

# THE EFFECT OF BRAND IMAGE, PERCEIVED PRODUCT QUALITY AND RECOMMENDATION (ELECTRONIC WORD- OF-MOUTH) TOWARD PURCHASE INTENTION OF X DESIGNS' WEDDING INVITATIONS PRODUCTS

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## ABSTRACT

*Internet has changed people habits to socialize. Nowadays, people use social media in internet to socialize, it also changes the way companies promote their products and brands. One of the popular social medias that also used widely as a media campaign in Indonesia is Instagram. Learning about the influence of brand image, perceived product quality and recommendation/eWOM on Instagram that influence to purchase intention is expected to add more comprehension in purchase intention as well as providing input for business promotion strategy through social media. This is a quantitative research that examines the purchase intention of X designs' wedding invitation vendor in Surabaya. The collection of data was done by spreading online questionnaires randomly on 230 respondents who were Instagram users who had left comments on some posts on the X designs' Instagram account. The collected data is 40, then it is analyzed by using multiple linier regression analysis method. The result is brand image and perceived product quality have no effect on purchase intention, only recommendations/eWOM has influence on purchase intention. The findings will benefit wedding invitation industries and marketers to have better understanding of the factors that affect the purchase intention in Instagram and to be more competitive in the modern era as now.*

**Keywords:** brand image, perceived product quality, recommendation/eWOM, purchase intention, purchase intention in social media Instagram

## INTRODUCTION

The rapid changes of the world affects people, MarkPlus highlighted significant rise in middle-class economic group in Indonesia (Kartajaya & Setiawan, 2014). It also affects their lifestyle, they tend to take the risk to buy expensive stuff though they couldn't afford it. The changes also happen to marketing in digital era as it is now. Marketers is expected to be smarter in the way they promote products because nowadays, consumers do a lot of window shopping, the definition of shopping changed from buying to just browsing (Mulyadi, 2017). In these digital era, there are too much information for everyone, almost every industry becomes red ocean. The one which lasts is the one which changes the marketing strategy of their products.

In the digital era, especially in Indonesia whose population reaches 262 million, the internet users have reached 132,7 million. Their social habits is changed, for now they tend to use social media to socialize via internet. Social media users in Indonesia have reached 106 million, 92

million of them using social media via smartphone (Hootsuite & We Are Social, 2017). They tend to use popular social medias such as Facebook, Instagram, Google etc. One of the popular social media for promotion is Instagram. The media which was acquired by Facebook in 2012 has a feature to share photos and videos. Based on research from BMICG (2017) about social media preference in Indonesia 2017, 80% of consumers in Indonesia are severely affected by social media in determining product to be purchased. In terms of looking for products, 35% of consumers tend to use Instagram than Facebook.

Promotion trends on Instagram are also used by vendors in the wedding industry such as venue vendors, decorations, bridal, to wedding invitations. One of the companies with wedding invitation products which targeted middle-up market that also use Instagram is X designs. The company was established in 2014 in Surabaya and focus on using promotion via online. In Instagram, as a promotion, X designs has been trying to post contents that can lead to create brand image, consistently posts product photos as well as being reviewed by Bridestory and Weddingku – some of renowned wedding consultants in Indonesia. The promotions may generate purchase intentions, and subsequent purchase intentions will result in a purchase decisions. Therefore it will be examined the influence of brand image, perceived product quality and recommendations/eWOM towards purchase intention of X designs' wedding invitations products.

## **LITERATURE REVIEW**

### **Brand Image and Purchase Intention**

Brand is defined as a name, word, sign, symbol or design or combination of all that is meant to identify the goods and services of the seller and to differentiate them from competitors (Kotler, Armstrong, & Sabran, 2008). There are 3 sources of brand recognition through marketing communications, family and friends community recommendations, the last is through the experience itself. In strengthening a brand name in the minds of consumers, the important factor is brand image (Zamrudi, Suyadi, & Abdillah, 2015). Brand image is also defined as consumer perception in general and feelings about a brand, in which brand image can affect consumer behavior (Zhang, 2015).

