



## The Influence of Electronic Word of Mouth (E-Wom), Brand Image, Product Knowledge on Purchase Intention

I Gusti Ayu Imbayani\* and Agus Wahyudi Salasa Gama

*Universitas Mahasaraswati, Denpasar, Bali, Indonesia*

[ayu\\_imbayani@gmail.com](mailto:ayu_imbayani@gmail.com)\*

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**Abstract** In the current era of globalization, the development of science and technology indirectly has a major influence on the economy. During 2017 internet users in Indonesia reached 143.26 million people. The increasing conditions of internet and social media use have now made it easier for people to access and share information about new phenomena, one of which is Go-Jek. Word of mouth, which used to happen personally, now spreads openly through the internet, namely the word electronic word of mouth (e-WOM). The development in the use of internet is increasingly widespread by making companies inevitably have to provide online services, including websites or other online services in order to improve the brand image, product knowledge and purchase intentions. This research is intended to determine to what extent the e-WOM, brand image, product knowledge on purchase intention bring about effects to customer purchase intention. Data were collected using questionnaires distributed to 220 respondents determined through non-probability sampling and accidental sampling. The data analysis technique used is multiple linear regressions. The results of the study show that e-WOM, brand image, product knowledge have a positive and significant influence on purchasing intention.

**Keyword:** Brand Image; E-WOM; Product Knowledge and Purchase Intention

### INTRODUCTION

Rapid technological advancement, especially on the WWW internet network (World Wide Web) that is able to provide a choice of information about a product allows word of mouth communication, which is not only a form of person-to-person communication about a product, service or brand but as a form of communication of word of mouth (WOM) spreading throughout the world through online media; and this is often called Electronic Word of Mouth (Jalilvand, 2012). E-WOM can increase the effectiveness of marketing but can also destroy the reputation of the company's brand image that has been built when there is a mismatch of activities within the organization (Chan & Ngai, 2011). In Indonesia the development of the digital world is growing rapidly, where the

number of internet users in 2017 is 143.26 million people out of 262 million people in the total population of Indonesia or 54.68%.

The internet is such a good resource for learning and research that many children turn to it for help when they need some information, materials, hints, or solutions to perform their schoolwork (Shen, 2018). Internet is able to create opportunities for electronic word-of-mouth through various online media, such as facebook, twitter, blog, my space and so on (Christy, 2010). Consumers, after getting information about a product or service, often post on the internet which is one form of Electronic of Word-of-Mouth Communication. Electronic of Word-of-Mouth Communication can help marketing practitioners to better understand consumer behavior through online media. One of the most talked about businesses on-line is Go-

Jek. Go-Jek's service is actively used by 15 million people every week. Go-Jek has proven its ability to be as a local ride-sharing service that competes with foreigners.

The widespread development and usage of the internet has made the company inevitably have to provide online services, such as websites and other online services in order to increase brand image, product knowledge and purchase intention so as to gain customer loyalty. Branding has been considered to be a major capital in many industries. Strong brands can increase customer trust in the product or service and enable customers to visualize and understand intangible factors. Brand image affect the corporate's long term profits and cash flow in line with increasing customer trust. Brand Image is the perception of a brand results from the reflection of brand associations that have been embedded in the consumer's. According to (Lin., & Lin, 2007), consumers usually adopt various methods to evaluate the product. Consumers with higher product knowledge tend not to use reconceived ideas to assess product quality as they are aware of the importance of product information. Customers with high product knowledge will evaluate products based on their quality as they believe in their product knowledge. A marketer needs to know the purchase intention to a product. Both marketers and economists use purchase intention variables to predict consumer behavior in the future where the purchase intention is a mental statement from the consumer that reflects the purchase plan of a number of products with a particular brand.

