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THE INFLUENCE OF BRAND IMAGE AND WORD OF MOUTH ON PURCHASE INTENTION ON SERVICES OF PT. PROTOZA KREASI NUSANTARA JAKARTA

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Abstract

This study aims to determine: 1) Test and explain the influence of Brand Image on Purchase Intention at PT. Pratoza Kreasi Nusantara. 2) Testing and explaining the influence of Word of Mouth on Purchase Intention at PT. Pratoza Kreasi Nusantara. 3. Testing and explaining the influence of Brand Image on the Word of Mouth at PT. Pratoza Kreasi Nusantara 4) Testing and explaining the influence of Brand Image and Word of Mouth on Purchase Intention at PT. Pratoza Kreasi Nusantara. Data were collected through a questionnaire. Data analysis techniques are carried out by organizing and sorting data into patterns, categories, and basic description units so as to answer the research objectives. From the results of this study, it can be concluded that Brand Image is very important as a consumer basis for the Word of Mouth promo. The better the management of Brand Image, the higher the Word of Mouth, and vice versa, the lower the management of the Brand Image, the lower the Word of Mouth. The results of data analysis indicate that Word of Mouth has a positive and significant direct influence on Purchase Intention with a value of 6.58. Likewise, Brand Image and Word of Mouth have a positive and significant indirect influence on Purchase Intention with a value of 6.60> 1.96, as indicated from the coefficient of determination r square. Additionally, the influence of brand image and word of mouth on purchase intention has a value of 6.60%, while the remaining 3.40% is influenced by other factors.

Keywords: *Brand Image, Word of Mouth, Purchase Intention*

1. INTRODUCTION

The development of the business world has resulted in the expansion of a variety of different types of businesses, one of which is the event organizer (EO) business. These creative businesses include service businesses that organize or manage events such as music concerts, seminars, birthday parties, and weddings with the assistance of their employees' talents. The task of EO is to assist consumers (clients) in holding the requested event. This may be due to a variety of factors, including consumers' limited resources or time, but it may also be due to consumers' desire to be more successful, conceptualized, and professional than if they did it themselves. To reach the target consumer, EO must develop a strategy utilizing various forms of marketing.

Philip Kotler defines marketing as a social and organized process through which individuals or organizations obtain what they require or desire through the creation, offer and exchange of products or other forms of value with other people. In order to achieve this definition, various fundamental concepts must be considered, including: product requirements (goods, services, and ideas); value; costs; and customer satisfaction;

exchanges; transactions; relationships; networks; markets; as well as marketers and prospects (Kotler & Amstrong, 2004)(Wicaksono, 2010).

The development of EO has expanded significantly because the prospect to develop as a professional business is extremely vast, and millennials, in particular, are particularly interested in EO. The EO business prospect is quite potential, especially given the rising public demand for professional EO services. This creates a lot of competition in the EO business, as evidenced by the many new companies that have sprung up and are attempting to seize market share and new markets through various methods and innovations displayed in products or services, one of which is by creating a brand image for EO to support products or services to be known by the broader community.

This business will not develop if there are no factors in it that can attract consumers' interest, including: price factor, service quality and sales promotion. There are several factors that are the reason how a company sets competitive prices, carries out effective promotions and provides good and satisfying service quality from the products they offer to consumers. For this reason, companies that apply the marketing concept need to pay close attention to consumer behavior and the factors that influence their purchasing decisions, one of which is through Brand Image.

Consumers' attitudes toward the brand will improve as a result of a positive brand image being developed (Arli et al., 2017; Fan, 2019). When innovation and creativity are carried out, it is impossible to separate them from the brand image, which is considered a type of association that arises in the minds of consumers when considering a specific brand as a result of the results of creativity and innovation, especially in the service industry.

In light with the conditions of business competition are getting tougher, every company must be able to survive in their own way (Kusumawati, 2021), one of the things that must be done and paid attention to is retaining existing customers, and continuing to work on potential new customers so that these customers become customers. loyal to the company that was built, so as not to switch to similar companies, in other words the company must be able to maintain a brand image because a good brand image and easy to remember by consumers is a very important concept, especially in conditions of increasingly fierce competition (Aaker, 2012).

