

Electronic Word of Mouth, Perceived Price, and Brand Image Increasing Purchase Intention in RedDoorz Indonesia Through Perceived Service Quality as Intervening Variable

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Abstract

To analyze the direct and indirect effects of electronic word of mouth, perceived price, brand image, perceived service quality, and purchase intention variables. The research was conducted on users of the RedDoorz Application in Indonesia. Collecting data with instruments that have been tested for validity and reliability, by a questionnaire distributed via google form using accidental sampling technique. A total of 330 samples were collected, the data was processed by SEM using SmartPLS 3.2.9. There is a significant positive effect of Electronic Word of Mouth, Perceived Price, Brand Image on Perceived Service Quality, and Purchase Intention. The variable that has the most direct influence on Purchase Intention is Perceived Price, and the indirect influence through perceived service quality is Brand Image.

Keywords: *Electronic Word of Mouth, Perceived Price, Brand Image, Perceived Service Quality, Purchase Intention.*

A. INTRODUCTION

Over the last 5 years, Indonesia has experienced a rapidly growing VHO (Virtual Hotel Operator) trend. The advancement of the VHO business cannot be separated from the lifestyle of modern society, especially the millennial generation who likes to travel with minimal costs or budget travel but still with good facilities and quality. RedDoorz is one of the largest online budget lodging networks in Indonesia which is well known to the public and has a website or mobile application to make it easier for customers to book rooms. RedDoorz Indonesia hotel units have many types, from koolkost, hostel, apartment, residence, premium, to luxury. RedDoorz is spread across 50 cities throughout Indonesia with more than 1000 properties and more than 30,000 rooms. RedDoorz offers free breakfast, free laundry, free wifi, to a swimming pool. Even though RedDoorz's business is only 6 years old, many guests have stayed for various purposes such as business purposes, vacations, and even staycations.

One of the goals of marketing activities is to increase purchase intention, namely something obtained from the learning process and thought processes that form a perception. This buying interest creates a motivation that continues to be recorded in his mind and becomes a very strong desire which in the end when a consumer has to

fulfill his needs will actualize what is in his mind (Oliver, 2007). When someone uses the Internet to find information about a product or service through a particular application and then finds positive or negative opinions made by potential customers or former customers about the product or company that is intended for many people or institutions via the internet (Hennig-Thurau et al., 2004). The influence of electronic word of mouth also occurs on the brand image attached to a product, this is in line with research conducted by (Chan & Ngai, 2011) which states that electronic word of mouth can increase marketing effectiveness. Because brand image is the perception given by consumers to the product brands they use, either in the form of goods or services. According to (Kotler & Keller, 2009) states that a brand is a name, term, symbol, or design, or a combination thereof, which is intended to identify the goods or services of one seller or group of sellers and to differentiate them from competitors.

In addition, perceived service quality can also affect consumers' purchase intentions. In a hotel service company, the perception of service quality is one of the strategies in achieving hotel guest satisfaction. The company's success in providing the best service to its customers, achieving high market share, and increasing company profits is largely determined by the service approach used (Parasuraman et al., 1985). Perceived Service Quality according to (Grönroos, 1984) is the result of the customer evaluation process of a company, where customers compare customer desires and expectations with what the company has provided to customers.

B. LITERATURE REVIEW

Electronic Word of Mouth

Through online discussion consumers no longer need to communicate face-to-face to find the desired information. Consumers just need to sit and stare at the screen of a telecommunications device that can provide direct access to the internet. Along with the emergence of virtual communities in social media sites on the internet, a new term emerged the evolution of WOM, namely electronic word of mouth (e-WOM). Electronic word of mouth (eWOM) refers to any positive or negative statement made by a potential customer, actual customer, or former customer about a product or company, which is available to many people and institutions over the Internet according to (Hennig-Thurau et al., 2004) Consumers also use the experience of others as their reference when they want to buy a good or service before finally deciding to make a purchase, (Evans & McKee, 2010) the Internet allows to share information and opinions from both Business to Consumer and Consumer to Consumer. Meanwhile, according to (Kotler & Keller, 2016) some marketers emphasize on two special forms of word of mouth or word of mouth (buzz and viral). That way it can be concluded that from the exposure of the definition above electronic word of mouth is a medium where consumers get the opportunity to exchange ideas and information about their experience about a product that has been used through internet media.

