
The Effect of Electronic Word of Mouth and Brand Image on Online Shopping Behavior Through Online Purchase Intention as Intervening Variables (Study on Marketplace Shopee Users)

Gabriella Stefanny¹⁾, Heri Pratikto²⁾, Agus Hermawan³⁾

^{1,2,3)} Department of Master Management, Faculty of Economics and Business, Universitas Negeri Malang, Indonesia

*Corresponding Author

Email : gstefanny163@gmail.com

Abstract

Electronic word of mouth (E-Wom) is currently something that is needed and is considered by consumers before choosing to use or consume something. In addition to e-wom, consumers also consider the image of a company. The better the company's image and positive reviews, the more it will make consumers believe in consuming or using a brand. This study aims to determine the effect of e-wom and brand image on online shopping behavior through online purchase intention on Shopee users. This research is quantitative research with the help of SPSS 22 software. The population in this study is Shopee application users. The sample in this study was 200 respondents. In addition, to test the feasibility of the instrument, validity and reliability tests were used, and classical assumption tests, hypothesis testing, and path analysis methods were used. The results showed that (1) e-wom has a positive and significant influence on online shopping behavior, and (2) e-wom has a positive and significant influence on online purchase intention. (3) brand image has positive and significant influence on online shopping behavior, (4) brand image has a positive and significant influence on online purchase intention, and (5) online purchase intention has a positive and significant influence on online shopping behavior, (6) e-wom has a positive and significant influence on online shopping behavior through online purchase intention, and (7) brand image has a positive and significant influence on online shopping behavior through online purchase intention.

Keywords: *E-Wom, Brand Image, Online Purchase Intention, Online Shopping Behaviour*

INTRODUCTION

In the current era of globalization, there is no doubt that technology is developing very rapidly. Everything that becomes a human activity can be facilitated by the development of this technology. Especially during the COVID-19 pandemic which began entering Indonesia in 2020, this had an impact on changes in human behavior which also followed government regulations. One of them is doing everything from home, and working from home (work from home). Of course, as a result of this regulation, people are required to do something with the help of technology. This may be difficult for people who are technologically savvy but must be able to adapt in difficult times like today. This pandemic has also caused changes in behavior in shopping for necessities. Where in the past we could do whatever we wanted, such as shopping at the mall, shopping at the market, etc., which could be done at any time, has now become restricted and even not allowed at all. So, people are starting to turn into online shoppers who take advantage of the growing marketplace in Indonesia. The marketplace not only facilitates business actors but also really helps the community to able to meet their daily needs. Various existing marketplaces also provide very complete needs ranging from basic, secondary, and even tertiary needs. All can be purchased through the marketplace without having to leave the house to get it. This is what has started to change human behavior to

become completely online where everything is done using technology. Various applications have been widely available for people who will shop online such as Shopee, Tokopedia, Blibli, Lazada, and others. In 2021, the application with the most users is Shopee with 93.4 million users (Compas, 2021)

In shopping, nowadays people do a lot of considerations before making online purchases, such as considering reviews made by previous users, as well as the image of a particular company or brand. So that these two variables were finally taken to determine their effect on online shopping behavior. E-Wom is defined as all informal communication directed at consumers through the use of internet-based technologies related to the use or characteristics of a particular service or seller (A. Kadhar Lal, 2020). In this study, there are three dimensions used to explain e-wom variables, namely intensity, opinion valence, and content (Goyette et al., 2010). In running their business, companies or business actors of course will maximize their performance to build perceptions and trust in the people who use their services. This consumer perception is often referred to as a brand image or brand image which means how people judge the company (Kotler, 2002). In this study, there are four dimensions to explain the brand image variable, namely brand reputation, brand familiarity, brand trustworthiness, and service excellence (Heriyati et al., 2020). Online purchase intention is defined as a person's condition when someone has the desire and interest to buy a product or use certain services on an application or web (Liat et al., 2014). In this study, there are four dimensions to explain online purchase intention variables, namely performance expectancy, effort expectancy, social influence, and facilitating conditions (Doan, 2020). Consumer behavior is a measure that is directly involved in obtaining, consuming, and disposing of a product or service, including the process of finding out about the product to owning it (Doan, 2020). There are three dimensions used in measuring online shopping behavior variables, namely cultural factors, social factors, and personal factors (Schiffman, Leon G. ; Kanuk, 2010).

