds of consumers for a long time. The image of a brand is related to attitudes in the form of beliefs and preferences towards a brand. Consumers who have a positive image of a brand, will be more likely to make a purchase. According to Schiffman and Kanuk (2008: 157) brand image is a perception that is in the minds of consumers who last a long time about a brand.

### **Word of mouth**

Word of mouth is a person-to-person communication between the source of the message and the recipient of the message where the recipient receives the message in a non-commercial way about a product, service, or brand. Word of mouth becomes a reference that shapes customer expectations. Customers' perceptions about the quality of service received are often discussed. Customers will include products, services, and brands in the conversation list and consciously or unconsciously express it to others verbally (word of mouth) on various occasions (Indriani and Nurcaya, 2015).

### **Hypothesis**

#### **The Effect Of Word Of Mouth On Brand Image**

Word of mouth (WOM) is a communication made between two people, communicators and recipients who are exchanging ideas, ideas or others without a specific purpose. Positive word of mouth can improve consumer ratings of brand image. According to Herr *et al.* (1991). Febriana and Rummyeni (2016) found that word of mouth communication had a positive effect on brand image. Brand image illustrates all opinions about a brand and is formed based on information and past experience about the brand (Tjokroaminoto and Kunto, 2014). Research conducted by Jalilvand (2012), Torlak *et al.* (2014), Pertiwi & Tjok (2014), and Faresha & Dimas (2017) and Ruhamak and Rahayu (2016) found that word of mouth communication had a positive effect on brand image. Based on the results of previous studies, the following hypotheses can be arranged:

**H<sub>1</sub>: Word of mouth has a positive and significant effect on brand image**

#### **The Effect Of Word Of Mouth On Purchase Intention**

Saba (2015) states the word of mouth variable has a positive and significant influence on consumer purchase intention variables. Yi (2012) states that word of mouth supported by gender variables has a positive and significant effect on purchase intention. Consumer behavior is very influential in influencing the growth or absence of purchase intentions from consumers (Hamouda, 2013). According to (Prasetyo and Nanang, 2014), technological developments in an area can facilitate the phenomenon of word of mouth which also contributes to the growth of consumer purchase intentions. The technology-based word of mouth method is proven to have a positive and significant effect on online consumer purchase intentions. (Alfina, 2014). Based on the results of previous studies, the following hypotheses can be arranged:

**H<sub>2</sub>: Word of mouth has a positive and significant effect on purchase intention**

#### **The Effect Of Brand Image On Purchase Intention**

Brand image influences consumer purchasing decisions and is one of the key factors considered. This has shown that brand image is an extrinsic signal for evaluating product quality, and brand image is better if it has a high quality perception (Grewal *et al.*, 2013). When consumers' intrinsic cues or other attributes of a product cannot help consumers assess product quality, brand image is usually used as the basis for evaluation. According to Aaker and Keller (2010), a good brand image can increase brand consumer loyalty, trust, and also the intention to buy products from brands that they trust. Therefore, brand image has a direct influence on product sales volumes (Thomson *et al.*, 2005). Research by Cretu & Brodieb (2007), Wang & Yang (2010), Rahmawan & Sigit (2016), Aberdeen *et al.* (2016), and Akbar & Rosita (2017) found that brand image has a positive effect on purchase intention. Based on the results of previous studies, the following hypotheses can be arranged:

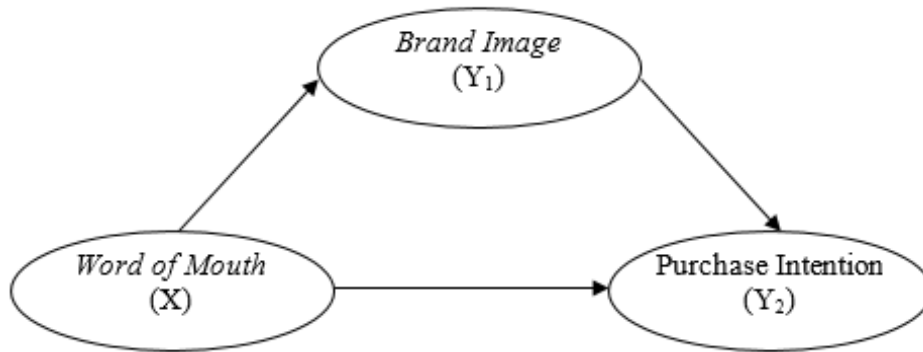
**H<sub>3</sub>: Brand image has a positive and significant effect on purchase intention**