Brand Image

Image is something that is abstract because it relates to beliefs, ideas and impressions obtained from a particular object either felt directly, through the five senses or getting information from a source. Imagery can be a positive response in the form of support, participation, active role and other positive actions and can also be a negative response in the form of rejection, hostility, hatred or other negative forms. According to a translation of the Collins English Dictionary cited in the book *Public Relations Strategy* describes the definition of imagery as an image of the mental and ideas generated by imagination or personality shown to the public by a person, organization, and so on (Oliver, 2007) Understanding about brand image according to (Kotler & Keller, 2009) is a person's beliefs, ideas, and impressions of something. So it can be concluded that the brand image is the public's perception of the product or service. Brand image is influenced by many factors that are beyond the control of the company.

Perceived service quality

The success of the company in providing the best service to its customers, the achievement of high market share, and the increase in company profits is largely determined by the service approach used (Parasuraman et al., 1985) Perceived Service Quality according to (Grönroos, 1984) is the result of the process of evaluating customers to a company, where customers compare customer desires and expectations with what the company has given to customers. According to (Zeithaml & Bitner, 2000) stated that Perceived service quality can be defined as the consumer's perception of the overall quality or superiority of a product or service related to what is expected by consumers and is a component of brand value therefore perceived service quality will encourage consumers to prefer the brand over competitors.

Purchase Intention

Purchase intention is the tendency of individuals to take actions related to purchases. Purchase intention according to (Ferdinand, 2002) is a mental statement of the consumer that reflects the plan to buy a number of products with a certain brand. While according to (Kotler & Keller, 2009) purchase intention is a behavior that arises in response to objects that indicate the consumer's desire to make a purchase. And according to (Assael, 2001) Purchase intention is the tendency of consumers to buy a brand or take an action related to the purchase as measured by the level of likelihood of consumers making a purchase.

Relationship of Electronic word of mouth to Perceived Service Quality

Electronic word of mouth (eWOM) refers to any positive or negative statement made by a potential customer, actual customer, or former customer about a product or company, which is available to many people and institutions over the Internet according to (Hennig-Thurau et al., 2004) Perceived service quality can be defined as a consumer's perception of the overall quality or excellence of a product or service that is related to what is expected by the consumer and is a component of brand value (Zeithaml & Bitner, 2000) Consumers who write reviews on the application provide detailed information about the places they visit complete with conditions, atmosphere, and service, thus providing potential customers to feel the perception of the quality of the place this is supported by research from (Amin & Nika, 2019; Susilowati & Sugandini, 2020) who said that e-WOM has a positive and significant influence on perceived service quality. So, it can be hypothesized that:

H₁: Electronic word of mouth directly affects Perceived Service Quality

Relationship of Brand Image to Perceived Service Quality

According to (Kotler & Keller, 2009) defines brand image is the perception and beliefs held by consumers, as reflected by the association and instilled in the consumer's mind, which is always remembered first when hearing the slogan and embedded in the consumer's mind. Often consumers make brand image as an indicator of quality in a product or service. If the brand image of a company has a good advantage in the minds of consumers, then consumers will have a good perception of quality. This is supported by research (Cheong & Jang, 2013) which says that the results of brand image research have a positive and significant influence related to perceived service quality. So, it can be hypothesized that:

H₂: Brand Image has a direct influence on Perceived Service Quality

Relationship of Electronic word of mouth to Purchase Intention

If the previous consumer feels satisfied then the consumer has the desire to share their positive experience so that it will add positive reviews that can be seen by other consumers for reference. Buying interest is influenced by recommendations, suggestions and reviews received by respondents or prospective consumers, with the more often prospective consumers collect information with credibility and good quality of information, it will increase the tendency towards buying interests. This is supported by research (Cahyono et al., 2016; Demante & Dwiyanto, 2019; Jalilvand & Samiei, 2012; Kala & Chaubey, 2018; Pentury et al., 2019; Sparks & Browning, 2011) which says that electronic word of mouth has a positive and significant influence on purchase intentions. So, it can be hypothesized that:

H₃: Electronic word of mouth directly affects purchase intention

Relationship of Brand Image to Purchase Intention

A good brand image is one of the company's assets, because many literature studies say that brands will affect every consumer perception and this will also give a positive impression to the company. One of the factors that affect a person's intention to make a purchase intention is a good brand image of the company, therefore what is understood will be used as a determinant of consumer attitudes and actions towards a brand. This is supported by several researchers namely (Chrysnaputra, 2020; Indra, 2018; Jalilvand & Samiei, 2012; Kussudyarsana, 2020; Putri, 2018; Torlak et al., 2014; Wang & Tsai, 2014) who mentioned that the results of his research brand image has a positive and significant influence on purchase intentions. So it can be hypothesized that:

H₄: Electronic word of mouth directly affects purchase intention

Relationship of Perceived Service Quality to Purchase Intention

Perceived Service Quality has an influence on Purchase Intention. Consumers always pay attention to the quality of a good or service, because the quality they get must match what they pay. That way it can be said that perceived service quality is one of the factors that can increase the buying interest of a consumer. This is supported by research (Nurcahyo, 2017; Eman *et al.*, 2018; Indra, 2018; Demante and Dwiyanto, 2019; Kussudyarsana, 2020) stated that perceived service quality has a positive and significant influence on purchase intentions. So, it can be hypothesized that:

H₅: Perceived service quality directly affects Purchase Intention

Relationship of Electronic word of mouth to Purchase Intention through Perceived Service Quality

Not many studies have analyzed the electronic word of mouth relationship with purchase intention through perceived service quality, but there are two studies (Demante & Dwiyanto, 2019; Indra, 2018) mentioned that the results of his research showed electronic word of mouth purchase intention through Perceived Service Quality significantly affects indirectly. This happens because in increasing the buying interest of prospective customers, there is a good bond between prospective customers towards the company and the perception built in the minds of prospective customers. So, it can be hypothesized that:

H₆: Electronic word of mouth has an indirect effect on Purchase Intention through perceived service quality

Relationship of Brand Image to Purchase Intention through Perceived Service Quality

Not many studies have analyzed brand image of purchase intention through perceived service quality. Some argue that brand image has a direct impact on purchase intentions. Others argue that brand image influences the intention of purchases through perceived quality. In research (Suraputra and Suardana, 2019) viewed that brand image can affect buying interest. Supported by research (Kussudyarsana, 2020) that has the results of brand image significantly affects the intention of buying interest through perceived quality. So, it can be hypothesized that:

H₇: Brand image has an indirect effect on Purchase Intention through perceived service quality

C. METHOD

Population and sample

This type of research is quantitative research with data obtained from the filling of questionnaires as measured by 7 likert scale options. The research was conducted by spreading the research questionnaire to guests who booked through the RedDoorz Indonesia application with a deployment time in May – July 2021 as many as 300 respondents. Accidental sampling technique.

Operational Definition

Table 1. Operational Definition

| Research Variables | Definition of Variables | Indicator |
|-----------------------------|---|---|
| X1 Electronic Word of mouth | Electronic word of mouth is a positive or negative statement made by consumers through internet media related to the advantages or experience of buying or using a product or service. | <ol style="list-style-type: none"> 1. Platform Assistance 2. Venting Negative Feelings 3. Concern for Other Consumers 4. Extraversion/ Positive Self-Enhancement 5. Social Benefits 6. Helping The Company 7. Advice Seeking |
| X2 Brand Image | Brand image is the perception and belief held by consumers, as reflected by the association and instilled in the consumer's mind, which is always remembered first when hearing the slogan and embedded in the consumer's mind. | <ol style="list-style-type: none"> 1. Favorability of Brand 2. Strength of Brand 3. Uniqueness of Brand |

| | | | | |
|----|--------------------|---------|---|---|
| Y1 | Perceived Quality | Service | Perceived service quality can be defined as a consumer's perception of the overall quality or excellence of a product or service related to what is expected by the consumer. | <ol style="list-style-type: none"> 1. Tangible 2. Realibility 3. Responsiveness 4. Assurance 5. Emphaty |
| Y2 | Purchase Intention | | Buying interest is a mental statement from the consumer that reflects the purchase plan of a number of products with a particular brand. | <ol style="list-style-type: none"> 1. Transactional interests 2. Referensial interests 3. Preferensial interests 4. Exploratory interests |

