THESIS

THE EFFECT OF WOM AND BRAND IMAGE ON THE INTEREST OF ABROAD INTERNSHIP PROGRAM PARTICIPATION IN AIESEC UNHAS MAKASSAR
(Association Internationale Des Etudiants En Sciences Economiques Et Commerciales)

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MAKASSAR
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As one of the requirements to obtain
Bachelor of Economics degree

compiled and submitted by

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Submitted to

DEPARTMENT OF MANAGEMENT
THE FACULTY OF ECONOMICS AND BUSINESS
UNIVERSITAS HASANUDDIN
MAKASSAR
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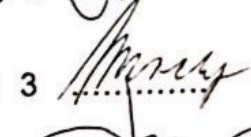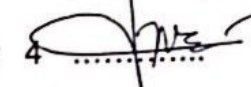NIP. 19620405 198702 2 001

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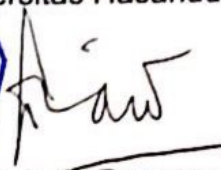**A21116801**

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is the result of my own scientific work and to the best of my knowledge in this thesis there is no scientific work that has ever been submitted by another person to obtain an academic degree at a tertiary institution and there are no works or opinions that have been written or published by others, except those in writing cited in this text and mentioned in citation sources and references.

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PREFACE

I give thanks to God Almighty for His blessings and gifts so that this thesis can be completed. This thesis is the final project to achieve a Bachelor of Economics (SE) degree at the Department of Management, Faculty of Economics and Business, Hasanuddin University.

Researchers would like to thank all those who have helped in the completion of this thesis. First of all, a thank you is given to Prof. Dr. Abd. Rahman Kadir, SE., M.Si., CIPM and Mr. Dr. Abdul Razak Munir, SE., M.Si., M.Mktg. as a supervisor for the time that has been spent to guide, provide input, provide advice, and provide motivation, as well as discussions that have been carried out.

Thank you also given to Dr. Muh. Yunus Amar, SE., MT and Mr. Abdullah Sanusi, SE, MBA, Ph.D as examiners, thank you for the advice and input in the process of completing this thesis. Further thanks go to Prof. Dr. Musran Munizu, SE., M.Si., CIPM as a lecturer in academic advisor for researchers.

Thanks are given to students of FEB Universitas Hasanuddin, Universitas Negeri Makassar, dan Universitas Muslim Indonesia for being willing to be respondents in this study so that this thesis can be completed. Hopefully the assistance provided by all parties get a reply from God. Do not forget the researchers also thank my parents, the brother, sister and their extended families for all the assistance provided, advice and motivation during this thesis research.

Further thanks were given to fellow researchers from High School (Nurul, Anna, Ade, and Mufti) thank you for completing the colors in the heyday of that time. Close friends on campus are Nirma, Yui, Zay, Ikha, Yuyun, Hasra, Ami, Sandi, Jeje, and Dicky who from the beginning of the lecture made the days of researchers more colorful and helped researchers a lot. Especially researchers from the beginning of the lecture (Zay, Yui, and Nirma) thank you for always being loyal to accompany the ups and downs of researchers until now listening to researchers' stories, accepting the shortcomings of researchers as friends, and always willing to help researchers even though you are also more difficult.

Thank you also to the management class 2016 (Fascto and International class) friends and the big family of AIESEC UNHAS (Nadhiyah, Mamik, Bintang, Nabila, Aje, Dian, Jelita, Mutiara) who were kind enough because willing to accept researchers and provide a lot of motivation and knowledge to researchers. Also

It is realized that this Thesis is certainly still far from perfection as a scientific work, if there are errors in this thesis it is entirely the responsibility of the researcher and not the aid providers. Therefore, constructive criticism and suggestions will be very useful to further refine this thesis.

Makassar, April, 3rd 2020

The Researcher

ABSTRACT

The Effect Of Wom And Brand Image On The Interest Of Abroad Internship Program Participation In AIESEC Unhas Makassar

(Association Internationale Des Etudiants En Sciences Economiques Et Commerciales)

Dita Aurelia Damayanti Effendhi
Abdul Rahman Kadir
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This research aims to determine the effect of Word-of-Mouth and brand image on purchase intention. This research conducted to see if there is students' intention to participate in an internship abroad program by AIESEC UNHAS or vice versa. The students are from The Faculty of Economics and Business, Universitas Hasanuddin, Universitas Muslim Indonesia, and Universitas Negeri Makassar, Batch 2016, who never join abroad internship program by AIESEC UNHAS before. The data used in this study were obtained from a questionnaire (primary). The sampling method uses purposive sampling method. The number of samples used was 313 students of the Faculty of Economics and Business, Universitas Hasanuddin, Universitas Negeri Makassar, and Universitas Muslim Indonesia, Batch 2016. The analytical method used is descriptive statistics method and Path analysis with the application of SPSS 23 for Mac. The research findings show that the variables of WOM and Brand Image together have a significant effect on Purchase Intention of undergraduate students of the Faculty of Economics and Business in Universitas Hasanuddin, Universitas Muslim Indonesia, and Universitas Negeri Makassar. Based on the research results partially from the two variables independent, namely the WOM and Brand Image show that has a significant influence on purchase intention either direct or indirect effect.

Keyword: Word-of-Mouth, Brand Image, Purchase Intention, AIESEC UNHAS, Internship Abroad Program

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CHAPTER I

INTRODUCTION

1.1 Background of The Study

At this time, education in Indonesia faces challenges. Indonesia is currently struggling to provide its citizens with a comprehensive, high-quality education. Research from The World Bank (2018) mentioned that the level of tertiary achievement is quite low: the number of Indonesians over the age of 25 who had at least a bachelor's degree in 2016 was still under 9 percent, the lowest of all the Assosciation of Southeast Asian Nations (ASEAN) member countries. There may be little motivation to gain a tertiary degree — unemployment rates seem to be highest among Indonesians educated universities.

Meanwhile, the ASEAN Economic Community (AEC) is an initiative for the international economic integration of ASEAN member countries (Indonesia, Malaysia, Singapore, Brunei Darussalam, the Philippines, Thailand, Laos, Myanmar and Vietnam) with the objective of minimizing barriers to regional trade in goods, services and foreign investment in South-East Asia (Gunadi, 2016). One of the coordination fields of the AEC includes human resources development and capacity building. Therefore, AEC interpreted as an increase in employment, allows employment opportunities for the community, easily gets access to finding work abroad in the Southeast Asian region.