#### **The Role Of Brand Image Mediated Word Of Mouth on Purchase Intention**

The impression or image of the brand itself can affect one's perception of a brand (Ruth *et al.*, 2002). Park *et al.* (1986); and Juhairi *et al.* (2016) states brand image has a direct influence on product sales volume. Aaker and Keller (1990); Putra and Sulistyawati (2015); and Kirwadi (2016) states the better the image of a product, the higher the desire to buy from consumers. Based on previous research, the statement was explained by Ruhamak and Rahayu (2016) who discovered the mediating effect of brand image between word of mouth

and purchase intention. Based on the results of previous studies, it can be arranged hypotheses that can be drawn in this study, namely:

**H<sub>4</sub>: Brand image has a positive and significant effect in mediating word of mouth on purchase intention**



**Figure 1: Conceptual Model**

**III. RESEARCH METHODOLOGY**

The approach used in this research is a quantitative approach that is associative. This research was conducted in the city of Denpasar. Denpasar City was made as a research location with consideration because Denpasar City is the capital of the Province of Bali and there are many people who use various types of smartphones so it is very easy to find information about the advantages and disadvantages of Oppo smartphones and compare them with other smartphones. The Denpasar City area was chosen because it was considered to have a large potential of respondents in accordance with the criteria determined by the researcher. The population in this study is Oppo smartphone consumers. The population in this study is infinite. The sample in this study is consumers who make purchases of Oppo smartphone products and still use the Oppo smartphone. The sampling technique used in this study is non probability sampling with a purposive sampling method, that is, the sample is determined with certain considerations. 110 respondents were chosen because in this study using the path analysis method in which the method must use a minimum of 100 samples. So, by choosing 110 respondents, it means that they are in accordance with the specified criteria. The data collection method used in this study was a questionnaire. In this study the data analysis technique used is path analysis. Testing mediation hypotheses can be done by a procedure developed by Sobel (1982) and is known as the Sobel Test.

**TABLE 6: INDICATOR RESEARCH VARIABLES**

Variable		Indicator	Reference
Independent (X)	Word of mouth	1) Receive information from the communicator about a product's strength / good product quality 2) Communicate understands about a product after passing a good evaluation stage from others. 3) Recommendations from others can influence decision making.	Sumardy (2011:7)
Mediated (Y <sub>1</sub> )	Brand Image	1) Brand attitude or brand behavior 2) Benefits and brand competence 3) Strength 4) Uniqueness 5) passions	Wijaya (2013) and Shimp (2014:40)
Dependent (Y <sub>2</sub> )	Brand Loyalty	1) Finding information about the product 2) The desire to buy immediately 3) Have a preference that this product is sought	Tanomi (2012)

Source: Previous study

**IV. RESEARCH FINDING AND DISCUSSION**

Characteristics of respondents is the data of respondents collected to determine the profile of research respondents. This study uses sampling with a purposive sampling method so that as many as 110 respondents in this study can be described in Table 7 as follows.