In the research instrument, the product quality variable consists of 19 questions, electronic word of mouth variable 7 questions, brand image variable 3 questions, perceived service quality 5 questions and purchase intention variable 4 questions. The collected data is then processed using structural equation modeling (SEM) methods with SmartPLS 3.2.9 software as a calculation tool. Modeling of structural equations in this study is shown in the following image:

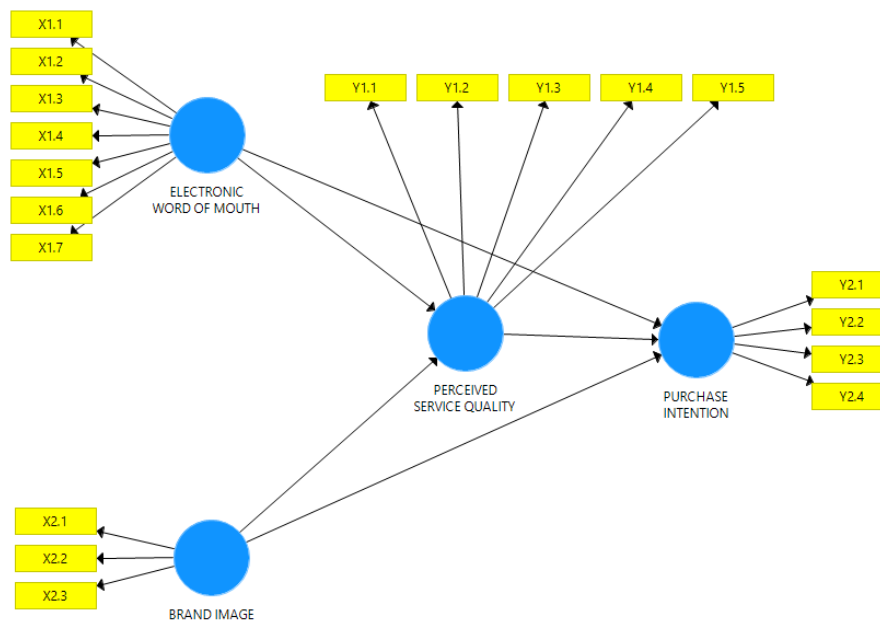


Figure 1. Structural Models

D. RESULTS AND DISCUSSIONS

Description of Respondent Data

The results of descriptive analysis showed that of the 300 respondents, the dominant respondents were women as many as 183 people (61%), while a small percentage of respondents were men as many as 117 people (39%). It is seen that based on age, the dominant respondents are the age of 18-25 years as many as 169 people (56%), and the age of >25 years as many as 131 people (44%). Based on the work that the majority of RedDoorz Indonesia customers are employees of 144 people (48%), students as many as 121 people (40%), and others as many as 35 people (11%). Based on the use of the RedDoorz application to book rooms as many as 147 people (49%) with a frequency

of use 2-5 times, for the use of >5 times as many as 87 people (29%) and use as much as 66 people (22%).

Table 1. Characteristics of Respondents

| Character | Information | Sum | % |
|-----------------------------|---------------|-----|-----|
| Gender | Man | 117 | 39% |
| | Woman | 183 | 61% |
| Age | 18 - 25 years | 169 | 56% |
| | 25 - 50 years | 102 | 34% |
| | > 50 years | 29 | 10% |
| Work | Student | 121 | 40% |
| | Employee | 144 | 48% |
| | Other | 35 | 11% |
| Use of RedDoorz Application | First | 87 | 29% |
| | 2-5 times | 147 | 49% |
| | > 5 times | 66 | 22% |

Evaluation of Measurement Model (Outer Model)

Measurements on model evaluation are divided into three test stages such as the kovergen validity test, composite reliability test and discriminant validity test. Here is a review of each test on the evaluation of the measurement model.