In this case, makes it easier for employers to find workers in accordance with the criteria and abilities available at their company. However, the available employment has several standards and criteria for

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accepting job seekers in accordance with the position required. This situation ultimately puts job seekers in an unfavourable position, because the company will be increasingly stringent in screening workers and ultimately only willing to recruit workers who are reliable and professional. Acknowledge the intense competition in the world of work at this time could give encourage college students can utilize their time with joining some internship programs and gain experience that can provide an increase in the quality of community skills, then once graduating they become strong-quality students, competent and well equipped to think openly about socio-cultural changes due to an open market and increase healthy competition between field workers and between countries and expected can overcome unemployment which is currently one of the various employment problems in Indonesia.

Future implementation of the AEC remains a major concern for ASEAN broadly, but globalization inevitably continues to call to open up the requirements of an increasingly competitive global community then inevitably all the aspects of the country must be prepared. Because if Indonesia itself becomes less productive compared to other member countries, the AEC possibly bring harm to Indonesia. For instance, unemployment will rise, besides Indonesian employees will have to compete with other employees from other nations. On the other hand, most Indonesian employees do not have the proper skills or qualifications to be acknowledged at the regional level. As a result, Indonesia required initiatives to resolve structural weaknesses and bring them up to the standards of other fast-developing countries in the competitive ASEAN region to be able to compete with other

member states, to establish the readiness, of course, requires several undertakings to be done.

Thereby, not a few college graduates who have grades above average or classified as high grades are confused about what they should do when returning to society. There are also college students who feel they are not ready and able to step into the workforce, especially for last year of undergraduate students. It is time to prepare students through education or to take part in skills development programs with new patterns, concepts and models that can develop personalities. Hence, participating in programs that can be one of the factors to improve skills, gain professional experience, and build interpersonal skills such as join in an organization or doing an internship. According to Febrianita & Hardjati (2019) interpersonal skills development has focused on leadership, negotiation and communication skills.

Accordingly, known that there is an organization called AIESEC that exists in the community to provide social needs and social benefits by offering some of its programs to be a solution for people's concern about particular problems or conditions. One of the programs offered is a program that can help last semester students or fresh graduated to gain professional work experience in a professional company as an intern including being worked abroad. According to Priambodo (2016) explained that AIESEC is a global youth network that impacts the world through leadership experience and development. This organization is a not-for-profit organization that provides opportunities for undergraduate students to conduct leadership through internship activities, both in profit organizations and non-profit organizations. The idea of the emergence of AIESEC began in the 1930s

when the world began to recover from deep economic depression. It is known that AIESEC is a global youth organization which certainly consists of more than 120 regions and countries. One of the entities is AIESEC In Universitas Hasanuddin or commonly called AIESEC UNHAS.

AIESEC UNHAS (2019) shows that the only entity in East Indonesia has represented by AIESEC UNHAS. It was established in 2012 and officially became a Local Committee in 2015. It is known that one of AIESEC UNHAS products is the Outgoing Global Talent. Outgoing Global Talent define as an internship abroad experience for young people that aims to develop a professional career in a global environment ("AIESEC | Live the experience", 2019). This program is implemented in overseas professional companies with a duration of 3 to 12 months. The program not only held in the countries in Southeast Asia, but also countries in several continents such as Europe, The Middle East, and East Asia. These countries are known as the partner countries of the internship abroad program such as Singapore, Malaysia, Vietnam, India, Turkey, Japan, and Germany. The aim to carry out this program that expects to enhance and strengthen the experience of undergraduate students with some cultural differences in the work environment and workforce diversity. Moreover, they will earn wages, international certificates and facilities from certain companies where they are accepted. The program includes seven sub-products, including marketing, teaching, technology, hospitality, distribution, IT and business administration.

Although Outgoing Global Talent program is not a common name of the product that people have commonly known, nevertheless the program is worthy for undergraduate students who are still studying in college and as a

continuing journey for student who has successfully completed a course of study, especially a person who has been awarded an undergraduate academic degree. For this reason, following a program that can support self-development and turn it into a new opportunity, shows importance to raise awareness of long-term useful experience and skills. Through an international youth organization called AIESEC, fresh undergraduate students can be enabled to gain work experience or internship abroad through the Outgoing Global Talent program in order to compete with the ASEAN Economic Community (AEC).

Due to the situation which requires undergraduate students and prospective alumni to seek experience abroad and not only domestically, it is encouraged on how students perceive the value and benefits of this program by that it triggers their intention to more concern to the importance of competing in the AEC era, having an international exposure and of course practice and improving leadership skills. Purchase intention is an individual's tendency to act before an individual carries out the buying process (Martinez and Soyong Kim, 2012). According to Meskaran et al. (2013) there are different things between the actual buying process and the tendency to buy. If the actual buying process is a buying process that has been carried out by the customer, the tendency to buy is a desire that is in the customer to carry out the buying process in the future. Interest in the buying process raises a motivation that is constantly recorded in the customer's mind and becomes a very strong desire that at the end when an individual customer must fulfill their needs, so the customer will actualize something that is in his mind.

Unfortunately, the facts that occur indicate that the intention of students participating in an internship abroad program is yet very little. It can be seen

from the data of student participation in the last three years by AIESEC UNHAS in the Outgoing Global Talent program.

Table 1.1 Participant number on Outgoing Global Talent of AIESEC UNHAS program in 2017-2019

Year	Number target	Number of participants		Total number of participation
		Summer	Winter	
2017	10	8	1	**9**
2018	8	4	1	**5**
2019	9	1	3	**4**

Source: AIESEC In Universitas Hasanuddin

The data from the table above shows the unstable participation number of undergraduate students in joining the Outgoing Global Talent (internship abroad program) of AIESEC UNHAS. If it is looked from The Vice President's number target of each year shows still the lack of students' intention to join the program. The table shows that the number of participation of undergraduate students at every peak season constantly fluctuates from 2017 to the years afterward. In summer 2017, the number of participation of the students is 8 students and while in Winter 2017 sharply decreased to 1 student. Similarly, in the next years, the participation number of students in summer 2018 shows gradually dropped from 4 students later steeply fall to 1 student in winter along with the declining number of target in that year. The number of students participation is constantly declined until 2019, in the summer shows only 1 student who joins the program and slightly improved to 3 students in winter. In conclusion, this program does not meet each year's target and constantly decreased from 2017 to the following 2 years.