Brand image according to Kotler and Keller (2012) in Romadon, Kumadji and Abdillah (2014) are beliefs about a brand that is in the minds of consumers. Through marketing communications, the brand began to be known to consumers, amid hundreds of other brands that consumers meet every day (Kartajaya & Setiawan, 2014). All aspects of the promotion received by consumers also affect the consumer's impression of the brand image. Consumer impression includes brand credibility and company reputation. Brand credibility and reputation enhance and influence the likelihood that the brand can be a consumer choice (Walsh, Shiu, & Hassan, 2012). The more relevant a brand with its consumer personality, the stronger the consumer's interest to buy (Thamizhvanan & Xavier, 2013).

According to Aaker (1991), consumers have a tendency to buy products with a well-known brand, this is because of consumer perception that the famous brand has good quality and reliable when compared with unknown brand (Romadon, *et al.*, 2014). Brand image according to Biel (1992) in Romadon, *et al.* (2014) consists of three aspects, Corporate Image, User Image and Product Image. In this study, the definition used to explain the brand is the definition of brand image by Romadon, *et al.* (2014) with the indicators that compose them include corporate image, user image and product image. So it can be concluded that the brand image has an influence on consumer's purchase intention. Therefore the hypothesis formulated by researchers is as follows.

**H1: Brand image affects purchase intention significantly.**

**Perceived Product Quality and Purchase Intention**

Product quality can be defined as a product characteristic that depends on its ability to satisfy customer needs expressed or implemented (Kotler, *et al.*, 2008). In relation to the study of consumer behavior, product quality can not be separated from consumer perceptions about the quality of a product (perceived product quality). According to Tsotsou (2006), consumer perceived product quality have a direct influence on purchase intention. Perceived product quality is consumer perception about product quality, where perception about product quality is composed by character or feature of product itself (Everard & Galletta, 2006). According to Kotler, *et al.* (2008) perceived product quality is the ability of the product to show various functions including resilience, reliability, accuracy, and ease of use.

Consumers who like to shop tend to choose quality when faced in choosing a seller/store where they will make a purchase. In the context of online buying, consumers who like to buy goods online are significantly more concerned with quality (Thamizhvanan & Xavier, 2013). With good quality, consumer tendency to buy will be higher. In this study, perceived product quality is using the definition of product quality perception by Becker (2000) which describes that consumer perceptions about product quality are measured by intrinsic and extrinsic signs, intrinsic signs include the product characteristics obtained sensitively. Extrinsic marks include information about products obtained from the medias.

According to Becker (2000) and Everard, *et al.* (2006), the indicators that make up the perceived product quality consist of three factors, namely search quality cues (marks on product displays obtained when consumers pick and choose products), experience quality cues (the experience consumers gain about using products) and credence quality cues (consumer confidence about a product about information provided by others through the media about the product). Therefore it can be concluded that there is a relationship between the perceived product quality and purchase intention. The hypothesis formulated from the relationship between perceived product quality and purchase intention is as follows.

**H2: Perceived product quality affects purchase intention significantly.**

**Recommendation/eWOM and Purchase Intention**

In this modern era, recommendation or word-of-mouth refers to electronic- worth-of-mouth (eWOM), which is defined as a positive or negative statement made by the consumer about a goods/service/company available to a wide audience via internet (Abubakar, Ilkan, & Sahin, 2016). Recommendations also have an important role in creating a relationship with purchase intention. Park, Wang, Yeo & Kang (2011) also explained that eWOM is a form of communication on the internet but it is not a face-to-face communication or through words directly. The high use of the internet makes the media of communication as a medium that accommodates word- of-mouth to be a useful source of information and has an influence on consumers as well as commodities (Pervin, 2014).

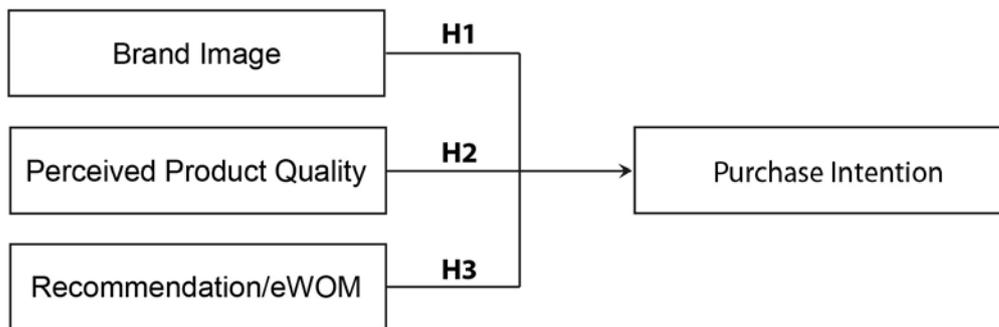
To make a purchase, consumers tend to use many sources of information such as seller history, advice from friends and messages from sellers (Guo, Wang, & Leskovec, 2011). By using social media, consumers can create content and offer valuable advice to others (Hajli, 2014). In the wedding industries, some account that often provide product recommendations in Instagram are Weddingku and Bridestory. Social communication in the form of online reviews, posts and WOM will play a big role in encouraging consumer purchase intention (Priyanka, 2013).