So far, PT. Pratoza Kreasi Nusantara has service quality and a good level of trust from consumers and is always recommended to the public to use its EO services because it has business legality and is reliable, but people are not familiar with the existence of EO conducted by PT. Pratoza Kreasi Nusantara. This is because the existence of EO is still relatively new and does not have many relationships.

PT. Pratoza Kreasi Nusantara's word-of-mouth promotion efforts have also been largely ineffective, as seen by the company's inability to reach the targeted consumers. The problem of insufficient human resources at PT. Pratoza Kreasi Nusantara is one of the factors that occur because the consumer target is related to the company's relative youth, even though the company adheres to industry standards in terms of packing in the form of EO packages, always providing excellent service, being honest, and resolving problems in the event of unwanted things.

PT. Pratoza Kreasi Nusantara offers a variety of services to attract customers, including wedding packages customized to the bride and groom's financial situation, complete packages, and affordable packages. This will encourage potential customers to

employ the service of PT. Pratoza Kreasi Nusantara, since it will make managing their time and finances easier. However, potential consumers are still uninterested in the products and services given by EOPT. Pratoza Kreasi Nusantara, owing to the lack of clarity in the information displayed. Due to the lack of promotional supporting components such as booklets or information outlining the products and services that will be supplied, potential consumers may have a difficult time deciding whether to learn about or use EO services.

As yet, the EO of PT. Pratoza Kreasi Nusantara has attempted to take action in order to pique the interest of customers in purchasing the products and services offered, but the number of EO consumers is still a relatively small amount.

2. THEORETICAL REVIEW

2.1. Brand Image

Brand Image is a way in which the overall perception of the brand and is formed in such a way from information and past events about the brand. The image of the brand is related to attitudes in the form of beliefs and tastes towards a brand. Consumers who have a positive image of a brand are more likely to make a purchase (Setiadi, 2003).

2.2. Word of Mouth

Word of Mouth as stated by (Philip & Kevin, 2007) is a communication process in the form of providing recommendations both individually and in groups for a product or service that aims to provide personal information so that the desired process runs as expected. The WOM strategy or what we usually call the word-of-mouth strategy is a traditional strategy that has been used for years and is the most common among the public, especially novice businessmen, this promotion is also the lightest and most effective for novice businessmen.

2.3. Purchase Intention

Purchase intention is something that cannot be separated from the theory of consumer purchasing decisions, because intention is one of the final processes of purchasing decisions from consumers who want something. According to Fishbein and Ajzen (1975) in (Handika & Sudaryanti, 2017), Intention is a desire or how someone will respond to certain situations in certain ways whether someone will do it or not depending on the final decision. The definition of purchase intention is to consider the desires that are in accordance with a brand and in general based on the suitability between purchase motives with the attributes or characteristics sought from the brand so that a buying decision process occurs (Belch & Belch, 2004).

3. RESEARCH METHOD

This research includes a type of quantitative research. Meanwhile, data analysis method using Structural Equation Modeling- Partial Least Square (SEM-PLS) software Smart PLS version 3. The population in this study are people who are interested and ask for information either directly or indirectly to the marketing of PT. Pratoza Kreasi Nusantara in the period of January - December 2019. Sampling techniques to determine the samples to be used in

this study using purposive sampling techniques is one of the non-random sampling techniques where researchers determine sampling by establishing special characteristics that are in accordance with the purpose of the study with the number of samples as many as 95 respondents. The test stages are validity test, reliability test, inner model includes convergent validity, discriminant validity, composite validity, Cronbach's alpha, while outer model includes path coefficient test and hypothesis test.

4. RESULT AND DISCUSSION

4.1. Research Result

4.1.1. Validity Test

Based on the research that has been done, the results of the Validity Test are obtained*Brand Image*(X1), Word of Mouth (X2) and Purchase Intention (Y) in Table 1.