**TABLE 7: CHARACTERISTICS OF RESPONDENT**

Characteristic	Classification	Respondent	(%)
Age	18-23 years	39	35,45%
	24-30 years	38	34,51%
	31-37 years	26	23,60%
	38-44 years	3	2,72%
	>44 years	4	3,63%
	<b>Total</b>	<b>110</b>	<b>100</b>
Education	Senior High School	26	23,60%
	Diploma	32	29,11%
	Bachelor	46	41,83%
	Others	6	5,46%
	<b>Total</b>	<b>110</b>	<b>100</b>
Occupation	Student	24	21,82%
	Civil Servant	34	30,91%
	Private Employees	16	14,55%
	Entrepreneur	21	19,10%
	Others	15	13,62%
	<b>Total</b>	<b>110</b>	<b>100</b>

Source: Primary data processed, 2019

Table 7 shows the characteristics of respondents can be grouped by age, showing that the majority of respondents aged in the age range 18-23 years with a percentage of 35.5%. According to Yusuf, 2004 teenagers are consumers who tend to have emotions that are not yet stable, so looking at everything on their emotions. Along with its development, adolescents enter the stage of wiser and more able to make their own decisions at the age of 12-21 years. This increases the independence of adolescents in the decision to purchase goods and services, including its position as a consumer. On the other hand, adolescents have the characteristics of being easily influenced, like following friends, not thinking frugal and not realistic (Hurlock, 1999). Based on recent education, respondents with an S1 education level of 41.83%. According to Yuliani (2012: 38) states that "word of mouth is a face-to-face communication that discusses a product, brand or service carried out between people who are considered to have no interest to promote to commercial individuals". The explanation above can be concluded that when consumers are satisfied with the product or service they bought, they will share this positive experience with their social groups. Most things like this will affect the behavior of other consumers. When the people closest to them have felt more benefits from the product. Indirectly other consumers get references or recommendations. It will influence other consumers' decisions to buy the product or service. For example students who often buy products because they are influenced by friends. Judging from the job criteria, it was dominated by respondents who had jobs as private workers at 30.91%.

### The Result Of Path Analysis Structure 1

Based on the results of the analysis of the path of regression equation 1, the regression equation that can be formed is as follows.

$$\begin{aligned}
 Y_1 &= 0,698X \\
 S(\beta) &= (0,062) \\
 t &= (10,128) \\
 sig &= (0,000) \\
 R^2 &= 0,487; F = 102,578; sig = 0,000
 \end{aligned}$$

$\beta_1$  value is a number of 0.698 word of mouth has a positive effect on brand image. This shows that if the word of mouth variable increases, the Oppo smartphone's brand image will increase. The magnitude of the effect of independent variables on the dependent variable shown by the total determination value ( $R^2$ ) of 0.487 means that 48.7 percent of brand image variation is influenced by variations of word of mouth, while the remaining 51.3 percent is explained by other factors not included into the model.

### The Result Of Path Analysis Structure 2

Based on the results of the path analysis in equation 2, the regression equation that can be formed is as follows.

$$\begin{aligned}
 Y_2 &= 0,319X + 0,393Y_1 \\
 S(\beta) &= (0,112) \quad (0,124) \\
 t &= (3,128) \quad (3,855)
 \end{aligned}$$

sig = (0,002) (0,000)  
 $R^2 = 0,430$ ;  $F = 40,436$ ; sig = 0,000

$\beta_2$  value of 0.319 means that word of mouth has a positive effect on purchase intention. If the word of mouth variable increases, it increases the purchase intention variable on the Oppo smartphone.

$\beta_3$  value of 0.393 means that brand image has a positive effect on purchase intention, this means that if the brand image variable increases, the purchase intention variable on the Oppo smartphone increases. The magnitude of the influence of independent variables on the dependent variable shown by the total determination value ( $R^2$ ) of 0.393 means that 39.3 percent of purchase intention variation is influenced by variations of word of mouth and brand image, while the remaining 60.7 percent is explained by other factors into the model.

Based on the calculation of the effect of error ( $Pe_i$ ), the result of the effect of error ( $Pe_1$ ) is 0.716 and the effect of error ( $Pe_2$ ) is 0.779. After analyzing  $e^1$  and  $e^2$ , the results obtained from the calculation of the total determination coefficient of 0.688 The total determination value of 0.688 means that 68.8 percent of purchase intention variables are influenced by word of mouth and brand image variables, the remaining 31.2 percent is explained by factors other outside the model formed.