This communication is believed to have a high degree of persuasion because of its credibility and trust. EWOM consists of reviews from various people from different social classes and different locations with limited social ties. Social influences can increase the preference for goods / services that will ultimately increase trust in the seller (Xu, 2014). MarkPlus's research shows that 9 out of 10 people trust more about the recommendations of others than the claims made by brands (Kartajaya & Setiawan, 2014). Erkan (2015) describes that social media

provides support to the public to use the true identity which by using the actual identity, word-of-mouth made become more credible.

The relationship between consumers and brands in social media, such as by giving like, share and commenting will be seen by friends of consumers and it is meant by electronic word-of-mouth (Hoffman & Fodor, 2010 and Erkan, 2015). In relation to the study of consumer behavior, according to Park, *et al.* (2011) there are three indicators that can compose eWOM's impact on consumer behavior that is, the effect of positive comments/reviews, the effect of reliable comments and the overall effect of existing reviews. So the hypothesis formulated from the relationship between recommendation/eWOM and purchase intention is as follows.

**H3: Recommendation/eWOM affects purchase intention significantly.**



**Figure 1. Research Model**

*Source: Data Processed, 2017*

## RESEARCH METHODS

This research is a quantitative research. Data collection was done by distributing questionnaires via online to 230 Instagram users who left comments on X designs' Instagram account from September 25, 2014 to January 19, 2017. Based on sampling theory from Sekaran (2013), the sample required in this study is 40. This research was conducted during April 2017. The questionnaire uses Likert five-point- scale with the value of 5 = strongly agree, 4 = agree, 3 = neutral, 2 = disagree, 1 = strongly disagree.

The definition of purchase intention is an idea that gives consumers the courage to buy, which can be measured by consideration of buying a brand and expectation in buying a brand. Indicators for purchase intention in this research adopted from Abubakar, *et al.* (2016) are consideration in buying certain brand, willingness to recommend to others, expectation to buy a brand. Brand image means beliefs about a brand that is in the minds of consumers, where the beliefs include beliefs about the company, products and users of the product. Indicators for brand image using corporate image, user image and product image taken from Romadon, *et al.* (2014). Definition of perceived product quality is the consumer's perception of a product as measured by the intrinsic and extrinsic factors of the product. The indicators for perceived product quality were adopted from Everard, *et al.* (2006), namely, search quality cues, experience quality cues and credence quality cues. And the last, definition of recommendations / eWOM is a form of communication on the internet medium but not face-to-face communication that can be measured by its impact on consumer behavior. Indicators for recommendations/eWOM adopted from Park, *et al.* (2011) are the effects of positive comments/reviews, the effects of the reviews and the effects of the comments. This research use multiple linear regression analysis method to analyze data.

**RESULTS**

Through respondents' demographic profiles data in Table 1, it can be understood that X designs consumer is dominated by female consumer with age range 25 y.o. - 34 y.o. (72,5%), with education field not related to art (70%). Consumer X designs are mostly employees (40%) and entrepreneurs (37.5%) domiciled in Surabaya and its surrounding areas (65%) with middle economic level with average daily spending between Rp25,000,00 to Rp200,000,00 (87,5%). They are also active internet users who use the internet more than 4 hours per day (72,5%).