Table 1. Brand Image Validity Test (X1), Word of Mouth (X2) and Purchase Intention (Y)

Brand Image Validity Test (X1)

Indicator	$r_{statistic}$	r_{table}	Description
X1.1	,819	0,202	Valid
X1.2	,754	0,202	Valid
X1.3	,663	0,202	Valid
X1.4	,825	0,202	Valid
X1.5	,755	0,202	Valid
X1.6	,754	0,202	Valid
X1.7	,762	0,202	Valid

Word of Mouth Validity Test (X2)

Indicator	$r_{statistic}$	r_{table}	Description
X2.1	,664	0,202	Valid
X2.2	,751	0,202	Valid
X2.3	,734	0,202	Valid
X2.4	,644	0,202	Valid
X2.5	,839	0,202	Valid
X2.6	,763	0,202	Valid
X2.7	,815	0,202	Valid

Purchase Intention Validity Test (Y)

Indicator	$r_{statistic}$	r_{table}	Description
Y.1	,651	0,202	Valid
Y.2	,634	0,202	Valid
Y.3	,764	0,202	Valid
Y.4	,820	0,202	Valid
Y.5	,738	0,202	Valid
Y.6	,828	0,202	Valid
Y.7	,828	0,202	Valid
Y.8	,798	0,202	Valid
Y.9	,811	0,202	Valid
Y.10	,790	0,202	Valid

Indicator	r-statistic	r-table	Description
Y.11	,764	0,202	Valid

4.1.2. Reliability Test

Table 2 Reliability Test Result

Variable	Cronbach Alpha	Critical Value	Information
Brand Image	0.879	0.60	Reliable
Word of Mouth	0.872	0.60	Reliable
Purchase Intention	0.932	0.60	Reliable

4.1.3. Inner model

a. Convergent Validity

Table 3 Outer loading

Variable	Indicator	Outer Loading
Brand Image (X1)	X1.1	0.819
	X1.2	0.754
	X1.3	0.663
	X1.4	0.825
	X1.5	0.755
	X1.6	0.754
	X1.7	0.762
Word of Mouth (X2)	X2.1	0.664
	X2.2	0.751
	X2.3	0.734
	X2.4	0.644
	X2.5	0.839
	X2.6	0.763
	X2.7	0.815
Purchase Intention (Y)	Y1	0.651
	Y2	0.634
	Y3	0.764
	Y4	0.820
	Y5	0.738
	Y6	0.828
	Y7	0.828
	Y8	0.798
	Y9	0.811
	Y10	0.790
	Y11	0.764

b. Discriminant Validity

Table 4 Crossloading Results

Indicator	X1	X2	Y
X1.1	**0.820**	0.560	0.590
X1.2	**0.750**	0.580	0.600
X1.3	**0.660**	0.470	0.450
X1.4	**0.820**	0.510	0.380
X1.5	**0.760**	0.490	0.440
X1.6	**0.750**	0.540	0.440

Indicator	X1	X2	Y
X1.7	**0.760**	0.650	0.540
X2.1	**0.530**	0.660	0.530
X2.2	**0.620**	0.750	0.600
X2.3	**0.440**	0.730	0.650
X2.4	**0.410**	0.640	0.530
X2.5	**0.520**	0.840	0.700
X2.6	**0.620**	0.760	0.580
X2.7	0.590	0.820	**0.620**
Y1	0.480	0.590	**0.650**
Y2	0.440	0.570	**0.630**
Y3	0.530	0.570	**0.760**
Y4	0.410	0.700	**0.820**
Y5	0.470	0.600	**0.740**
Y6	0.550	0.560	**0.830**
Y7	0.610	**0.670**	0.830
Y8	0.540	0.630	**0.800**
Y9	0.520	0.640	**0.810**
Y10	0.520	0.630	**0.790**
Y11	0.450	0.570	**0.760**

c. AVE

Table 5 AVE Value

Variable	AVE
Brand Image (X1)	**0.583**
Word of Mouth (X2)	**0.559**
Purchase Intention (Y)	**0.591**

d. Composite Reliability

Table 6 Composite Reliability Value

Variable	Composite Reliability
Brand Image (X1)	0.907
Word of Mouth (X2)	0.898
Purchase Intention (Y)	0.940

e. Cronbach's Alpha

Table 7 Cronbach's Alpha Value

Variable	Cronbach's Alpha
Brand Image (X1)	0.880
Word of Mouth (X2)	0.866
Purchase Intention (Y)	0.930

4.1.4. Outer model

a. Path Coefficient Test

Table 8 R-Square Value

Variable R-Square Value	R-Square Value
Purchase Intention	0.660
Word of Mouth	0.515

b. Hypothesis testing

Table 9 Path Coefficient

Influence	Original Sample	Mean Sample (M)	Standard Deviation (STDEV)	T-Statistics (O-STDEV)	*P.* Value	Results
Brand Image =>Purchase Intention	0,161	0,165	0,101	1,590	0,112	Insignificant
Brand Image =>Word of Mouth	0,718	0,733	0,065	10,991	0	Significant
Word of Mouth => Purchase Intention	0,689	0,687	0,105	6,58	0	Significant

4.2. Discussion

4.2.1. The Influence of Brand Image on Purchase Intention

According to the result, it is obtained the result of Original Sample = 0,161, T Statistics = 1,590, P Values = 0,115 (< 0,05). This result indicates that the influence of Brand Image on Purchase Intention is not significant.

