

THE EFFECT OF ELECTRONIC WORD OF MOUTH, SERVICE QUALITY AND BRAND IMAGE ON PURCHASE INTENTION IN BATIK ENTREPRENEURS

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ABSTRACT

The development of technology, information, and communication in the business world has influenced the way of thinking of modern society. This is a guideline for companies to continue to develop and innovate in developing their businesses in the digital age. Providing information in online marketing, satisfying service and good brand image are the most basic things to attract consumers. This study aims to determine the effect of electronic word of mouth, and service quality on purchase intention through brand image in the batik ningrat prasojo kediri. This study used a sample of 320 respondents. Research techniques using path analysis. Based on the results of the study show that 1) there is a positive and significant effect of electronic word of mouth on purchase intention, 2) there is a positive and significant effect of electronic word of mouth on brand image, 3) there is a positive and significant effect of brand image on purchase intention, 4) there is a positive and significant effect of service quality on purchase intention, 5) there is a positive and significant effect of service quality on brand image, 6) there is a positive and significant effect of electronic word of mouth on purchase intention through brand image, 7) there is a positive and significant effect of service quality on purchase intention through brand image.

Key words: Electronic Word of Mouth, Service Quality, Purchase Intention, Brand Image.

INTRODUCTION

The development of technology, information and communication in the business world has influenced the way of thinking of modern society. Modern society is very active in using the internet to make ends meet. The internet is a company and consumer tool for a product. This is a guideline for companies to continue to develop and innovate in developing their businesses in the digital age. The online exchange of information and knowledge on social media is known as electronic word of mouth (Charo, 2015).

In Indonesia the development of the batik industry is increasing every year along with the development of the creative industry. Batik becomes the masterpieces of the oral and the intangible heritage of humanity that can be developed in various creative industry sectors, such as: fashion, home decoration, accessories. This is the right opportunity for batik businesses to increase sales through the internet. Batik entrepreneurs used to use conventional methods to sell batik to consumers, in the last decade batik entrepreneurs have improved the quality of service through accounts on social media so they can reach a broad market share. The popularity of social media has broadened consumers' choices for gathering product information and offering their products (Yayli and Bayram, 2012).

Providing information online needs good services to attract consumers. Service quality is the expected level of excellence and control of excellence to meet the desires of consumers, if the service received or felt is in line with expectations, it is perceived as good and satisfying, but if it exceeds consumer expectations, it becomes an ideal service quality (Tjiptono, 2007). That is because service quality is evaluated based on what is expected by consumers (Venous and Safayian, 2002).

Companies that provide good service can support the creation of a good brand image. Brand image builds a good company image, this is because brand image is built from credibility and good reputation (Wijaya, 2013). Batik entrepreneurs will continue to compete fiercely in providing services to consumers. Brand image is very important in guiding consumers to choose when competing are similar services (Palmer, 2001)

Purchase intention is an important component in purchasing behavior, consumers can make choices between different alternatives in the market based on their preferences (Kazmi and Mehmood, 2016).

RESEARCH METHODS

Research Model and Hypothesis

This research uses quantitative methods. Quantitative research is a research method that is based on the philosophy of positivism that is used to examine a population or a specific sample, data collection using research instruments, data analysis is quantitative or statistical in order to test the hypothesis that has been set (Sugiyono, 2017). The analysis technique in this study uses path analysis. In this study using 3 variables, exogenous variables (electronic word of mouth and service quality), endogenous variables (purchase intention) and mediating variables (brand image). The research model in this study can be seen in the image below:

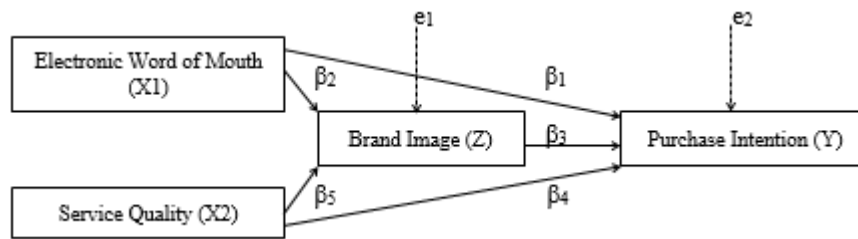


Figure 1: Research Design

- H1: Electronic word of mouth has a positive and significant effect on purchase intention.
- H2: Electronic word of mouth has a positive and significant effect on brand image.
- H3: Brand image has a positive and significant effect on purchase intention.
- H4: Service quality has a positive and significant effect on purchase intention.
- H5: Service quality has a positive and significant effect on brand image.
- H6: Electronic word of mouth has a positive and significant effect on purchase intention through brand image.
- H7: Service quality has a positive and significant effect on purchase intention through brand image.