RESEARCH METHODS

This research is quantitative research with a path analysis technique. The population in this study are Shopee marketplace users for online shopping media. While the data collection technique uses purposive sampling where sampling required certain criteria. The number of samples required is 174 respondents which are calculated using the Daniel & Terrell formula. However, the data collected were 200 respondents. The data analysis technique used path analysis and Sobel test. Here is the model used:

$$\text{Model 1: } Z = \beta_{ZX_1} X_1 + \beta_{ZX_2} X_2 + e_1$$

$$\text{Model 2 : } Y = \beta_{YX_1} X_1 + \beta_{YX_2} X_2 + \beta_{YZ} Z + e_2$$

Explanation:

X_1 : Electronic Word of Mouth

X_2 : Brand Image

Y : Online Shopping Behaviour

Z : Online Purchase Intention

β_{ZX_1} : Path coefficient X_1 to Z

β_{ZX_2} : Path coefficient X_2 to Z

RESULTS AND DISCUSSION

Respondents are dominated by the female gender with the dominant age of respondents at the age of 17-25 years. The last education of respondents is dominated by undergraduate education. The respondent's occupation is dominated by work as a private employee. Respondent's income is dominated by salaries below Rp. 1,000,000. Respondents' spending on online shopping is dominated by Rp. 1,000,000. This shows that in these dominant characteristics, respondents are interested in doing online shopping using Shopee.

Table.1. Summary of the Calculation of the Effect between Variables

Variable	t _{count}	t _{table}	Sig	Explanation
X ₁ → Z	3,011	1,65	0,003	H1 Accepted
X ₂ → Z	15,274	1,65	0,000	H2 Accepted
X ₁ → Y	2,199	1,65	0,032	H3 Accepted
X ₂ → Y	11,179	1,65	0,000	H4 Accepted
Z → Y	8,462	1,65	0,000	H5 Accepted
X ₁ → Z → Y	3,515	1,65		H6 Accepted
X ₂ → Z → Y	9,086	1,65		H7 Accepted

In the direct effect test, it can be explained that the E-Wom variable (X1) has a sig value of 0.003 < 0.05 and the Brand Image variable (X2) 0.000 < 0.05. It can also be seen that the E-Wom variable has a t_{count} value of 3.011 > 1.65 t_{table}, the brand image variable has a t-value of 15.274 > 1.65 t_{table}. So it can be concluded that E-Wom and brand image have a positive and significant influence on Online Purchase Intention (Y). The direct influence test shows that the E-Wom variable (X1) has a significance value of 0.032 < 0.05, and the brand image variable (X2) has a significance value of 0.000 < 0.05. While the t-value E-Wom has a t_{count} value of 2.199 > 1.65 t_{table}, and the brand image variable has a t-count value of 11.179 > 1.65 t_{table}. So it can be concluded that E-Wom and brand image have a direct and significant effect on Online Shopping Behavior (Z). In the direct influence test, it can be explained that the online purchase intention variable has a t_{count} value of 8.462 > 1.65 t_{table}. So it can be concluded that the online purchase intention variable has a positive and significant effect on the online shopping behavior variable. Based on the Sobel test calculation, obtained t_{count} of 3.515 > 1.65 t_{table} so that it can be concluded that online purchase intention can mediate the effect of e-wom on online shopping behavior. Based on the Sobel test calculation, obtained t_{count} of 9.086 > 1.65 t_{table}, it can be concluded that the online purchase intention variable can mediate the influence of brand image on online shopping behavior.

In the first hypothesis, e-wom has a positive and significant effect on online shopping behavior. This means that the better reviews given by consumers or previous users, the higher the online shopping behavior by other consumers. Thus, this study supports research conducted by Astana, (2021) which explains that E-Wom has a positive and significant influence on online consumer behavior. In addition, this study also supports research conducted by Eneizan et al., (2020) which explains that E-Wom has an effective influence on the online shopping experience in Jordan on the Opensooq site. The higher the positive review, will increase