In that situation, the researcher is performing research to determine if there is a significant effect of word-of-mouth that happens about this program

and brand image of global talent of AIESEC UNHAS on students' intention to join the program or vice versa. As an organization that has a product or service, they must need a marketing activity to be held i.e. do promotion. Which usually to know how a wider community recognizes a specific product or service. Meanwhile, promotion by Word-of-Mouth is a type of communication that can be investigated will affect students' intention of joining a certain program or vice versa. According to Yavas & Shemwell (1996) said that WOM was one of the main sources of image formation. Until the positive information about WOM obtained by the customer can form a positive brand image on the customer's mind about a product and service. Furthermore, Word-of-Mouth as an exchange of information that occurred by voluntarily shared between consumers about the organization, products, to the experience of consumers about this product. WOM communication can have a very strong influence on the brand image (Jalilvand, 2012). Sources of consumer references to a product are very influential to the brand image owned by a company. By that, the brand image also can be investigated will affect students' intention to join a certain program or vice versa.

The brand image of Outgoing Global Talent program need to stay in people's mind that is an internship abroad program to gain experience internationally to enhance students leadership potential, hence it becomes one of important aspects that are owned by the company to build knowledge, trust, and value to a community about a product or service. The brand is not just a sign, name or logo but more than this, it is a mark in the minds and hearts of the consumer which on remembering gives some sort of feelings and association. Brand image builds a brand because it is a source of credibility and brand reputation that leads the consumer's intention to

purchase that brand (Wijaya, 2013). The brand defines as an image that people easily remember it in their brain and creates a positive brand that people can easily relate to.

Not only that, research conducted by Fallo & Suprapti (2019) made a statement that the information obtained through WOM activities can influence the emergence of an individual's buying interest in carrying out the buying process. However, research conducted by Zarei and Kazemi (2014) found that there was no positive and direct effect between PWOM and SB purchase intentions. Based on the ambiguous research results above, the researcher has reason to carry out again research on the variable Word-of-Mouth on purchase intention with the Global Talent object (abroad internship program) of AIESEC UNHAS. In describing the phenomenon and found that there is an ambiguous research result of the previous research, thereby the researcher is motivated to research with the title **"THE EFFECT OF WOM AND BRAND IMAGE ON THE INTEREST OF ABROAD INTERNSHIP PROGRAM PARTICIPATION IN AIESEC (Association Internationale des Etudiants en Sciences Economiques et Commerciales) UNHAS MAKASSAR."**

1.2 Research Question

1. Is WOM has a significant impact on the intentions of students to join an abroad internship program conducted by AIESEC UNHAS?

2. Is WOM has a significant impact on the brand image of an abroad internship program conducted by AIESEC UNHAS?

3. Is brand image has a significant impact on the intentions of students to join an abroad internship program conducted by AIESEC UNHAS?

4. Is brand image can mediate the significant impact of WOM on the intentions of students to join an abroad internship program conducted by AIESEC UNHAS?

1.3 Research Objective

The research objectives to be achieved are:

1. To analyze the significant impact of WOM on the intentions of students to join in an abroad internship program conducted by AIESEC UNHAS.

2. To analyze the significant impact of WOM on the brand image of an abroad internship program conducted by AIESEC UNHAS.

3. To analyze the significant impact of brand image on the intentions of students to join in an abroad internship program conducted by AIESEC UNHAS.

4. To analyze brand image in mediating the significant impact of WOM on the intentions of students to join in an abroad internship program conducted by AIESEC UNHAS.

1.4 Limitation of The Research

This research will be conducted in the top 3 universities in Makassar. The researcher set the research boundary at the Universitas Hasanuddin, Universitas Negeri Makassar, and Universitas Muslim Indonesia. The research was carried out only at the three universities because AIESEC UNHAS had carried out its marketing activities in these universities mentioned in this study, hence this study aims to see the extent to which marketing activities that have been carried out can influence the interest of students to take part in an internship abroad program by AIESEC UNHAS.

Meanwhile, the research will be held exactly in the Faculty of Economics and Business only, because of the ease of access to locations.

1.5 Significance of The Research

Ideally, research is being conducted to increase the range of knowledge, so that any research that has been done is expected to contribute to all concerned parties. This research is expected to be useful:

Firstly, for researchers as an educational process that is beneficial in implementing the approaches used to solve the real-world difficulty in the mass marketing study of service.

Second, for organizations, the outcomes of this study can be considered in the decision-making process on marketing strategies to be taken and knowing consumer interests can be influenced by what is in the decision to buy services.

Third, for the reader, as a reference for people who will conduct research in the future.

1.6 Writing Systematics

CHAPTER I   INTRODUCTION

This chapter describes the background of the study, research question, research objective, limitation of the research, significance of the research, and writing systematics.

CHAPTER II   LITERATURE REVIEW

This chapter describes the theoretical basis of Marketing Concepts, Word-of-Mouth, Electronic

Word-of-Mouth, Positive Word-of-Mouth, Brand Image, Purchase Intention. Afterwards is a description of the relevant research, research framework and research hypotheses.

CHAPTER III   RESEARCH METHODOLOGY

This chapter describes the research design, location and time, population and sample, types and sources of data, data collection methods, research variables, operational definitions, and data analysis techniques.

CHAPTER IV   RESULT AND DISCUSSIONS

This chapter describes a general description of the company used as the object of research, general overview of respondents, the result of descriptive analysis techniques used, and discussion of research.

CHAPTER V   CONCLUSION AND RECOMMENDATION

This chapter describes the conclusions obtained based on the result of research and suggestions that are useful for the company and further research.

CHAPTER II

LITERATURE REVIEW

2.1 Theoretical Framework

2.1.1 Marketing Concepts on Not-For-Profit Organization

According to Potocan, Ungan & Nedelko (2017) marketing is a strong connection between consumers and producers, offering maximum benefits for each side and to keep this bridge strong and long-lasting, you need to take strategic steps, such as planning, analyzing, organizing, and controlling. Therefore, we can easily argue that marketing is not simply promotion or advertising, marketing is a holistic view. Generally, marketing for a profit organization can be described as a management process for achieving organizational goals and earning money by observing and fulfilling the needs of the target market better than competitors.