Convergent validity test

A convergent validity test is an assessment of the extent to which each indicator reflects/describes its variables. Indicators are said to be good if they are able to describe the variables correctly at least 50%. Measuring convergent validity is to look at the outer loading value of each statement. In general, the minimum value of outer loading is 0.708 because the square number of (0.7082) is equal to 0.50. However, in some cases, an outer loading value of 0.70 is still acceptable as it is considered close to 0.7(Hair et al., 2014)

Table 2. Convergent Validity Test Results

| Variabel | Indikator | Outer Loading | Cronbach's Alpha | Composite Reliability | Average Variance Extracted (AVE) | Conclusion |
|-------------------------------|-----------|---------------|------------------|-----------------------|----------------------------------|------------|
| Electronic Word of Mouth (X1) | X1.1 | 0.76 | 0.773 | 0.869 | 0.689 | Good |
| | X1.2 | 0.797 | | | | |
| | X1.3 | 0.783 | | | | |
| | X1.4 | 0.788 | | | | |
| | X1.5 | 0.705 | | | | |
| | X1.6 | 0.709 | | | | |

| | | | | | | |
|--------------------------------------|------|-------|-------|-------|-------|------|
| | X1.7 | 0.794 | | | | |
| Brand Image (X2) | X2.1 | 0.837 | | | | |
| | X2.2 | 0.883 | 0.88 | 0.907 | 0.582 | Good |
| | X2.3 | 0.765 | | | | |
| | | | | | | |
| Perceived Service Quality (Y1) | Y1.1 | 0.828 | | | | |
| | Y1.2 | 0.839 | | | | |
| | Y1.3 | 0.841 | 0.896 | 0.923 | 0.707 | Good |
| | Y1.4 | 0.823 | | | | |
| | Y1.5 | 0.873 | | | | |
| Purchase Intention (Y2) | Y2.1 | 0.856 | | | | |
| | Y2.2 | 0.88 | | | | |
| | Y2.3 | 0.9 | 0.900 | 0.931 | 0.77 | Good |
| | Y2.4 | 0.874 | | | | |

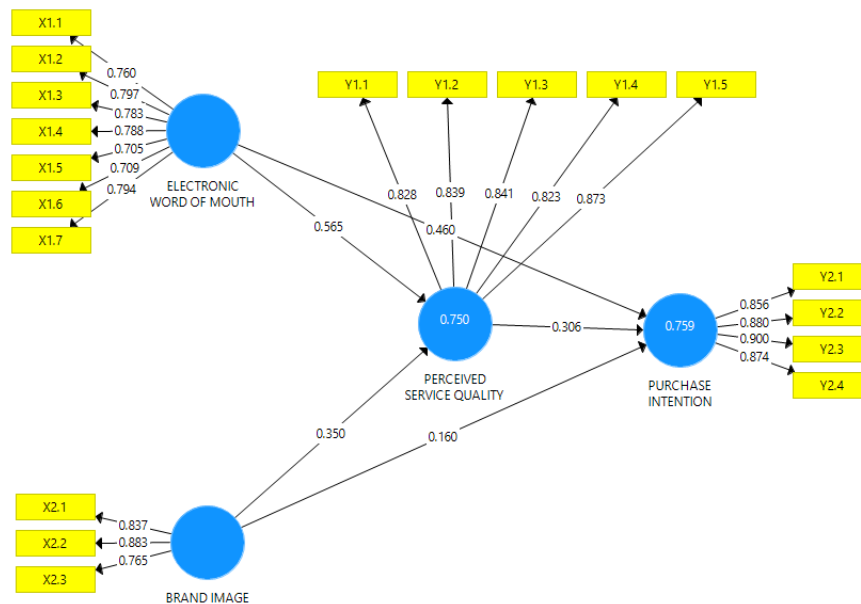


Figure 2. Output Loading Factor

Validity testing for reflective indicators can be done using the correlation between the indicator's value and its construct value. Measurements with thoughtful hands show a change in an arrow in a construct if other indicators on the exact construct change. Measure by looking at the loading factor value is considered to meet the criteria if the value > 0.7 (Hair et al., 2014). As in Table 2, the overall indicator has a loading factor above 0.708 and is adequate and meets the convergent value.