Purchase intention, according to Fishbein & Ajzen (in Lin & Lin, 2007), "means a subjective inclination consumers have towards a certain product, and has been proven to be a key factor to predict consumer behavior. Purchase Intention is something that represents a consumer who is likely to plan or is willing to buy a product or service in the future. An increase in purchase intentions means an increased likelihood of purchase (Dodds et al., 1991; Schiffman & Kanuk, 2007). Researchers can also use purchase intentions as an important indicator for predicting consumer behavior. When consumers have had the intention to buy a positive one of these forms of commitment to a brand, that brand is positive and good. This is what drives purchases that will ultimately be made by consumers (Fishbein., & Ajzen, 1975, Schiffman & Kanuk, 2007). One of the most talked-about businesses on-line is Go-Jek, Go-

Jek's service is actively used by 15 million people every week. Go-Jek has proven its ability as a local ride-sharing service competing with foreigners such as Uber and Grab, and every month more than 100 million transactions take place on Go-Jek

Based on the above background, the main issues in this study are: 1) Is there any influence of E-Word-of-Mouth communication on purchase intention? 2) Is there any effect of Brand Image on Purchase Intention? 3) Is there any influence of product knowledge on purchase intention? Meanwhile, this study is aimed at 1) analyzing the effect of E-Word-of-Mouth Communication on Purchase Intention; 2) analyzing the effect of brand image on purchase intention; and 3) analyzing the effect of product knowledge on purchase intention.

## LITERATURE REVIEW

### E-Word-of-Mouth

E-Word-of-Mouth Communication is a positive or negative statement made by consumers about a company's product or service, provided to public through the internet media. Thureau et al. (2004) conducted a study that addresses the motivation of consumers to communicate e-WOM. He puts forward that e-WOM is a positive or negative statement made by potential consumers, real consumers, or former consumers about a product or company that can be accessed by many people or institutions through the internet. Customers use online media in order to share their own experiences with a brand, product, or service they have experienced themselves.

In addition, consumers also take advantage of the experience of others, when they want to buy something before finally deciding to make a purchase of something goods or services (Evans, D. & Jack, M. 2010). The e-WOM message is a very important message for the consumers when it comes to information about the quality of the product or service, and will be an important reference in the decision making process (Chevalier & Mayzlin 2006). Based on this description, the first hypothesis of this study is:

H1: Electronic word of mouth has a positive and significant effect on Purchase intention

### Brand Image

The definition of Brand Image, according to (Kotler: 2002), is a set of beliefs, ideas, and impressions that a person has for a brand. Therefore, the attitude and actions of consumers towards a brand is determined by

the brand image. Brand Image is the perception of a brand, the result of the reflection of the brand association that is in the consumer's memory (Keller, 1993). Brand Image comes from the results of consumer experiences in consuming a product, and the quality of service perceived by consumers.

Brand Image consists of various benefits and brand-related attributes where it makes the brand different and differentiates a company's offerings with other competitors (Webster & Keller, 2004). Attributes are descriptive features that describe the character of a brand or what consumers think about the brand and what it feels when engaging in purchasing or consuming the brand. Furthermore, the benefit in this case is the personal value of the consumer, or in other words what a brand can do to the consumer (Keller, 1998). Such brand image has an effect on purchase intention (Ruslim & Andrew, 2012).

H2: Brand Image has positive and significant effect on purchase intention.

### **Product Knowledge**

According to Rao and Sieben quoted in (Waluyo & Pamungkas: 2003), the definition of product knowledge is the coverage of all the accurate information stored in consumer memory as well as its perception of product knowledge. Meanwhile, according to Beatty & Smith (in Lin & Lin (2007), product knowledge is that consumers have perceptions of certain products, including previous experience of product use. The level of product knowledge also affects consumer purchase intention (Lin & Lin, 2007).

H3: Product Knowledge has positive and significant effect on Purchase Intention.

### **Purchase Intention**

Purchase intention is "based on consumer attitude toward buying a brand" (Peter & Olson, 2002). Meanwhile, as stated (Kotler: 2000) purchase intention is consumer behavior occurs when consumer stimulated by external factors and come to purchase decision based on their personal characteristics and decision making process. Interest is something personal and is related to attitudes. Individuals who are interested in an object will have the power or drive to conduct a series of behaviors to approach or get the object (Simamora, 2002). Purchase intention or intention to make a purchase is the intention arising from the learning process and problem solving in the prospective consumer in determining the decision to choose or use a brand or product.

Purchase intention is how far an individual has a willingness to try or have an interest in making a purchase (Wang et al., 2012). An individual through various stages becomes aware of a company, and finally makes a purchase decision. Specifically, potential consumers move from having awareness of interest and the intention to purchase goods and service before deciding to invest in a sales action (Kim et al., 2011). Marketers need to understand the role that culture, sub-culture, and social class of consumers play in the marketing. Social factors and companies need to take into account social factors when designing their marketing strategies because they can affect consumer purchasing. Personal factors, age and stage of life cycle, occupation, economic condition, lifestyle, personality, and self-concept influence consumer to what to buy. Psychological factors, motivation, perception, learning, and trust and attitude influence consumer selection (Keller & Kotler, 2009).

