

The Influence of Brand Image and Electronic Word of Mouth on the Purchase Intention by Data Packages IM3 Prepaid Card for Generation Z in Surabaya

Alfi Syakilah Mayah Shafa^{1*}, Ugy Soebiantoro²

Management Study Program, Faculty of Economics and Business, National Development University "Veteran" East Java

Corresponding Author: Alfi Syakilah Mayah 20012010309@student.upnjatim.ac.id

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ABSTRACT

This research aims to determine the influence of brand image and electronic word of mouth on purchasing interest in prepaid IM3 card data packages. Brand image and electronic word of mouth are considered as factors that can influence a person's interest in purchasing a product. This research targets Generation Z who live in the Surabaya area, with a total of 99 respondents. The sampling technique used purposive sampling with the following respondent criteria: 1) have a smartphone, 2) have a social media account, 3) have a IM3 Simcard. Data analysis in this study using Partial Least Square. The results of this research show that: 1) Brand Image has no effect on purchasing interest in prepaid IM3 card data packages. 2) Electronic Word of Mouth has a positive and significant effect on purchasing interest in prepaid IM3 card data packages.

INTRODUCTION

Technological developments are currently being intensively developed. Each company has its own system to reach technological developments, one of which is the acceleration of the internet network. The growth of network signals in the world is one of the accelerations that must be immediately adapted and applied around the world, one of which is Indonesia. In 2021, Indonesia has entered the 5G network. However, its development and implementation have not gone well even until 2023. Therefore, the signal strength and speed owned by each *provider* in Indonesia are not the same.



Figure 1 Internet Penetration Rate by Generation Group
 Source : APJII

In 2024, the Association of Internet Service Providers Indonesia (APJII) said that there are around 221 million out of 278 million people in Indonesia who use the internet. Internet users in Indonesia are dominated by Generation Z with a percentage of 34.40%. This is because Generation Z is a generation that plays an important role in digital growth and has a digital orientation that understands social media and *websites*.

Therefore, Indonesia has various *providers* that oversee internet network signals, so that people can access the outside world without any obstacles. Choosing a *provider* that suits their needs can help people in overcoming the problems they have, such as exploring the world of education, looking for entertainment, or others. One of the considerations used by people to choose the prepaid card is *the brand image* and *electronic word of mouth*.

In 2022, the Association of Internet Service Providers Indonesia (APJII) conducted a survey of 7,568 respondents to find out the number of users from each *provider* in Indonesia. Not only that, at the beginning of 2023, APJII conducted a survey again on 8,510 respondents to review what mobile operators are often used by respondents.

There are differences in the results of the survey conducted by APJII on several respondents, when compared to the previous year. At the beginning of 2023, *Indosat Ooredoo* provider became the *second provider* with the highest number of users after *Telkomsel*. Then followed by *XL Axiata* in third place. In

2022, the most *provider* after Telkomsel is XL Axiata, followed by Indosat Ooredoo in third place. The increase in interest in using Indosat Ooredoo providers is motivated by the number of 4G BTS they are doing. Indosat Ooredoo added 4G BTS to 179,000 sites throughout Indonesia. This is done so that people can experience wider network coverage, good service quality, even indoors, and a faster internet experience.

PT. Indosat Ooredoo Hutchison Tbk or commonly known as Indosat Ooredoo is one of the telecommunications companies in Indonesia that combines two telecommunication providers between Indosat Ooredoo and Hutchison Tri. One of the offers owned by IM3 Prepaid is the Freedom Internet package which has various offers, ranging from daily, monthly, active period extensions and starter packs.

A good brand image of the company can make people interested in purchasing data packages on IM3. According to Kotler and Keller (2009), the meaning of brand image is a perception and trust of consumers, seen from associations that are rooted in the minds of consumers and will be remembered first when slogans are heard and permeated into the minds of consumers. Companies can form a brand image through slogans, symbols or logos in presenting their products as a differentiator from competitors' products.

In addition to the formation of a good brand image of the company, the role of *electronic word of mouth* formed by the public also affects the purchase interest in a product. *Electronic word of mouth* (e-WOM) comes from *word of mouth* which is done to form information that is shared with others, through reviews given online, either through social media or *e-commerce*. Through a simple logo and several reviews given by product users, potential buyers can see and get an idea of the product to be purchased and used.