**Table 1. Demographic Profiles of Respondents**

	Fre q.	%		Fre q.	%
<b>Age</b>			<b>Gender</b>		
< 25 y.o.	10	25	Female	40	100
25 - 34 y.o.	29	72,5	<b>Domicile</b>		
> 34 y.o.	1	2,5	Surabaya and surrounding	26	65
<b>Educational</b>			Outside Surabaya and surrounding	14	35
Related to art	12	30	<b>Daily spending</b>		
Not related to art	28	70	< Rp25.000,00	2	5
<b>Jobs</b>			Rp25.000,00 - Rp200.000,00	35	87,5
Students	3	7,5	>Rp200.000,00	3	7,5
Employee	16	40	<b>Daily internet Usage</b>		
Entrepreneur	15	37,5	< 3 hours	3	7,5
Housewife	5	12,5	3 - 4 hours	8	20
Not working	1	2,5	> 4 hours	29	72,5

Source: Data Processed, 2017

The first test in processing the data is validity test. The result of this test is all independent variables and dependent valid (sig. Pearson correlation = 0,000). The next test is reliability test to know whether the indicators used are reliable or not. The result is all indicators used reliable with Cronbach alpha > 0,6 that can be seen on Table 2.

**Table 2. Reliability Test Result**

No.	Variable	Cronbach Alpha	Explanation
1.	Brand Image	0,892	RELIABLE
2.	Perceived Product Quality	0,870	RELIABLE
3.	Recommendation/e WOM	0,893	RELIABLE
4.	Purchase Intention	0,863	RELIABLE

Source: Data Processed, 2017

The next is the classical assumption test, the first is multicollinearity test. The result as seen as Table 3, there is no multicollinearity problem ( $VIF < 10$ ).

**Table 3. Multicollinearity Test Result**

Model	Collinearity
	VIF
Brand Image	2,944
Perceived Product Quality	3,389
Recommendation/e WOM	1,293

Source: Data Processed, 2017

Next performed normality test, the result as seen on Table 4 is no problem of normality found ( $sig. > 0,05$ ). The third is linearity test, at Table 5, the result is no linearity problem ( $sig. linearity < 0,01$ ). And the last test is a heteroscedasticity test that can be seen on Table 6, the result is no heteroscedasticity problem ( $sig. t > 0,05$ ).

**Table 4. Normality Test Result**

<i>One-Sample Kolmogorov-Smirnov Test</i>	
	<i>Unstandardized Residual</i>
<i>Test Statistic</i>	.134
<i>Asymp. Sig. (2-tailed)</i>	.069 <sup>c</sup>
<i>a. Test distribution is Normal.</i>	
<i>b. Calculated from data.</i>	
<i>c. Lilliefors Significance Correction.</i>	

Source: Data Processed, 2017

**Table 5. Linearity Test Result**

Independent Variable	Dependent Variable	Sig. Linearity
Brand image (X1)	Purchase Intention (Y)	0,001
Perceived Product Quality (X2)		0,000
Recommendation/eWOM (X3)		0,000

Source: Data Processed, 2017

**Table 6. Heteroscedasticity Test Result**

Model	Sig.
(Constant)	0,259
<i>Brand Image</i>	0,847
Perceived Product	0,54

Quality	7
Recommendation/eWOM	0,41
OM	7

Source: Data Processed, 2017

The next is multiple linear regression analysis that can be seen on Table 7. The value of sig. F in the simultaneous test is 0,000. That means there are independent variables that affect the dependent variable.

**Table 7. Multiple Linier Regression Test Result**

Model	Sig.	tF
(Constant)	0,961	0,000
Brand Image	0,169	
Perceived Product Quality	0,817	
Recommendation/eWOM	0,001	

Source: Data Processed, 2017

On the partial test results in Table 7, only recommendation variables that have sig. t < 0,05 (sig. t = 0,001) which means that variables affect the purchase intention. The other two variables, brand image (sig. t = 0,169) and perceived product quality (sig. t = 0,817) have no effect on purchase intention. In conclusion, H1 and H2 are rejected, while H3 is accepted.

## DISCUSSION

In this study, the cause of the brand image has no significant effect on purchase intention allegedly because X designs have not been able to create a strong brand image in the minds of consumers. This result supported previous research conducted by Chin & Harizan (2017) about cosmetic product in Malaysia and Wani, *et al.* (2016) about online shopping in India. Brand image formed in the minds of consumers is dominated in terms of products offered by X designs, this can happen because of several things. Firstly, X designs consumers who are independent and logical-minded career women tend to focus more on the products offered than the image of X designs company which is a new company and has a lot of competitors in this field.

The second is the product offered X designs belonging to the category of tertiary products made in accordance with consumer demand, so that the user image displayed is influenced by the desired image by consumers, not just from the typical image of the product made by X designs. So it can be concluded that in X designs which is a company with wedding invitation products, brand image does not affect consumer interest to use the product invitation wedding.