However, once we think about the needs of the customer, we frequently talk about physical goods and services. Nevertheless, there is also an important need that directly affects people's lives that is called social needs. In particular, in recent times, meeting social needs that create social value and promote opportunities for people to play an active and effective role in society has become important as well as serving the needs of physical goods and services. Throughout this sense, NPOs that provide social benefits and welfare through the production of social needs (values, ideas, etc.) have a better position in social life as physical goods producer organizations. Thus, in 1969, Kotler and Levy first introduced the marketing concept to non-profit

organizations. After the 1970s, marketing, which focused mainly on producing physical goods and services based on consumer needs and creating income, also gained a significant meaning for NPOs, whose first objective is to solve social problems and create social benefits (Potocan, Ungan & Nedelko, 2017).

NPOs are classified as the third sector after profit organizations (POs) and government organizations (GOs). NPOs are community-based civil society groups that strive to support social welfare activities. Contrary to sell some physical products, they represent their purpose, their vision, and their goals to reaching target consumers for their social benefit, and they should maintain the active promotion of these programs to be supported and to survive in this competitive environment. Thus, promoting themselves consistently, as well as developing and maintaining relationships with key stakeholders, supporters, customers etc. has the primary concern to NPO management.

A key management strategy should be used to stabilize organizations with key partners in marketing. To perform a successful marketing strategy, NPOs need to be aware of the demand and needs of their target market and identify the distinctive features of their products for them. On the other hand, the implementation of marketing strategies and techniques among management is one of the most important yet challenging practices for NPOs. Potocan, Ungan & Nedelko (2017) states that the marketing of NPOs equally applicable to many of the tools and techniques usually used in commercial

marketing practices, even though the mindset which drives their application may be significantly different.

In the case of marketing NPOs, the product contains ideas, social reasons and behavioural changes. In addition to these requirements, the product also includes the basic values, demands and needs of the target market, the adaptation of the behaviours expected and perceived by the target customer group. NPOs are usually related to ideas and services rather than physical products. If what is being offered or what kind of contribution will be made to the public is not identified in these organizations, problems will begin with product development and identification.

In the case of physical product-based POs, where the physical structure reflects the benefits provided to the customer, the NPOs in which the services offered create different views of the customer because they are non-physical. Therefore it is extremely important to understand that while NPOs define their goals and organizational values they recognize that they need to use marketing strategies.

2.1.2 The Concept of Marketing Strategy

Kotler & Armstrong (2016) states that the concept of marketing is a process in which the development of value from the organization to customers and the building of strong relationships with customers are rewarded for capturing the value of customers. Marketing strategy is an integrated decision-making pattern of the organization that defines its main choices about goods, markets, marketing activities and marketing tools in the development, communication and/or distribution

of goods that provide value to customers in exchanges with the organization and thus enables the organization to achieve a particular goals (Varadarajan, 2010).

A good marketing strategy should not only be designed to influence consumers but also be influenced by consumers. Thus the marketing strategy can be designed with the orientation of consumers' responses to certain things. Marketing strategies must also be developed, implemented and modified based on the results of consumer research and analysis.

2.1.3 Word-Of-Mouth (WOM)

a. Definition of Word-Of-Mouth

Charo et al. (2015) state WOM is considered a possible way of influencing customer attitudes and perceptions about a brand and has a greater impact on product adoption compared to any other form of traditional marketing, as it offers more accurate and reliable information based on first-hand product/service experience in comparison. It is also supported by Aditya and Wardana (2017) that describe Word-of-Mouth as a marketing strategy that maximizes the interaction of users with potential users who have never known or used the product before. Based on the process, Word-of-Mouth consists of two types, namely the first organic Word-of-Mouth occurs naturally from consumers who feel happy and satisfied after purchasing a product, have a natural desire to share their experiences and enthusiasm with other consumers. Second, amplified Word-of-Mouth that occurs when a marketer has

conducted a campaign designed to accelerate the occurrence of Word-of-Mouth to consumers (Fahmi & Pangestuti, 2018).

In this study, the behavioural construct of WOM refers to the concept of Daugherty and Hoffman (2014) states that WOM is widely considered as one of the most influential factors affecting consumer behaviour. This influence is especially relevant for intangible goods that are difficult to evaluate the prior purchase, such as tourism or hospitality. For instance, tourism satisfaction is of the primary importance due to its influence on behavioural intentions, WOM and purchasing decisions. In some words, the satisfaction level leads to the possibility of revisiting and recommending destinations (Sotiriadis and Van Zyl, 2013).

Consumer satisfaction by Kotler and Keller (2016) describe as the pleasure or disappointment of a person as a result of comparing the perceived performance (or outcome) of a product or service to expectations. If performance falls short of expectations, the customer will be dissatisfied. If the performance meets the expectations, the customer will be satisfied. If performance exceeds expectations, the customer is extremely satisfied or pleased.

Furthermore, Word-of-Mouth was known as an effective medium for information sharing. Individuals like to share with their colleagues, friends and family about their experiences and feelings. The interpersonal influence of WOM is extremely common. People interact and communicate with each other and simply influence each other (Khan et al., 2015). The statement also

supported by Kotler and Amstrong (2012) explain Word-of-Mouth influence occurs naturally: consumers start talking about a brand they use or feel strongly about one way or the other, but instead of leaving it to chance, marketers can help to build a positive conversation about their brands.

In addition, the role of Word-of-Mouth is very important at the alternative selection stage. When potential customers already know the problem and want to find a solution, potential customers will face many choices (alternatives). After that, the consumer will make a purchasing choice from several available alternatives. At this stage recommendation from friends or family (people trusted by potential customers) are very influential (Mahdiasukma & Fauzi, 2018).