Data Collecting and Analysis

Data collection techniques using a questionnaire that has been distributed to all respondents who have been determined. The sampling technique uses the formula of Slovin with the results of 320 respondents from a population of 1590 followers of the Instagram account of Batik Ningrat Prasajo. Measurement in the questionnaire uses 5 scales for respondents to determine the answer. This study uses analytic tool with the SPSS windows version 24.0.

RESULT

Validity Test

Validity test is used to measure the validity of the questionnaire. A valid questionnaire can measure what should be measured and not deviate from the intended image (Ghozali and Ratmono, 2017). This validity test aims to obtain the correlation coefficient (r) which will be compared with a significant level of 95% or $\alpha = 5\%$. Valid criteria $r \text{ count} > r \text{ table}$ in testing the validity of 30 respondents (N = 30 respondents). Conversely, if $r \text{ arithmetic} < r \text{ table}$ then the results are invalid.

Tabel 1 : Validity Test

Variable	Item	Pearson Correlation	Conclusion
Electronic Word of Mouth (X1)	X1.1	0,826	Valid
	X1.2	0,791	Valid
	X1.3	0,770	Valid
	X1.4	0,818	Valid
	X1.5	0,732	Valid
	X1.6	0,799	Valid
Variable	Item	Pearson Correlation	Conclusion
Service Quality (X2)	X2.1	0,770	Valid
	X2.2	0,829	Valid
	X2.3	0,819	Valid
	X2.4	0,615	Valid
	X2.5	0,776	Valid
	X2.6	0,836	Valid
	X2.7	0,795	Valid
	X2.8	0,783	Valid
	X2.9	0,836	Valid
	X2.10	0,811	Valid
Variable	Item	Pearson Correlation	Conclusion
Brand Image (Z)	Z.1	0,669	Valid
	Z.2	0,616	Valid

	Z.3	0,714	Valid
	Z.4	0,722	Valid
	Z.5	0,742	Valid
	Z.6	0,707	Valid
	Z.7	0,690	Valid
	Z.8	0,733	Valid
	Z.9	0,696	Valid
	Z.10	0,742	Valid
Variable	Item	Pearson Correlation	Conclusion
Purchase Intention (Y)	Y.1	0,986	Valid
	Y.2	0,957	Valid
	Y.3	0,965	Valid
	Y.4	0,962	Valid
	Y.5	0,976	Valid
	Y.6	0,966	Valid
	Y.7	0,987	Valid
	Y.8	0,979	Valid

Based on the results above, that all variables are valid.

Reliability Test

Reliability test is a tool to measure a questionnaire which is an indicator of a variable, a questionnaire is said to be reliable if the respondent's answer to the statement is consistent (Ghozali and Ratmono, 2017). An instrument can be said to be reliable if it has a reliability coefficient of 0.6 or more. If alpha is smaller than 0.6 then it is declared unreliable.

Tabel 2: Reliability Test

Variable	Cronbach's Alpha	Conclusion
Electronic Word of Mouth	0,879	Reliable
Service Quality	0,935	Reliable
Brand Image	0,887	Reliable
Purchase Intention	0,992	Reliable

Based on the results above, that all variables are reliable.

PATH ANALYSIS

Based on the results obtained from 320 respondents, the following results are obtained:

Classic Assumption Test

Assumption of Multicollinearity

Tabel 3: Assumption of Multicollinearity

Variable	VIF	
	Brand Image	Purchase Intention
Electronic Word of Mouth	3,663	5,887
Service Quality	3,663	5,711
Brand Image		8,913

Based on the test results of multicollinearity assumptions, it can be seen that the influence of electronic word of mouth and service quality on brand image produces a VIF value of no more than 10, so that the path model of the brand image variable does not contain multicollinear symptoms. Then the effect of electronic word of mouth, service quality, and brand image on purchase intention produces a VIF value of no more than 10, so that the path model of the purchase intention variable does not contain multicollinear symptoms.