LITERATURE REVIEW

Brand Image

According to Coaker (2021), Tharpe (2014), and Simonson & Schmitt (2009) expressed their opinion in the sense of *brand image*, which is a collection of perceptions of the brand that are reinterpreted and presented in the form of information and experiences of consumers and customers in the past towards the intended brand (Wardhana 2022). Therefore, (Putra, Ridwan, and Kalvin 2020) argue that the creation of a strong brand and can be positively accepted by the community, is based on the placement of a *brand image* in the minds of consumers that is carried out continuously. There are 3 indicators of *brand image* stated by Kotler (2019, 239) in (Firmansyah and Purwanto 2022), including:

- a. *Corporate Image*
- b. *User Image*
- c. *Product Image*

Electronic Word of Mouth

According to (Hennig-Thurau et al. 2004), *electronic word of mouth* means an activity in disseminating information from word of mouth online, which can give rise to positive or negative arguments from consumers, both regular, potential and former consumers, regarding a marketing carried out by the company and shared online. There are 14 indicators from 5 dimensions in *electronic word of mouth* expressed by (Sernovitz 2012), including:

- a. The Talkers dimension with several indicators, including:
 1. Happy to talk about
 2. Happy in sharing experiences
 3. Happy in providing recommendations
- b. Topics with several indicators, including:
 1. New variants
 2. Good packaging
 3. Discount
 4. Special offers
 5. Tools with several indicators, including: Through social media
 6. Email/SMS messaging
- c. Taking Part (participation) with several indicators, including:
 1. Responding to suggestions and criticisms from customers
 2. Participate and join the discussion via social media
- d. Tracking (supervision) with several indicators, including:
 1. Read online written discussions
 2. Receiving feedback and criticism
 3. Using advanced measurement tools to convey a message (*word of mouth*).

Purchase Intention

According to (Kotler and Keller 2016), the definition of Purchase Intention is the emergence of consumer behavior in purchasing a product based on the experience of other consumers when using the product. There are 4 indicators of Purchase Intention expressed by (Ferdinand 2006), including:

1. Transactional Interest
2. Referential Interest
3. Preferential Interest
4. Exploratory Interest.

The Influence of Brand Image on Purchase Intention

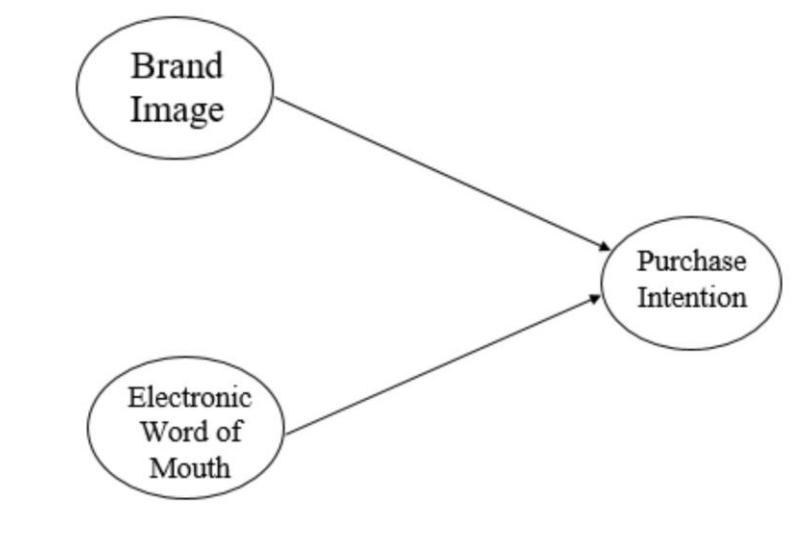
According to (Putu and Dewi 2023), the better a *brand image* on a product, able to increase Purchase Intention from consumers. One of the factors that can play an important role in the Purchase Intention of consumers, is the good *brand image* that exists, so that companies are able to pay attention and build a *brand image* in the minds of consumers. This is in line with previous research conducted by Kuswibowo and Murti (2021) that there is a positive and significant influence between *brand image* and Purchase Intention in the Online Shop application.