Research on the processes underlying the use of WOM by consumers in their decision-making may provide new insight and to what extent the perceptions of WOM senders affects the receivers' use of that WOM in product evaluation to reduce the risk of uncertainty when purchasing products or services, therefore promoting can bring influence on perceived risk, purchase intentions, decision-making, and the behavioural objective of the individual related to Word-of-Mouth engagement (Shahrinaz et al., 2016).

b. Dimention of Word-Of-Mouth

Ruhamak & Rahayu (2016) refers Word-of-Mouth through four dimensions or indicators as follows:

1) Customer willingness to talk about positive things about the company's service quality to others,

2) Customer willingness to promote about the company's services to others,

3) Recommendations company services to others,

4) Encouragement of friends or relations to make purchases of company services.

2.1.4 E-WOM (Electronic Word-Of-Mouth)

The Word-of-Mouth (WOM) theory continues to grow in line with the growth of communication technology. In recent years, the introduction of Internet technology has shifted a paradigm to a modern and more interactive shape. Therefore, in this era of modern technology, information is shared all over and this has led customers to use the Internet more often to seek information on a particular product in interest or a profile of an organization which will contribute to the rise of e-WOM (Jalilvand and Samiei, 2012).

The new form of online WOM communication nowadays is known as electronic word-of-mouth or eWOM (Yang, 2017). This way to communicate has taken on particular importance with the emergence of online platforms that have made it one of the most influential information sources on the Internet (Abubakar and Ilkan, 2016), For example, in the tourism industry (Sotiriadis and Van Zyl,

2013). As an outcome of technological innovations, these new form of communication have led to a change in consumer behaviour (Cantallops and Salvi, 2014; Gómez-Suárez et al., 2017), because of the impact they allow consumers to exert on each other (Jalilvand and Samiei, 2012) by allowing them to receive or share information about organizations, products, or brands (Gómez-Suárez et al., 2017). The benefit of this tool is that it is accessible to all consumers who can use online platforms to share their opinions with other users. Once consumers have trusted WOM from friends and relatives, they are now looking for online comments (eWOM) of product or service information (Nieto et al., 2014).

Electronic Word-of-Mouth also provides organizations with a benefit over traditional WOMs in that it helps them both to try to understand what motivates buyers to post their opinions online and to assess the impact of these comments on others (Cantallops and Salvi, 2014). Nevertheless, the use of technology by customers to express opinions on products or services (eWOM) can be a risk for organizations as it may become a factor they do not control (Yang, 2017). To overcome this, organizations are trying to gain greater control over online customer reviews by developing virtual spaces on their own websites, where customers can write comments and share their thoughts on the products and services of organizations (Vallejo et al., 2015).

2.1.5 Positive Word-Of-Mouth

Karjaluoto, Munnukka & Kiuru (2016) explained that WOM can be understood as any positive or negative statement made by possible future, actual or previous customers of a particular product. Meanwhile, if the influences could be positive. It could have an impact on the company's good or service, label, or even employee performance (McGriff, J. A, 2012). Refers to the concept of Prabandari, Sukaatmadja & Yasa. (2018) describe positive information presented through Word-of-Mouth communication will form a positive perception of the product or brand in the heads of consumers. Consumers would be better able to memorize positive brand images with a positive Word-of-Mouth. Conversely, the products would be less memorable if there is negative Word-of-Mouth. WOM behaviour can be linked to consumer satisfaction and unhappiness with previous experience of consumption (Ruhamak & Rahayu, 2016).

For this reason, communication among customers is to show satisfaction and belief on a certain brand by sharing certain information based on their experiences, service companies need to ensure that everyone in the organization understands the importance of delivering consistent, predictable, high-quality performance to customers is one of the factors to gain positive response from the customers. Therefore, it explains that positive Word-of-Mouth communication can greatly influence brand image. The image created through this communication may have a large impact on products or services and this impact may be in the form of greater demand by new consumers for the products or services (Febriana & Rumyeni, 2016).

2.1.6 Brand Image

a. Definition of Brand Image

Generally, establishing a brand means utilizing various communicational tools to communicate an organizations' brand image that would appeal to a targeted segment (Halbusi & Tehseen, 2018). As a result, a better way of communicating the brand to customers would improve the consumer's interest in the brand. For the most part, advertising, word-of-mouth, media and celebrities are some of the methods used to build a brand image.

Brand image can be defined as an association form that appears in the minds of consumers when they recognize specific brands (Temaja & Yasa, 2019). As said by Darmawan and Djati (2018) Brand image is a set of brand associations that are created in the mind of the customer. Association occurs in the process of thoughts or images linked to particular brands similar to when we think of other people (Hidayati et al., 2013). Therefore, the brand image is consumer perceptions of brands that are reflected through brand associations in consumer memory (Hermanda, Sumarwan & Tinaprilla, 2019). Through brand image, buyers are able to identify particular products, evaluate the product, minimize the risk of purchase of the product and gain experience and satisfaction from the differentiation of the product. Consumer experience of the product purchased shapes the brand image in consumers and afterwards, therefore, the brand image may improve the repurchase intention or even the purchase intention of potential customers (Temaja & Yasa, 2019). Whereas, according to World

Intellectual Property Report (2013), The brand image has a potential to affect the earnings of an organization, the purchasing intention of customers, as well as the effectiveness of their marketing, which will all have a long-term effect on their sustainability. Therefore, WIPO Director General Francis Gurry (2013) stated that a brand represents the reputation and image of an organization and therefore is one of the most valuable assets of an organization. When markets have become more distributed and interactive, the protection of trademarks for reputation and image has also become essential.

b. Dimention of Brand Image

Shimp (2014); Dewi & Ardani (2018) refers four dimentions or indicators that can be used in measuring brand image, including:

1) Positive image, a brand has a positive image among the wider community,

2) Different characteristics, a brand has different characteristics from competitors,

3) Known by the public broadly, a brand has been widely known society.

4) Another indicator in measuring brand image is favorable as presented by Shimp (2014).

2.1.7 Purchase Intention

a. Definition of Purchase Intention

As stated by Ambarwati et al. (2015), Purchase intention is the process of directing consumers who intend to purchase. Purchase intention is also a measure of an individual's intention to make a purchase and the purchase intention is related to an individual's purchase behaviour. Consumer purchase behaviour begins and influenced by the number of stimuli from outside factors, these stimuli can be in the form of marketing stimuli or stimuli from the surrounding environment. After obtaining a stimulus will then be processed according to a person by the characteristics of themselves, after that, a purchase decision will be taken. Therefore the process of being attracted to a product or service will be experienced by every consumer before the purchase decision done. Moksaoka and Rahyuda (2016) stated that the purchase intention that occurs in the purchase process will establish a motivation that will be continuously captured in people's minds and become a very strong behaviour, and when consumers have to meet their needs, they will perform on what is in their minds.