Assumption of Normality

Tabel 4 : Assumption of Normality

	Brand Image	Purchase Intention
<i>Kolmogorov-Smirnov</i>	0,040	0,046
Z		
Probability	0,200	0,094

Testing the assumption of normality of the influence of electronic word of mouth and service quality on brand image produces Kolmogorov Smirnov test statistics of 0.040 with a probability of 0.200, then the effect of electronic word of mouth, service quality, and brand image on purchase intention produces Kolmogorov Smirnov test statistics of 0.046 with probability of 0.094. This result shows that probability > level of significant ($\alpha = 5\%$). This means that the residuals generated by the two models are normally distributed.

Assumption of Heteroscedasticity

Tabel 5 : Assumption of Heteroscedasticity

Exogenous Variable	Endogenous Variable	
	Brand Image	Purchase Intention
Electronic Word of Mouth	0,143	0,587
Service Quality	0,286	0,938
Brand Image		0,821

Testing the heteroscedasticity assumption shows that the probability for all equations (brand image and purchase intention) > level of significant ($\alpha = 5\%$). This means that the residuals are declared to have a homogeneous variety. Thus the assumption of heteroscedasticity is fulfilled for all equations.

Coefficient of Determinating Testing (R^2)

Tabel 6: Coefficient of Determinating Testing (R^2)

Variable	R^2
Brand Image	0,888
purchase Intention	0,874
$R_m^2 = 1 - ((1 - R_x^2) * (1 - R_y^2))$	
$R_m^2 = 1 - ((1 - 0,888) * (1 - 0,874)) = 0,986$	

The Total Determination Coefficient (R_m^2) is 0.986 or 98.6%. This can indicate that the diversity of purchase intention can be explained by the overall model of 98.6%, or in other words the contribution of electronic word of mouth, service quality, and brand image to the purchase intention as a whole is 98.6%, while the rest is equal to 1.4% is the contribution of other variables not discussed in this study.

HYPOTHESIS TESTING

Direct Hypothesis Test

Tabel 7 : Direct Hypothesis Test

Exogenous	Endogenous	Coefficient	T Statistics	Prob.	Conclusion
Electronic Word of Mouth	Brand Image	0,500	13,875	0,000	Accepted
Service Quality	Brand Image	0,479	13,317	0,000	Accepted
Electronic Word of Mouth	Purchase Intention	0,361	7,441	0,000	Accepted
Service Quality	Purchase Intention	0,364	7,621	0,000	Accepted
Brand Image	Purchase Intention	0,248	4,161	0,000	Accepted

Based on the above results that all direct hypotheses are accepted.

Indirect Hypothesis Test

Tabel 8 : Indirect Hypothesis Test

Exogenous	Mediation	Endogenous	Direct Coef.	Indirect Coef.	Total Coef.	Conclusion
Electronic Word of Mouth	Brand Image	Purchase Intention	0,500	0,248	0,124	Accepted
Service Quality	Brand Image	Purchase Intention	0,479	0,248	0,119	Accepted

Based on the above results that all indirect hypotheses are accepted.

DISCUSSION

The Effect of Electronic Word of Mouth on Purchase Intention

In the research of Vahdati and Nejad (2016) explained that electronic word of mouth has a positive and significant influence on purchase intention. The word electronic word of mouth provides important meaning for consumers to get information that makes consumers can make purchase intentions. Then according to Erkan and Ervans research (2015) states that electronic word of mouth has a role that determines purchase intention. In this study the effect of electronic word of mouth on purchase intention produces a T statistics value of 7.441 with a probability of 0,000. This shows that there is a significant influence of electronic word of mouth on purchase intention. The path coefficient of the influence of electronic word of mouth on purchase intention is 0.361 indicating the effect of electronic word of mouth has a positive effect on purchase intention. Based on the opinion of experts, previous research and results that have been tested it is concluded that the better the effect of electronic word of mouth can increase purchase intention.

The Effect of Electronic Word of Mouth on Brand Image

In Ghadafi's research (2015) it proves that electronic word of mouth significantly and positively influences brand image. According to Samuel and Lianto (2014) states that electronic word of mouth has a positive and significant effect on brand image. In this study the effect of electronic word of mouth on brand image produces a T statistics value of 13,875 with a probability of 0,000. This shows that there is a significant influence of electronic word of mouth on brand image. The path coefficient of the influence of electronic word of mouth on brand image is 0.500, indicating that electronic word of mouth has a positive effect on brand image. Based on the opinion of experts, previous research and results that have been tested it is concluded that the better electronic word of mouth can improve brand image.