In this study, which allegedly caused the perceived product quality has no significant effect on purchase intention allegedly because consumers tend to see X designs wedding invitation products based on the attractiveness of the product. This result is supported to previous study by Santoso, *et al.* (2016) about food private label in Bogor, Indonesia. Consumer X designs who are young women who use the internet daily in a high frequency will have enough time to search and compare products they want. In addition, as consumers who use the internet with a long duration, women who are consumers X designs already really understand about products that are marketed online. For them the quality of products that are marketed online is not

enough just shown, stated and informed by the manufacturer / marketer of the product. Consumers are more logical and observant in perceiving the quality of the product by searching for as much information related to the product. So for consumer X designs, product quality perceptions displayed by X designs themselves on social media accounts Instagramnya not enough to affect consumer interest to use the product invitation wedding.

In this study, the things that allegedly caused the recommendation / eWOM factor had a significant effect partially on the purchase intention among others is the object of this research is the social media account Instagram of X designs. This result supports previous research by Abubakar, *et al.* (2016). In general, social media is a container that connects users with one another to socialize therefore the influence of this socialization can also affect users, the Instagram socialization is more directed to Instagram feature that is to share photos and videos. In this case, X designs majority consumers are people who use the internet daily with a long duration, so there is a possibility that they also use the internet to socialize and seek information. The second thing that allegedly caused the recommendation / eWOM factor to influence purchase intention partially is consumer who is woman in productive age group which also an active internet user. This consumer group tends to be more easily influenced by positive reviews of accounts relating to vendors of wedding consultants like @bridestory and other consumers who have already used X designs wedding invitation products. This is indicated by the answer to the statement relating to the recommendations/eWOM in this study. In addition, the high frequency of internet usage indicates that consumers tend to do more socialization on online media and accessing wider information.

Although influenced by information on social media, consumers who are women have not yet fully rely on that information in determining purchasing decisions. It is known from the results of respondents' answers that have a lower level of approval on related statements in relying on reviews and comments than any other statement. So it can be concluded that the recommendation / eWOM affects consumer interest to use product X designs, which uses social media Instagram as a medium of promotion.

Limitations in this study were the research questionnaires only distributed to respondents who had previously left a message related to asking prices on X designs' Instagram account from September 25, 2014 to January 19, 2017, the long range between 2014 and 2017 makes it possible to the respondents to be at the different level of decision making. And the second is that this study only examines X designs' Instagram and its related contents (such as uploads by X designs or @bridestory consumers related to X designs wedding invitation products).

## **CONCLUSION**

This research is conducted to test and explain things that have an effect on consumer purchase intention. In this research the things studied are brand image, perceived product quality and recommendation / eWOM, to purchase intention. Based on the results of data analysis by using multiple linear regression analysis in this study, it can be concluded that the brand image and perceived product quality has no effect on purchase intention. This is due to the absence of brand image and perceived product quality intact in the minds of consumers X designs. Consumers who are career women with high frequency of internet usage is more easily influenced by the recommendations / eWOM on the internet. Therefore, in this study recommendation has an effect on purchase intention.

Based on the result of this research, brand image and perceived product quality is known not to influence purchase intention, only recommendation / eWOM that influence purchase intention. Researchers suspect that both of these (brand image and product quality perceptions) have not been created so strongly in the minds of consumers compared with recommendations / eWOM.

Furthermore, both of these can be improved by X designs so as to give a significant influence on purchase intention. The reason is that in previous research, brand image and perceived product quality can influence consumer purchase intention, although this does not happen in this research.

Based on the result of this research, brand image and perceived product quality is known not to influence purchase intention, only recommendation / eWOM that influence purchase intention. Researchers suspect that both of these (brand image and product quality perceptions) have not been created so strongly in the minds of consumers compared with recommendations / eWOM. Furthermore, both of these can be improved by X designs so as to give a significant influence on purchase intention. The reason is that in previous research, brand image and perceived product quality can influence consumer purchase intention, although this does not happen in this research.

Suggestion for further research is to do research with the same model on different objects. The purpose is to find out whether the model in this study is widely applicable or not. Allegedly, by doing further research, it can be complete the understanding about things that influence consumer's purchase intention in social media, especially Instagram.

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