To understand the reason for consumers purchase a certain product or service, look at two fundamental behavioural theories called Theory of Reasoned Action (TRA) and Theory of Planned Behavior (TPB) that describe by Shahrinaz et al. (2016). Ajzen and Fishbein (1980) developed the TRA, followed by the TPB developed by Ajzen I (1991). Both theories describe how a person

behaves in a particular behaviour. The key factor in these theories
is the intention of the participant to follow a certain activity.
According to Ajzen (1991) mentioned, intentions are supposed to
capture motivational factors that influence behaviour, they indicate
how difficult people are willing to try, how much initiative they are
planning to use to perform behaviour. He further emphasizes that
when people are more likely to engage in behaviour, they will be
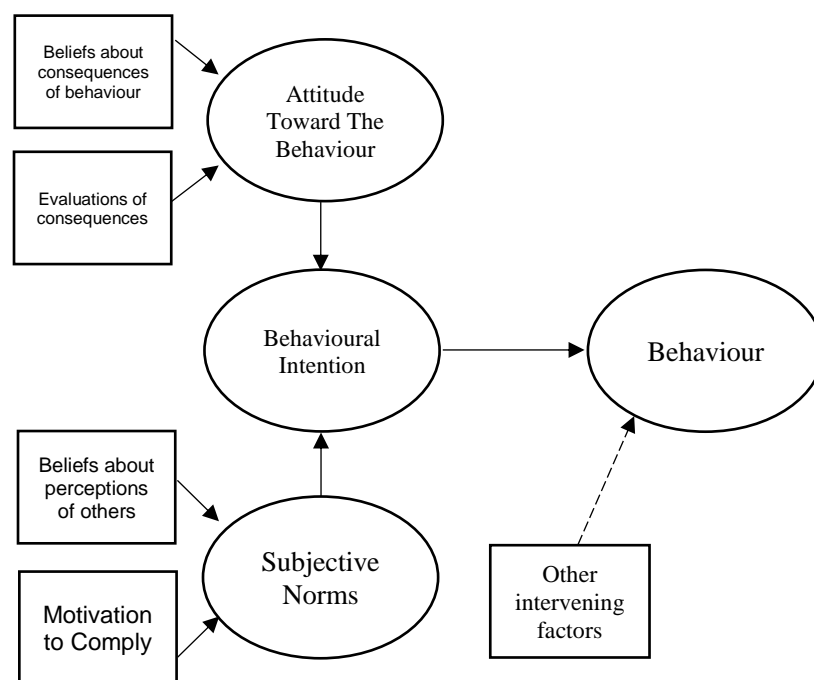more likely to perform behavior.

Figure 2.1 The concept of TRA
Source: (Fishbein & Ajzen, 1975; Loudon & Della Bitta, 1993)

Based on the TRA, two factors determine the behavioural
intention of an individual, the first is the attitude toward behavioural
and the second is the subjective norm. Based on Ajzen (1991)
describes the attitude towards behaviour as the extent to which an

individual has a favourable or unfavourable assessment of the behaviour in question. If an individual believes that a positive result will mostly be achieved, that individual will have a favourable attitude to perform it and vice versa. Furthermore, Ajzen (1991) relates to the subjective norms when the perceived social pressure will be performed or not to carry out the behaviour. However, TRA has failed to prove the reason, in some cases, an individual has a high favourable attitude towards performing behaviour as well as a high social pressure to perform it, however, the individual has little or no intention of doing so.

As a result, the TPB was developed by Ajzen in 1991. The TPB model showed that the behavioural intention of an individual is a function of three fundamental elements. These are behavioural attitudes, subjective norms and perceived behavioural control. The possibilities that can not be described by the TRA can be described by the TPB. The Theory of Planned Behaviour is simply an extension of the TRA which attempts to address the seeming over-dependence on intentions to predict behaviours. In some cases, TPB clarified that people have a highly favourable attitude towards performing the behaviour along with a strong perceived social pressure on behaviour, but people have not yet done so. It is because people have seen challenges or difficulties in behaving. The awareness of that a person has a low ability to perform a behaviour lowers an individual's behavioural intention and hence happens to be impossible to perform. This is called perceived behavioural control.
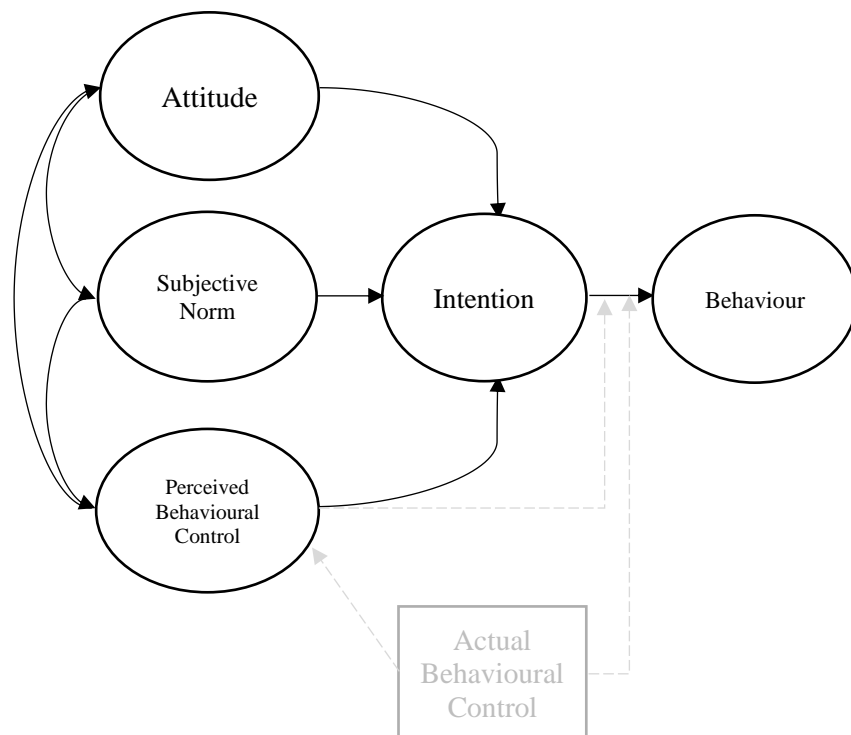
Figure 2.2 The concept of TPB
Source: (Ajzen, 2006)

It also has correlation with consumer purchase intention is based on some factors, including consumer attitude, consumer assessment and external factors (Ajzen and Fishbein, 1980). The consumer's willingness to purchase a product can be measured by the purchase intention, as the higher the purchase intention, the higher the consumer's ability to purchase a product. As mentioned by Shahrinaz et al. (2016) on her studies, before making any final decision consumers are actively looking for information on any organization or service. Since more customers are now more knowledgeable in terms of information search, many look for online

research and published sources as a way of obtaining information about any organization, products and services.