## **METHODS**

### **Sample**

This research is a quantitative research and the city of Denpasar is chosen as the location of research because it is the center of the city that is in accordance with the criteria of respondents to be studied. The prospective respondents in this study have some criteria, e.g.:

1. Respondents are at least 18 years old with the assumption that respondents can fill out the questionnaire well
2. Respondents have completed high school education.
3. Respondents with the wish to use Go-Jek services in the information gathering stage.

The sampling technique used is purposive sampling. This study used 220 respondents. Data collection in this research was done by observing, distributing, questionnaire and interviewing. The data that have been collected were measurement and given score. The Likert scale used is divided into five categories that are considered to represent the level of intensity of the respondent's assessment; the use of too many categories often confuses the respondent (Istijanto, 2005).

### **Variables**

#### *Independent Variables*

Table 1 - Electronic Word of Mouth (E-WOM) is a digitalization of traditional WOM (Word Of Mouth). E-WOM is delivered directly from one party to another with an electronic media intermediary.

Variables	Indicators
E-WOM	Platform assistance a. I often open a web or blog about Go-Jek b. I believe in information about Go-Jek on the internet c. the internet is an effective and efficient place to get information about Go-Jek  Concern for other consumers: a. I get recommendations related to Go-Jek b. Through internet I feel the concern of others when recommending Go-Jek products  Extraversion/positive self-enhancement a. Through the internet I get information about the positive consumer experience of Go-Jek users b. Through the internet I get the information that Go-Jek is the right choice  Advice seeking a. Through the internet I seek advice and recommendations from other consumers about Go-Jek  Social Benefits a. I got information about Go-Jek through social media b. I'm interacting in social media for information about Go-Jek  Helping the Company a. Through the internet I know that Go-Jek users help other consumers know the product and brand

Table 2 - Brand Image is a number of beliefs consumers have with brands. Customers may develop a series of brand trusts regarding the position of each brand according to their respective attributes.

Variables	Indicators
Brand images	Go-Jek products have a strong brand image. Go-Jek products have an image of being good company. Go-Jek products have a good product image. Go-Jek products have a good design

Table 3 - Product knowledge is a collection of various information about the product.

Variables	Indicators
Product knowledge	a. I know well about the many types of Go-Jek products. b. I know about the many advantages and disadvantages in detail of each product offered by Go-Jek. c. I choose products based on the quality obtained in Go-Jek products.

*Dependent Variables*

Table 4- Purchase Intention is Buying interest is a psychological force that exists within the individual, which has an impact on performing an action.

Variables	Indicators
Purchase intention	a. I interested in trying the products offered Go-Jek. b. I consider buying Go-Jek's products. c. I downloading apps offered by Go-Jek. d. I want to use Go-Jek's products

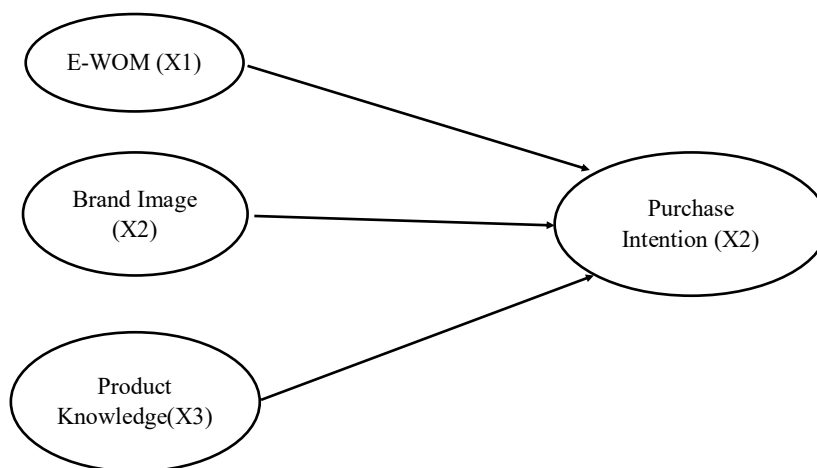


Figure 1: Conceptual Model the Influences Of Electronic Word Of Mouth (E-Wom), Brand Image, Product Knowledge On Purchase Intention

Source: Researchers (2018)

**Data analysis technique**

According to (Sugiyono, 2012) linear regression analysis is used to predict how the value of the dependent variable changes when the value of independent variables increased/ derived. This research uses multiple linear regressions. The analysis is used to determine the effect of independent variables on the dependent variable. This test is used to measure the influence of independent variables (E-WOM, Brand Image and Product Knowledge) to the dependent variable (Purchase Intention).