Based on the explanation of structural equations, the path coefficient diagram of this study is as follows:

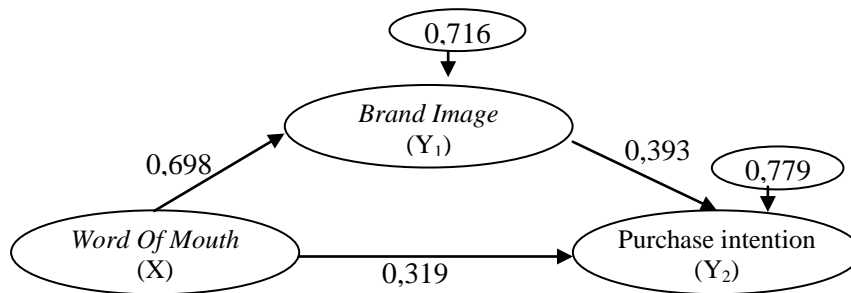


Figure 2: Final Path Analysis Model

TABLE 8: DIRECT EFFECT, INDIRECT EFFECT AND TOTAL EFFECT

Variable Effects	Direct Effect	Indirect Effect by Brand Image (Y <sub>1</sub> ) ( $\beta_1 X \times \beta_2 M$ )	Total Effect
Effect of Word of Mouth on Brand Image	0,698	-	0,698
Effect of Word of Mouth on Purchase Intention	0,319	0,274	0,593
Effect of Brand Image on Purchase Intention	0,393	-	0,393

Source: Primary data processed, 2019

The data shows that the word of mouth has a direct effect on purchase intention of 0.319, the naming Indirect Effect mediated by the image image shows a beta coefficient of 0.274. These results indicate that brand image mediates the effect of word of mouth on purchase intention with the total effect obtained is 0.593.

**The Result of sobel test**

The Sobel test was carried out to test the significance of the Indirect Effect variable word of mouth (X) on the purchase intention variable (Y<sub>2</sub>) through the brand image variable (Y<sub>1</sub>). The Sobel Test was calculated using the Microsoft Excel 2010 application. The z coefficient value is greater than 1.96, then the brand image variable as a mediating variable in this study is considered to be able to significantly mediated the relationship of word of mouth influence on purchase intention. Sobel Test results that have been calculated show that the calculated z value of 3.3380 > 1.96 with a significance value of 0.0000 < 0.05, which means brand image is a variable that mediates the effect of word of mouth on purchase intention on Oppo smartphone products or in other words word of mouth indirectly influences purchase intention through brand image.

**Discussion**

**The Effect Of Word Of Mouth On Brand Image**

The purpose of this research is to determine the effect of word of mouth on brand image. Based on the results of data processing, the positive beta coefficient value is 0.698 with a t value of 10.128. Significance value of 0,000 < 0.05 indicates that H<sub>0</sub> is rejected and H<sub>1</sub> is accepted. The results in this study mean that word of mouth has a positive and significant effect on brand image. This shows the better communication done from person to person about the Oppo smartphone, it will enhance the Oppo smartphone's brand image itself. The



results of this study are in accordance with previous studies conducted by Jalilvand (2012), Torlak *et al.* (2014), Pertiwi & Tjok (2014), and Faresha & Dimas (2017) and Ruhamak and Rahayu (2016) found that word of mouth communication had a positive effect on brand image.