In the end, all marketing activities will lead to the same question as to whether or not consumers will be interested in buying the product. A study conducted by Yang (2017), a negative or positive attitude toward the product or service will influence customers' future purchase intentions by allowing them to compare the product or service's actual performance with their expectations. Sumarwan (2017) says that attitude is an expression of an object's feelings of satisfaction or dissatisfaction, which are related to the concept of belief and behaviour.

In the research of Nurmala (2011) shows that buying interest is individual longing to purchase a product or service that is expected to provide benefit from the product or service they purchase. Two factors form consumer buying interest, first, the attitude of someone else. Other people's attitudes towards a product whether negative or motivational, will decrease consumer product alternatives. Second, factors that are not expected. Sooner or later, this factor will be able to change the interest of the consumer in making a purchase.

b. Dimention of Purchase Intention

Dewi & Ardani (2018) refers some dimentions or indicators that can be used in measuring purchase intention are:

1) Exploratory intention, which means consumers intend to look for more in-depth information about positive things contained in a product,

2) Other indicators that can be used to measure purchase intention are an interest in a product,

3) An interest in trying and owning a product and,

4) Intending to buy the product.

2.2 Prior Research

Table 2.1 Prior research list

Author	Title	Purpose	Variable	Result
Torlak, Ozkara, Tiltay, Cengiz & Dulger (2014)	The Effect of Electronic Word-of-Mouth on Brand Image and Purchase Intention: An Application Concerning Cell Phone Brands for Youth Consumers in Turkey	The study aims to explain the effect of Word-of-Mouth on purchase intention through brand image. The focus on cell phone brands specifically.	Independent Variables: • eWOM • Brand Image Dependent Variables: • Purchase Intention	1) There is a significant impact of brand image on purchase intention. 2) There is a significant positive relationship between the electronic Word-of-Mouth on brand image and purchase intention.
Zarei & Kazemi (2014)	The Impact of Positive Word-of-mouth on Store Brand Purchase Intention with Mediated Effect of Store Image and Perceived Risk towards SBs	Several factors (positive word-of-mouth (PWOM), perceived risk toward store brands (SBs) and store image) have been underlined to explain store brand purchase intention in the context of an emerging market (IRAN).	Independent Variable: • PWOM Intervening Variables: • Store Image Perception • SB Perceived Risk Dependent Variables: Purchase Intention	The result show that PWOM influence significantly store image. But there is no effect of PWOM, store image and perceived risk toward SBs on SB purchase intention. These findings are discussed and future research is proposed.

Author	Title	Purpose	Variable	Result
Khan, Ramzan, Shoaib & Mohyuddin (2015)	Impact Of Word-of-Mouth On Consumer Purchase Intention	The purpose of this study was to find direct impact of Word-of-Mouthon Consumer Purchase Intention and to find the factors of Word-of-Mouth impacting Consumer Purchase Intention.	Independent Variable: • Word-of-Mouth Dependent Variables: • Purchase Intention	1)There was a positive impact of Word-of-Mouth on Consumer Purchase Intention. 2)Similarity, Trustworthiness and Source Attractiveness has positive and significant impact on Purchase Intention. 3)Source Expertise and Social Tie Strength have insignificant impact on Purchase Intention while Information usefulness has no effect on Purchase Intention.

Author	Title	Purpose	Variable	Result
Prabandari, Sukaatmadja & Yasa (2018)	The Role Of Brand Image In Mediating The Influence Of Positive Word-of-Mouth On Consumer's Purchase Intention	The aim of this research is to determine the role of brand image in mediating the influence of positive Word-of-Mouth on the intention to purchase Teh Pucuk Harum tea products in Denpasar City.	Independent Variable: • Positive Word-of-Mouth Dependent Variables: • Brand Image Purchase Intention	1) Positive Word-of-Mouth and brand image significantly and positively influence purchase intention. 2) Brand image is able to significantly mediate the influence of positive Word-of-Mouth on purchase intention. 3) Brand image has positive and significant influence on purchase intention. 4) Brand image significantly mediates the influence of positive Word-of-Mouth on consumer's purchase intention.

Author	Title	Purpose	Variable	Result
Pertiwi & Sukawati (2017)	Brand Image Memediasi WOM Terhadap Niat Menggunakan Wedding Service Di Cahya Dewi Beauty Salon Denpasar	The research objective is to determine the influence of brand image in mediating the Word-of-Mouth (wom) to consumer intentions to use the wedding service in Cahya Dewi Beauty salon.	Independent Variable: • Word-Of-Mouth Mediating Variables: • Brand Image Dependent Variables: • Purchase Intention	The results of this study show that each variable wom and brand image have significantly positive influence to purchase intention, and then brand image is also significantly mediate the relationship wom on purchase intentions.
Hermanda, Sumarwan & Tinaprilla (2019)	The Effect Of Social Media Influencer On Brand Image, Self-Concept, And Purchase Intention	The purpose of the research was to discover how social media influencers influenced the brand image, self-concept and the purchase intention of cosmetic consumers.	Independent Variable: • Social Influencer Intervening Variables: • Brand Image • Self-concept Dependent Variables: Purchase Intention	There is a significant negative influence of both social media influencer and self concept towards the purchase intention, in contrast with the brand image which had a significant positive effect.