consumer confidence in shopping online. This is also explained in research conducted by Zhang et al., (2020) which examines the effect of online reviews on shopping behavior on the Taobao.com application. The results of his research explain that reviews that tend to be neutral and negative will make users reluctant to continue purchasing goods and will tend to look for low-risk items, namely those that have many positive reviews. In the second hypothesis, e-wom has a positive and significant effect on online purchase intention. This means that the better the E-Wom provided by the user, the more interest in making online purchases. When sharing information about products or services through online reviews, consumers will assess the product or service. So, e-wom in this case can influence other users who have the potential to have an interest in buying the reviews they make (Zhang et al., 2020). Thus, this study supports research conducted by Ahmad Wani & Wajid Ali, (2016) which explains that positive reviews on E-WOM and previous experiences have a major influence on online purchase intention among consumers in India. In the third hypothesis, brand image has a positive and significant effect on online shopping behavior. This means that the better the brand image of the company or brand, the higher consumer behavior in online shopping will be. This can be seen from the average respondents who answered that they think Shopee has been known and trusted to be the marketplace of choice for online shopping media. Therefore, respondents choose to do the shopping because of Shopee's good image. With these results, this study supports research conducted by TEKİN, (2016) which explains that consumers already have a very good image of LVMH which makes the behavior of consumers to shop at the company higher.

Other research by Malik, (2013) also explained that brand image also greatly influences shopping behavior among teenagers in Gujranwala city where these teenagers perceive brand image with a positive attitude. In the fourth hypothesis, brand image has a positive and significant effect on online purchase intention. This shows that the better the brand image of a company, the higher the interest in buying online. Thus, this study supports previous research conducted by Elseidi & El-Baz, (2016) which explains that brand image is the variable that has the strongest influence on consumer shopping interest in Egypt by mentioning a specific brand. The same thing is also explained in the research conducted by Slamet et al., (2022) which explains that brand image has a positive and significant influence on online purchasing decisions on the Shopee platform. In the fifth hypothesis, online purchase intention has a positive and significant effect on online shopping behavior. This means that the higher the consumer's interest in shopping, the higher the consumption behavior (shopping). Purchase intention by consumers is part of the attitude of consumer behavior in shopping. This buying interest is an action or consumer choice in determining whether he will choose to shop or not which in the end will refer to a buying attitude. Thus, this study supports research conducted by Bhatti & Ur Rehman, (2020) which explains that online purchase intention has a positive and significant influence on online consumer behavior on consumers in Pakistan. Another study conducted by Laohapensang, (2009) explained that online purchase intention has a positive and significant effect on online consumer behavior, a study on consumers in Thailand.

In the sixth hypothesis, e-wom has a positive and significant effect on online shopping behavior through online purchase intention. This means that the higher the purchase intention

through E-Wom, the higher the online shopping behavior by consumers. E-wom will make service users more confident in using the product because there is enough information to finally have an interest in buying and realizing consumer behavior in shopping (Sa'ait et al., 2016). Thus, this study supports research conducted by Chowdhury, (2016) which explains that E-wom has an influence on online shopping behavior through online shopping interest, a study on the telecommunications industry in Bangladesh. In the seventh hypothesis, brand image has a positive and significant effect on online purchase intention. This means that the higher the interest in online shopping through a good brand image about the company, the higher the online shopping behavior of Shopee users will be. It can be seen that a good perception of the Shopee company causes respondents to shop online. This good perception encourages buying interest until it finally reaches online shopping behavior. Thus, this research supports the research conducted by Nugroho et al., (2022) which explains that the higher the image of a company, the higher the consumer behavior in shopping which is also influenced by the shopping interest factor. Both studies were conducted in India and got similar results. Most studies explain that a good image of a product or company will also have a good impact on consumer shopping behavior and consumer buying interest. So it can be seen together, that brand image is a very important component in influencing someone to make purchases.

CONCLUSION

This research can add to the literature related to electronic word of mouth, brand image, online purchase intention, and online shopping behavior because the findings from the study can help companies to further enhance a good image to get a good impact from users and get comfortable in using it. Shopee is an online shopping medium. The results of this study are expected to provide an overview of the company as a reference in determining targets and market expansion.

The limitations in this study are: (1) The variables used are limited, namely, two independent variables and one dependent variable (2) The data analysis technique only uses path analysis methods which are expected in future studies to be investigated using more complex methods (3) The sample used is limited, and does not cover the wider population. This research implies that the company is expected to be able to maximize the system used, maximize the promotions offered so as not to make customers disappointed, and can achieve customer satisfaction. Shopee is expected to continue to maintain a good image so that users do not hesitate to use Shopee as a medium for online shopping.

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