**RESULTS AND DISCUSSION**

**Results**

This research is a research using primary data, where the research data obtained from the questionnaire assessed and answered by respondents who are the inhabitants of Denpasar. Assessment of respondents to the questionnaire will be much influenced by various factors; therefore it would be better if it includes background data of respondents to better understand the resulting assessment. Characteristics of respondents in this study were reviewed based on several demographic variables such as age, sex, and occupation.

Table 5: Characteristics of respondents

No	Criteria	Classification	Total	Percentage (%)
1	<b>Age (years)</b>	18 – 22	62	28,18
		23 – 27	77	35,00
		28 – 32	30	13,64
		33 – 37	21	09,55
		38 – 42	15	06,82
		43 – 47	9	04,09
		≥ 48	6	02,72
	Total		220	1,00
2	<b>Gender</b>	Male	99	45
		Female	121	55
		Total	220	1,00
3	<b>Occupation</b>	Student	111	50,45
		Entrepreneur	22	10,00
		Pegawai Swasta	42	19,09
		PNS	18	08,18
		other	27	11,28
		Total	220	1,00

The results showed that respondents were dominated by those aged 23-27 years with 35%, respondents aged 18-22 years with 28.18%, respondents aged 28-32 years with 13.64%, respondents aged 33-37 years with 09, 55%, respondents aged 38-42 years with 6.82%, followed by respondents aged 43-47 years with 4.09% percent and the smallest were those respondents aged over 48 with 2.72%. In terms of sex, the condition is dominated by women with a percentage of

55%, while men are only 45%. This shows that the majority of female respondents have the intention to buy Go-Jek products. Judging from the work, the conditions of respondents are dominated by students with a percentage of 50.45%.

From the validity test of the variable shows the value of Pearson correlation is  $> 0.3$ , so that all questions in the questionnaire used are valid.

Table 6 - : Validity Test of Questionnaire

Variable	Indicator	Person Correlation	Conclusion
<i>e-WOM</i>	X1.1	0,624	Valid
	X1.2	0,405	Valid
	X1.3	0,549	Valid
	X1.4	0,601	Valid
	X1.5	0,657	Valid
	X1.6	0,483	Valid
	X1.7	0,646	Valid
	X1.8	0,405	Valid
	X1.9	0,549	Valid
	X1.10	0,657	Valid
	X1.11	0,431	Valid
<i>Brand Image</i>	X2.1	0,719	Valid
	X2.2	0,660	Valid
	X2.3	0,749	Valid
	X2.4	0,683	Valid
<i>Product Knowledge</i>	X3.1	0,899	Valid
	X3.2	0,786	Valid
	X3.3	0,865	Valid
<i>Purchase Intention</i>	Y1.1	0,796	Valid
	Y1.2	0,738	Valid
	Y1.3	0,837	Valid
	Y1.4	0,716	Valid

Table 7 - Reliability

Variable	Cronbach alpha	Conclusion
<i>e-WOM</i>	0,757	Reliable
<i>Brand Image</i>	0,660	Reliable
<i>Product Knowledge</i>	0,804	Reliable
<i>Purchase Intention</i>	0,775	Reliable

### Multiple Linear Regressions

The test results of multiple linear analyses can be seen in Table 8.

Table 8 - Multiple Linear Analysis

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
	B	Std. Error	Beta			Tolerance	VIF
(Constant)	1.384	1.734		.798	.426		
1 X1	.105	.035	.182	3.050	.003	.902	1.109
X2	.346	.074	.303	4.694	.000	.777	1.288
X3	.399	.099	.252	4.035	.000	.824	1.213

Based on the results of regression analysis above, it can be obtained the following equation:

$$Y = 1,384 + 0,105X1 + 0,346X2 + 0,399X3$$

1. The Electronic Word of Mouth regression coefficient is positive 0.105. This means that every increment of Electronic Word Of Mouth is one unit, Purchase Intention increases by 0.105 with assumption Brand Image and Product Knowledge are constant.
2. Brand Image Regression coefficient is positive 0,346. This means that every increase of Brand Image is equal to one unit; Purchase Intention is increased by

0,346 with assumption that Electronic Word Of Mouth and Product Knowledge are constant.