Discriminant Validity

The results of the study validity test can be known from the acquisition of discriminant validity values. The criteria that must be evaluated on discriminant validity are the results of cross loading factors. Discriminant validity on reflective indicators is used to compare cross loading values. In principle, the value of the discriminant validity of

different construct measurements does not have to be highly correlated. The indicators in this study are seen from the value of discriminant validity can be seen in Table 3

Table 3. Discriminant Validity Test Results

| Indicators | Brand Image | Electronic Word of Mouth | Perceived Service Quality | Purchase Intention | Conclusion |
|------------|--------------|--------------------------|---------------------------|--------------------|------------|
| X1.1 | 0.599 | 0.760 | 0.606 | 0.560 | Good |
| X1.2 | 0.633 | 0.797 | 0.796 | 0.668 | Good |
| X1.3 | 0.605 | 0.783 | 0.613 | 0.588 | Good |
| X1.4 | 0.679 | 0.788 | 0.633 | 0.660 | Good |
| X1.5 | 0.462 | 0.705 | 0.585 | 0.584 | Good |
| X1.6 | 0.558 | 0.709 | 0.540 | 0.518 | Good |
| X1.7 | 0.621 | 0.794 | 0.665 | 0.850 | Good |
| X2.1 | 0.837 | 0.663 | 0.654 | 0.648 | Good |
| X2.2 | 0.883 | 0.679 | 0.704 | 0.697 | Good |
| X2.3 | 0.765 | 0.599 | 0.606 | 0.538 | Good |
| Y1.1 | 0.654 | 0.656 | 0.828 | 0.632 | Good |
| Y1.2 | 0.693 | 0.716 | 0.839 | 0.696 | Good |
| Y1.3 | 0.607 | 0.771 | 0.841 | 0.673 | Good |
| Y1.4 | 0.701 | 0.687 | 0.702 | 0.716 | Good |
| Y1.5 | 0.667 | 0.688 | 0.691 | 0.716 | Good |
| Y2.1 | 0.676 | 0.728 | 0.823 | 0.856 | Good |
| Y2.2 | 0.667 | 0.725 | 0.873 | 0.880 | Good |
| Y2.3 | 0.698 | 0.739 | 0.742 | 0.900 | Good |
| Y2.4 | 0.630 | 0.760 | 0.735 | 0.874 | Good |

From the results of cross loading in table 3, it shows that the correlation value of the construct with its indicators is greater than the correlation value with other constructs. Thus, all constructs or latent variables already have good discriminant validity, where the indicators in the construct indicator block are better than indicators in other blocks.

Construct Reliability

The construct reliability test is measured through two criteria: Cronbach's Alpha and Composite Reliability from the indicator block that measures the construct. Construct is declared reliable if Cronbach's alpha and composite reliability values are above 0.70 (Hair et al., 2014). As seen in Table 2, the entire construct in the model has a value of Cronbach's Alpha and Composite Reliability >0.70. So that all statements on the indicator are reliable and adequate.

Evaluation of Structural Model (Inner Model)

The inner model can be evaluated by looking at the r-square (reliability indicator) for dependent construct and the t-statistical value of the path coefficient test. The higher the r-square value means the better the predictive model of the proposed research model. Path coefficients indicate a degree of significance in hypothesis testing.

Construct Multicollinearity Test

Table 4 shows all Variance Inflation Factor (VIF) inner values smaller than five so that it is concluded that all constructs are related to each other, and there is no multicollinearity disorder (Hair et al., 2014).

Table 4. VIF Inner Value

| Variable | Perceived Service Quality | Purchase Intention |
|---------------------------|---------------------------|--------------------|
| Brand Image | 2.559 | 3.047 |
| Electronic Word of Mouth | 2.559 | 3.832 |
| Perceived Service Quality | | 3.994 |

Coefficient of Determination (R-Square)

(Hair et al., 2014) states the value of R-squares for each endogenous variable as the predictive strength of a structural model used to explain the effect of a particular exogenous variable on an endogenous variable whether it has a substantive impact. The values of R-squares 0.75, 0.50, and 0.25 can be concluded that the model is robust, moderate, and weak. From the R-square value in Table 5, it shows that 75% of perceived service quality is influenced by the causative factors, namely Electronic word of mouth and brand image. Likewise, the Purchase intention variable of 75.9% is influenced by the Electronic word of mouth, brand image, and perceived service quality variables. Overall, the variable R-square value is above 0.75, indicating the model has strong strength (Hair et al., 2014).