4.2.2. The Influence of Brand Image on the Performance of Word of Mouth

According to the result, it is obtained the result of Original Sample = 0,718, T Statistics = 10,991, P Values = 0,000. Which means that the influence of Brand Image on Word of Mouth is significant. Thus, H2 in this study was accepted. Therefore, it can be concluded that the Brand Image of the Word of Mouth is going well with the presence of a Brand image, and the Word of Mouth is accepted

4.2.3. The Influence of Word of Mouth on Purchase Intention

According to the result, it is obtained the results of Original Sample = 0,689, T Statistics = 6,580, P Values = 0,000. Which means that the influence of word of mouth on Purchase Intention is significant. Thus, H3 in this study was accepted. Therefore, it can be concluded that the Word of Mouth can increase Purchase Intention.

4.2.4. The influence of Brand Image and Word of Mouth on Purchase Intention

According to the result, the value of the influence of Brand Image and Word of Mouth on Purchase Intention = 0,660, this value is found in the coefficient of determination r square, this shows that the influence of Brand Image and Word of Mouth on Purchase Intention is significant. Thus, H4 in this study is accepted, which means that the influence of Brand Image and Word of Mouth can increase Purchase Intention.

5. CONCLUSION

To sum up everything that has been stated so far, it can be conclude that:

1. The results of data analysis indicate that Brand Image has no influence and is not significant to the Purchase Intention of 1,590. This is due the T Statistics variable of Brand Image on purchase Intention is 1,590, and because the T-statistic value < 1.96, then the hypothesis is rejected. Therefore, it can be stated that if the Brand Image is bad, it will affect the decrease in Purchase Intention, and vice versa, if the Brand Image is good then affects the increase in Purchase Intention.
2. The results of data analysis show that Brand Image has a positive and significant direct influence on Word of Mouth by 10,991. This is due the T-Statistics between the Organizational Brand Image variable and the Word of Mouth of 10,991 or > 1,96. With a probability value of 0,006 which is smaller than 0,05 or (0,000) < cut of value (0,05). Hence, it can be concluded that Brand Image is very important as a consumer basis for Word of Mouth promos. The better the management of the Brand Image, the more Word of Mouth will increase, and vice versa if the management of the Brand Image poor, the Word of Mouth will also be lower.
3. The results of data analysis show that Word of Mouth has a direct positive and significant influence on Purchase Intention of 6,58. This is due the T-Statistic between the Word of Mouth variable and Purchase Intention of 6,58 or > 1,96. With a probability value of 0,105 which is greater than 0,05 or (0,000) < cut of value (0,05). Therefore, it can be interpreted that word of mouth has an important role in increasing Purchase Intention. With a high Word of Mouth, it will have an influence on increasing Puchase Intention which is getting better. On the other hand, if the Word of Mouth is low, it will have an impact on decreasing Purchase Intention.
4. The results of data analysis show that Brand Image and Word of Mouth have a positive and significant indirect influence on Purchase Intention 6,60 > 1,96. This is due the coefficient of determination r square. This shows the influence of brand image and word of mouth on purchase intention of 6,60%, while the remaining 3,40% is influenced by other factors.

Suggestion

1. Judging from the problems contained in this research, it is expected that PT. Pratoza Kreasi Nusantara further improves the indicators contained in the Brand image, especially for the location / presence of the office which is considered less strategic, and continues to innovate both quality and quality.
2. The EO of PT Pratoza Kreasi Nusantara is expected to always provide excellent service to prospective customers and facilitate the booking process without having

to visit the office location or always provide service to visit the consumer's residence every consumer wants to ask details about eo products and services.

3. This research is expected to have a beneficial impact on PT. Pratoza Kreasi Nusantara's EO, as a more well-known brand image will facilitate the Word of Mouth promotion process, hence increasing consumers' purchasing intention.

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