The Effect of Brand Image on Purchase Intention

According to Wijaya (2013) said that brand image building the brand is a source of creating brand credibility and reputation that affects purchase intention. According to Pradipta and Mashariono (2015) states that brand image has a positive and significant influence on purchase intention. In Arslan's research and the age (2014) states that brand image has a positive effect on purchase intention. In this study the effect of brand image on purchase intention produces a value of T statistics of 4,161 with a probability of 0,000. This shows that there is a significant influence of brand image on purchase intention. The path coefficient of brand image influence on purchase intention is 0.248 indicating brand image has a positive effect on purchase intention. Based on the opinion of experts, previous research and the results that have been tested, it can be concluded that the better the brand image, it tends to increase purchase intention.

The Effect of Service Quality on Purchase Intention

In the research of Liu and Spears (2005) stated that service quality has a positive relationship with purchase intention. According to Evans (2015), the results show that service quality has a positive relationship with purchase intention. In this study the effect of service quality on purchase intention produces a T statistics value of 7.621 with a probability of 0,000. This shows that there is a significant effect on service quality on purchase intention. The path coefficient of service quality influence on purchase intention is 0.364 indicating the effect of service quality has a positive effect on purchase intention. Based on the opinion of experts, previous research and the results that have been tested, it is concluded that the better the effect of service quality, it tends to increase purchase intention.

The Effect of Service Quality on Brand Image

In Novi's (2017) study, it was found that there was a positive and significant relationship between service quality and brand image. According to Rahma (2007) shows that there is a significant influence between service quality on brand image. In this study the effect of service quality on brand image produces a T statistics value of 13,317 with a probability of 0,000. The test results show probability < alpha (5%). This shows that there is a significant effect on service quality on brand image. The path coefficient of service quality influence on brand image is 0.479 indicating service quality has a positive effect on brand image. Based on the opinion of experts, previous research and results that have been tested then concluded that the better service quality can improve brand image.

The Effect of Electronic Word of Mouth on Purchase Intention through Brand Image

The results of Putri and Amalia's research (2018) show that electronic word of mouth has a significant effect on brand image and its impact on purchase intention. According to Meriani (2007) reviews of products made by consumers will form a positive or negative brand image so that consumers who seek the product will first read a review of the experience of other customers, a good response or vice versa will make customer purchase intentions increase or decrease . In this study, the effect of

electronic word of mouth on brand image results in tests that are stated to have a significant effect, while the effect of brand image on purchase intentions results in tests that have significant effect. This shows that there is a significant influence of electronic word of mouth on purchase intention through brand image. The path coefficient of the influence of electronic word of mouth on purchase intention through brand image is 0.124 indicating the effect of electronic word of mouth has a positive effect on purchase intention through brand image. Based on the opinion of experts, previous research and results that have been tested, it was concluded that the higher the brand image caused by the better electronic word of mouth, it can increase purchase intention.

The Effect of Service Quality on Purchase Intention through Brand Image

The results of Putri and Amalia's research (2018) show that electronic word of mouth has a significant effect on brand image and its impact on purchase intention. According to Meriani (2007) reviews of products made by consumers will form a positive or negative brand image so that consumers who seek the product will first read a review of the experience of other customers, a good response or vice versa will make customer purchase intentions increase or decrease. In this study, the effect of electronic word of mouth on brand image results in tests that are stated to have a significant effect, while the effect of brand image on purchase intentions results in tests that have significant effect. This shows that there is a significant influence of electronic word of mouth on purchase intention through brand image. The path coefficient of the influence of electronic word of mouth on purchase intention through brand image is 0.124 indicating the effect of electronic word of mouth has a positive effect on purchase intention through brand image. Based on the opinion of experts, previous research and results that have been tested, it was concluded that the higher the brand image caused by the better electronic word of mouth, it can increase purchase intention.

CONCLUSION

Based on the results of the study show that 1) there is a positive and significant effect of electronic word of mouth on purchase intention, 2) there is a positive and significant effect of electronic word of mouth on brand image, 3) there is a positive and significant effect of brand image on purchase intention, 4) there is a positive and significant effect of service quality on purchase intention, 5) there is a positive and significant effect of service quality on brand image, 6) there is a positive and significant effect of electronic word of mouth on purchase intention through brand image, 7) there is a positive and significant effect of service quality on purchase intention through brand image.

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