3. The regression coefficient of Product Knowledge is positive 0.399. It means the increase of Product Knowledge by one unit results in Purchase Intention to be increased by 0.399 with Electronic Word Of Mouth, with assumption that Brand Image is constant.

**Model Feasibility Test**

Coefficient of determination is to see the value of Adjusted R Square (R2) from the analysis using SPSS software, as shown in Table 9.

Table 9 - Results of Coefficient of Determination Analysis

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.550 <sup>a</sup>	.303	.293	1.81816

Adjusted R Square test result is 0.293, indicating that 29.3 percent of the variation of the dependent variable (Purchase Intention) can be explained by independent variables (Electronic Word Of Mouth, Brand Image and Product Knowledge) while the remaining percent is explained by other variables outside this study.

**Statistical F Test**

Indicating whether all independent or independent variables included in the model have a mutual influence on the dependent variable (Ghozali, 2011), where the test results are presented Table 10.

Table 10 - Statistical F Test

Model	Sum of Squares	df	Mean Square	F	Sig.
1 Regression	310.400	3	103.467	31.299	.000 <sup>b</sup>
Residual	714.036	216	3.306		
Total	1024.436	219			

Based on the test results simultaneously on the Table 6, it is obtained F calculation is 31.299 with significance 0.000 and is smaller than 0.05. These results show that Electronic Word Of Mouth, Brand Image and Product Knowledge have an effect on Purchase Intention

**Statistical t Test**

Partial test of parameters is done by using t-test. This test is done to determine the

influence of Electronic Word of Mouth, Brand Image of Product Knowledge. Based on the Table 6 on regression analysis, the following are obtained.

1. The test result of Electronic Word of Mouth variable (X1) is 3.050 with a significance of 0.003 which is smaller than 0.05. This means that Electronic Word of Mouth has an effect on Purchase Intention so that the first hypothesis in this study is accepted.

2. Result of t test of Brand Image (X2) variable is equal to 4,694 with significance 0.000 and is less than 0,05. This means that Brand Image has an effect on Purchase Intention so that the second hypothesis in the research is accepted.
3. Result of t test Product Knowledge (X3) is 4.035 with a significance of 0.000 and is smaller than 0.05. This means that it affects the Purchase Intention, so the third hypothesis in this study is accepted.

### Discussion

The results of the analysis show that E-WOM has a positive effect on purchase intention. This result means that the advance in information technology helps in disseminating information about the product through the testimony of someone on the internet media. The better review of someone from the internet generates a high buying interest. This is because consumers have seen and read various information submitted by other consumers who then reported through a blog or web trusted. Thus, people who are looking for such information and the results are good or positive will make the desire to buy the product; e-WOM also affect the buying interest of someone directly.

The second result show that Brand Image has a positive effect on purchase intention. A good brand image makes customers believe in the product so it will cause the intention to buy. Otherwise, a bad brand image causes customers to switch to other products owned by competitors for that the company must be able to maintain its brand image to remain trusted by the customers.

The last result shows that Product Knowledge has a positive effect on purchase intention. This result is because the more the product is well known by the customers, the product will be purchased. Complete information on the product makes the customer understand the product well, so that confidence will grow in that it ultimately leads to purchase intention. Therefore the company must be able to present information as clear as possible about the products owned so as to assist customers in understanding the products offered by the company.

### CONCLUSIONS

Based on the results of data analysis, hypothesis testing and discussion, there are several conclusions to be drawn on: 1) Electronic Word of Mouth variable has positive effect on Purchase Intention. This

means that the higher the Electronic Word of Mouth, the Purchase Intention is increasing. 2) Brand Image variables have a positive effect on Product Knowledge. This means that the higher the Brand Image the Purchase Intention increases. 3) Product Knowledge has a positive effect on Product Knowledge. This means that the better the Product Knowledge, Purchase Intention increases.

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