### **The Effect Of Word Of Mouth On Purchase Intention**

Based on the results of word of mouth analysis of purchase intention obtained a significance value of 0.002 with a beta coefficient of 0.319 with a t value of 3.128. Significance value of 0.002 < 0.05 indicates that H0 is rejected and H2 is accepted. The results in this study mean that word of mouth has a positive and significant effect on purchase intention, this shows that word of mouth affects the purchase intention of consumers in deciding the purchase of an Oppo smartphone. This result can be positive because respondents are looking for more information about Oppo smartphones that get the highest average score, which means respondents often get information about Oppo smartphones that they feel are appropriate and in accordance with their wishes. The results of this study support some of the results of previous studies conducted by Prasetyo and Nanang (2014), according to them the development of technology in an area can facilitate the phenomenon of word of mouth which also contributes to the growth of consumer purchase intention. The technology-based word of mouth method has been proven to have a positive and significant effect on online consumer purchase intentions (Alfina, 2014).

### **The Effect Of Brand Image On Purchase Intention**

Based on the results of the third hypothesis testing H3 obtained a probability value (sig) of 0,000 with a beta coefficient of 0.393 and a t value of 3.855. Significance value of 0,000 < 0.05 then this can be interpreted that H0 is rejected and H3 is accepted. This result means that brand image has a positive and significant effect on purchase intention. This shows that the brand image of the Oppo smartphone has a significant influence in increasing the intention to buy an Oppo smartphone which means the better the brand image will increasingly make consumers trust the Oppo smartphone. The average result of respondents' assessment of brand image that gets the highest average score is that respondents can distinguish Oppo smartphone products from other products, which means that respondents consider Oppo smartphones to be able to leave a good impression on their potential customers. The results of this study are consistent with the results of research by Cretu & Brodieb (2007), Wang & Yang (2010), Rahmawan & Sigit (2016), Aberdeen *et al.* (2016), and Akbar & Rosita (2017) found that brand image had a positive effect on purchase intention.

### **The Role Of Brand Mediated The Effect Of Word Of Mouth On Purchase Intention**

Based on the results of the fourth hypothesis testing H4 results obtained z value of 3.3380 which is greater than the ztable value of 1.96, this shows that H4 can be accepted, so it can be interpreted that brand image is able to mediated the effect of word of mouth on purchase intention with the word another word of mouth indirect effect on purchase intention through brand image. The results of the study are in line with Ruslim and Andrew (2012), Wahyuni and Suparna (2014), and Wang and Tsai (2014) research. a product.

### **Research Limitations**

- 1) The scope of this study is only in the Denpasar City area, so the results of the study cannot be generalized to respondents who are outside the Denpasar area.
- 2) This research is only carried out within a certain period (cross section), while the environment can change every time (dynamic), so this research needs to be developed in the future.

## **V. CONCLUSIONS AND SUGGESTIONS**

Based on the results of the analysis and discussion in the previous chapter, it can be concluded as follows:

- 1) Word of mouth has a positive and significant effect on brand image. This means that the better the information received from the word of mouth variable will increase the brand image of the Oppo smartphone product itself.
- 2) Word of mouth has a positive and significant effect on purchase intention. The better the credibility of word of mouth will increase consumer purchase intention for Oppo smartphone products.
- 3) Brand image has a positive and significant effect on purchase intention. This means that the better the brand image of the Oppo smartphone, the higher the purchase intention from consumers.
- 4) Brand image is able to partially mediate the effect of word of mouth on purchase intention. This means that the higher the credibility of word of mouth, the higher the purchase intention of consumers, the higher the purchase intention of consumers will be if the word of mouth is also able to improve brand image.

Suggestions that can be given based on the results of the study are as follows:

- 1) It is better for the Oppo smartphone to pay more attention to the word of mouth variable by strengthening the product's credibility, by maintaining and increasing the positive values that the Oppo product has achieved so that it will affect consumer purchase intention.
- 2) We recommend that the Oppo smartphone pay attention to the brand image of the company, as well as improve product quality by providing good product qualities, and by innovating products that will cause a good perception of word of mouth in the minds of consumers, which in turn will affect consumer purchase intention to buy an Oppo smartphone.
- 3) We recommend that the Oppo smartphone pay attention to the prestige and image of their products by giving the characteristics of the product so that it is more easily embedded in the minds of consumers and consumers feel they need an Oppo smartphone as the first choice.

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