Author	Title	Purpose	Variable	Result
Lien et al. (2015)	Online hotel booking: The effects of brand image, price, trust and value on purchase intentions	This research examines the direct and mediating effects of brand image, perceived price, trust, perceived value on consumers' booking intentions through online hotel booking.	Independent Variable: • Brand Image • Perceived Price • Trust • Perceived value Dependent Variables: • Purchase Intention	The results confirm most of the path effects showing that brand image positively influences perceived price, trust, value, and purchase intentions. Price is found to have a positive impact on value and purchase intentions. Value has a significant, positive effect on purchase intentions. However, although trust positively affects value, the impact of trust on purchase intentions is not significant.

Author	Title	Purpose	Variable	Result
Fallo & Suprapti (2019)	Peran Citra Merek Dalam Memediasi Pengaruh Wom Terhadap Niat Beli Produk Nutrisi Merek Herbalife	The aim of the study was to analyze the role of brand image in mediating the influence of Word-of-Mouth on the purchase intention of Herbalife brand nutrition products in Denpasar City.	Independent Variable: • Word-Of-Mouth Mediating Variables: • Brand Image Dependent Variables: • Purchase Intention	The results of data analysis showed that the Word-of-Mouth variable had a positive and significant effect on brand image, brand image variables had a positive and significant effect on purchase intention, Word-of-Mouth variables had a positive and significant effect on purchase intention, and brand image variables played a part in mediating influence.

2.3 Relationship Between Variables

a) Word-Of-Mouth on Purchase Intention

Khan, Ramzan, Shoaib & Mohyuddin (2015) states Word-of-Mouth has been identified as an effective way of information dissemination. Individuals like to share their experiences and feelings with colleagues, friends and family. The interpersonal impact of WOMs is very common. People interact and convey with each other, and ultimately, they influence one another. WOM enables customers to exchange information and views that guide purchasers to different brands and products.

Previously research of Khan, Ramzan, Shoaib & Mohyuddin (2015) have been done to check the impact of Word-of-Mouth and explained that there is a direct impact and a positive impact of Word-of-Mouth on Consumer Purchase Intention. Research by Fallo & Suprapti (2019) states the fact that the Word-of-Mouth variables had a positive and significant impact on purchase intention on Herbalife Brand Nutrition Products. Furthermore, the study added by Pertiwi & Sukawati (2017) shows that the better Word-of-Mouth communication in the community, the higher the intention of consumers to use wedding services in the company. Hence, the result describe that WOM and brand image have significantly positive influence to purchase intention.

b) Word-Of-Mouth and Brand Image

One of the greatest challenges for both marketing researchers and practitioners is the resolution of complex consumer behaviours. Products, product specifications, brands and shopping environments that have different messages influence consumer perceptions in a variety of ways. Although messages may sometimes appeal to some consumers, they are irritating to others. Likewise, another impact factor that influences customer perceptions is the source of the messages (Torlak, Ozkara, Tiltay, Cengiz & Dulger., 2014).

The research conducted by Prabandari, Sukaatmadja & Yasa. (2018) demonstrate that positive Word-of-Mouth has a positive and significant influence on brand image. This means that as Word-of-Mouth becomes more positive, the better the brand image of Teh Pucuk Harum tea products in the mind of consumers in Denpasar City.

Furthermore, the research conducted by Fallo & Suprapti (2019) shows that the Word-of-Mouth variable has a positive and significant effect on brand image on Herbalife brand nutritional products. These results prove that the better the Word-of-Mouth that is obtained by Herbalife brand nutritional products will also lead to a good brand image on the minds of consumers so that it encourages to make a purchase.

c) Brand Image and Purchase Intention

Permadi (2014) provides an explanation that the influence between brand image on purchase intention is given a clue to the formation of a good image through customer experience and will form a brand of communication in a sustainable manner. Research conducted by Lien et al. (2015) indicates consumers in Taiwan tend to believe the hotel price is affordable, the hotel will offer good value for the price and the likelihood of their booking intentions is high. Brand image, perceived price, and perceived value are the three critical determinants directly influencing purchase intentions. The result of research conducted by Hermanda, Sumarwan & Tinaprilla. (2019); Fallo & Suprapti (2019); Pertiwi & Sukawati (2017); Torlak, Ozkara, Tiltay, Cengiz & Dulger. (2014) showed a significant positive relationship between brand image and the purchase intention.

d) Brand Image Mediate and Give Influence of Word-Of-Mouth on Purchase Intention

Fallo & Suprapti (2019) research demonstrate the brand image variable has a positive and significant effect in partially

mediating the effect of Word-of-Mouth on purchase intentions on Herbalife brand nutritional products. These results prove that brand image can be an intermediary between Word-of-Mouth which will increase consumer purchase intentions. The research conducted by Pertiwi & Sukawati (2017) indicates brand image significantly mediates the relationship between Word-of-Mouth and purchase intention. The results indicate that the importance of brand image formation through Word-of-Mouth will have an impact on consumer intentions in the city of Denpasar to use wedding services at Cahya Dewi Beauty Salon.
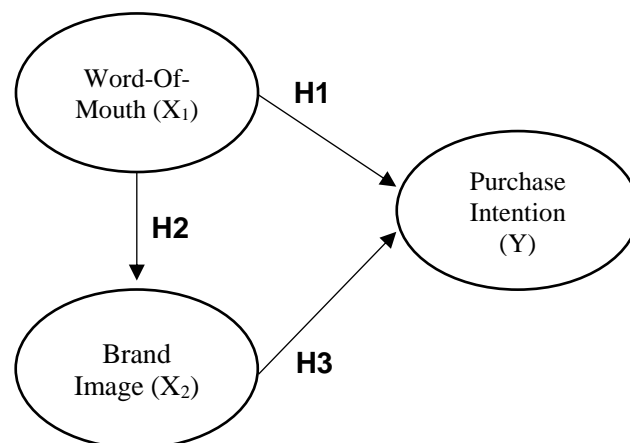
2.4 Research Framework

Figure 2.3 Research framework
Source: (Researcher, 2020)

2.5 Research Hypothesis

H1: Word-of-Mouth has a significant impact on Purchase Intention.

H2: Word-of-Mouth has a significant impact to Brand Image.

H3: Brand Image has a significant impact on Purchase Intention.

H4: Brand Image can mediate the influence of Words-of-Mouth on purchase intentions.