H1: Brand Image Affects Purchase Intention

The Influence of Brand Image on Purchase Intention

According to (Putu and Dewi 2023), e-wom can provide the view that a product is able to make new discoveries by participating in major activities that aim to market its products as well as creating advertisements and content that interesting, while still providing information about the product. This is in line with previous research conducted by Reza Dwi Firmansyah and Sugeng Purwanto (2022) which showed that the results of eWOM had a positive effect on Purchase Intention in Dowry Agung Wedding Organizers.

H2: *Electronic Word of Mouth has an effect on Purchase Intention*



Picture 2. Conceptual Framework

METHODOLOGY

This study uses a quantitative method with the Partial Least Square technique. The population used is Generation Z in the Surabaya area. The sample taken, namely Generation Z in the Surabaya area, with the following criteria: 1) Have a *Smartphone*, 2) Have a social media account, 3) Have a prepaid IM3 Simcard. *The Nonprobability Sampling* technique, with *the Purposive Sampling* method is used as the sampling technique in this study. The sample determined by the author is based on calculations through a formula according to Hair by looking at the number of indicators multiplied by 5 to 10 (Hair Jr et al., n.d.). The total indicators used by the researcher are 11 and will be multiplied by 9 to get the required sample, which is 99 people. The distribution of *Google Form* through the use of ordinal scales with likert weighting, was taken as a data collection technique in this study (Sugiyono 2023). The data analysis methods used in this study include: validity and reality tests, descriptive statistical analysis and path analysis.

RESEARCH RESULT AND DISCUSSION

Table 2 Characteristics of Respondents by Gender

No.	Gender	Sum	Percentage
1.	Man	18	18,2%
2.	Woman	81	81,8%
TOTAL		99	100%

Source : Results of Questionnaire Distribution

When viewed from the table above, there are 81.8% of female respondents who are more interested in products from the IM3 Prepaid card when compared to male respondents, with a percentage of 18.2%.

Average Variance Extracted (AVE)

Table 3 Avarage Variance Extraced (AVE)

	Avarage Variance Extraced
Brand Image	0.788
Electronic Word of Mouth	0.562
Purchase Intention	0.670

Source : PLS Data Processing

The table above shows the values of *the average variance extracted (AVE)*. When the AVE value is greater than 0.5, it can be said to have good validity for the latent variable. In the table above, all the results of AVE on each variable show a number above 0.5.

Composite Reliability

Table 4 Composite Reliability

	Composite Reliability
Brand Image	0.768
Electronic Word of Mouth	0.809
Purchase Intention	0.857

Source : PLS Data Processing

In the table above, it can be seen that the *composite realibility* value on all variables in the study, shows a number above 0.70. This shows that all variables in this study are **reliable**.

R-Square

Table 5 R-square

	R-square
Purchase Intention	0.559

Source : PLS Data Processing

In the table above, it is shown that the R-Square of the Purchase Intention variable, which is 0.559. This shows that Purchase Intention is influenced by Brand Image and Electronic Word of Mouth with a variant of

55.9%. Meanwhile, 44.1% was influenced by other variables outside the research.

Hypothesis

Table 6 Hypothesis Test

	Original Sample	P-values	Information
Brand Image -> Purchase Intention	0.096	0.888	Rejected
Electronic Word of Mouth -> Purchase Intention	0.598	0.000	Accepted

Source : PLS Data Processing

If you look at the table above, it can be concluded that:

1. Hypothesis 1: Brand Image has a positive effect on Purchase Intention in Generation Z **is rejected**, with *path coefficients* of 0.014 (positive), and T-statistics values of $0.140 < 1.96$ (from table values $Z\alpha = 0.05$) or P-values of $0.888 > 0.05$, with **insignificant results**.
2. Hypothesis 2: Electronic Word of Mouth has a positive effect on Purchase Intention in Generation Z **is acceptable**, with *path coefficients* of 0.741 (positive), and T-statistics values of $10.076 > 1.96$ (from table values $Z\alpha = 0.05$) or P-values of $0.000 < 0.05$, with **significant results**.

PLS Model Analysis

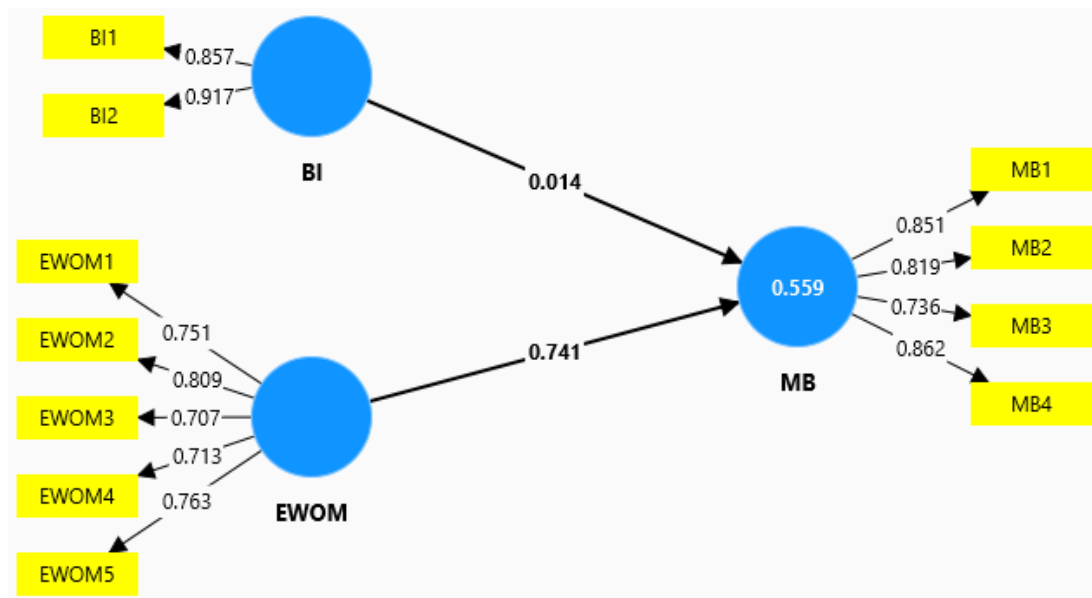


Figure 3 Outer Model PLS

The Influence of *Brand Image* on Purchase Intention

Based on the results of the research that has been written, it can be seen that the Brand Image variable is rejected and does not have an influence on Purchase Intention. Through the results of the questionnaire that has been distributed, it can be seen that the value of Factor Loading has the greatest impact on brand image on purchase intention, which is an indicator of product image. Although the product image in the form of logos, product attributes, slogans, or others that are easily recognized and remembered, does not guarantee a person to be interested in purchasing a product. These results are in line with previous research written by Birdah Iftah Rosyidah and Nuruni Ika (2023), showing that brand image has positive results, but not significantly on purchase intention.

The Effect of *Electronic Word of Mouth* on Purchase Intention

Based on the results of the research that has been described, it can be seen that the Electronic Word of Mouth variable is accepted and has an influence on Purchase Intention. Through the results of the questionnaire that has been distributed, it can be seen that the value of the Factor Loading has the greatest impact on electronic purchase intention, namely the indicator of special offers. Special offers offered by a product, will be attractive a person's interest in making a purchase. These

CONCLUSIONS AND RECOMMENDATIONS

Conclusions

The brand image that seems good from the IM3 Prepaid card, can make someone to discourage their interest in buying products from the prepaid card. This can be caused by the company's lack of effort in placing *the brand image* in the minds of consumers continuously. However, when a product gets a positive response through social media from someone who has used the product, there will be interest from someone to make a purchase on the product from the prepaid card. A good experience from previous users can help a person in arousing interest in purchasing products from the IM3 Prepaid card. The importance of *a good brand image* and *electronic word of mouth* can further encourage a person to arouse interest in buying a product.

Suggestions

The company is expected to be able to build a *brand image* that is in accordance with the vision and mission of the company, so that *the brand image* can be embedded in the minds of consumers, so as to create a positive impression that is able to move someone in recommending the products offered to others. In addition, the company is expected to be able to provide the best products according to the needs of the community, so that the company or potential users are able to get *feedback* on their products.

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