Table 5. Value R-square

| Variable | R Square | R Square Adjusted |
|---------------------------|----------|-------------------|
| Perceived Service Quality | 0.750 | 0.748 |
| Purchase Intention | 0.759 | 0.756 |

Size Effect (F-Square)

Calculating the effect size (f^2) on the model to see if the omitted construct has a substantive impact on the endogenous construct of the construct (Hair et al., 2014). Effect size criteria f^2 , if the value of $f^2 = 0.02$ then the effect size is small, $f^2 = 0.15$, then the effect size is moderate and $f^2 = 0.35$ then the effect size is Good. Based on Table 6, the magnitude of the influence of the brand image variable on the perceived service

quality is > 0.15 , so the value is moderate. However, the impact of brand image on purchase intention is > 0.02 so the weight is small. Furthermore, Electronic word of mouth on perceived service quality > 0.35 so that the value is good. Meanwhile, the effect of the size of electronic word of mouth on purchase intention is > 0.15 , so the value is classified as moderate. And finally, the effect of perceived service quality on purchase intention is > 0.02 , so the value is relatively small.

Table 6. Value F-square

| Variable | Original Sample (O) | Conclusion |
|--|---------------------|------------|
| Brand image → Perceived Service Quality | 0.191 | Moderate |
| Brand image → Purchase Intention | 0.035 | Small |
| Electronic word of mouth → Perceived Service Quality | 0.498 | Good |
| Electronic word of mouth → Purchase Intention | 0.228 | Moderate |
| Perceived Service Quality → Purchase Intention | 0.097 | Small |

Accuracy of Prediction (Q-Square)

In (Hair et al., 2014) explained that the same as measuring the effect size, the guidelines for determining how much prediction accuracy is 0.02 (small), 0.15 (medium), and 0.35 (large). Based on Table 7, the value of the prediction accuracy of the Perceived Service Quality variable is 0.524 and the Purchase Intention is 0.579 which is greater than 0.30. So that both have great predictive accuracy.

Table 7. Value Q-square

| Variabel | Q ² | Conclusion |
|---------------------------|----------------|------------|
| Perceived Service Quality | 0.524 | Good |
| Purchase Intention | 0.579 | Good |

SRMR (Standardized Root Mean Square Residual)

According to (Hu & Bentler, 1999) the SRMR value is said to be adequate if the value is < 0.08 . In Table 8 the SRMR value is 0.073 which is smaller than 0.08. So the data has met the criteria. Thus, from the results of the SRMR value, the model in this study is fit.

Table 8. Value SRMR

| | Saturated Model | Estimated Model |
|------------|-----------------|-----------------|
| SRMR | 0.073 | 0.073 |
| d_ ULS | 1.003 | 1.003 |
| d_ G | 1.38 | 1.38 |
| Chi-Square | 1616.463 | 1616.463 |
| NFI | 0.69 | 0.69 |

Hypothesis Testing

Hypothesis testing is to find out if there are between variable influences in the model. The relationship between variables is significant if T-statistics are worth more than T-tables and P-values are less than 0.05 (Hair et al., 2014). In this study, the T-table used was 1.96. Table 9 contains path coefficient information along with T-statistical values and P-values obtained from smartPLS bootstrapping calculations. The information in this table becomes a reference in evaluating hypotheses.

Table 9. Path Coefficient Value

| Influence Between Variables | Original Sample (O) | Sample Mean (M) | Standard Deviation (STDEV) | T Statistics (O/STDEV) | P Values | Conclusion |
|---|---------------------|-----------------|----------------------------|--------------------------|----------|-------------|
| Direct Effect | | | | | | |
| Brand Image → Perceived Service Quality | 0.350 | 0.350 | 0.043 | 8.084 | 0.000 | Significant |
| Brand Image → Purchase Intention | 0.160 | 0.158 | 0.058 | 2.743 | 0.006 | Significant |
| Electronic Word of Mouth → Perceived Service Quality | 0.565 | 0.566 | 0.039 | 14.432 | 0.000 | Significant |
| Electronic Word of Mouth → Purchase Intention | 0.460 | 0.463 | 0.056 | 8.198 | 0.000 | Significant |
| Perceived Service Quality → Purchase Intention | 0.306 | 0.306 | 0.072 | 4.281 | 0.000 | Significant |
| Indirect Effect | | | | | | |
| Brand Image → Perceived Service Quality → Purchase Intention | 0.107 | 0.107 | 0.027 | 3.937 | 0.000 | Significant |
| Electronic Word of Mouth → Perceived Service Quality → Purchase Intention | 0.173 | 0.173 | 0.044 | 3.950 | 0.000 | Significant |

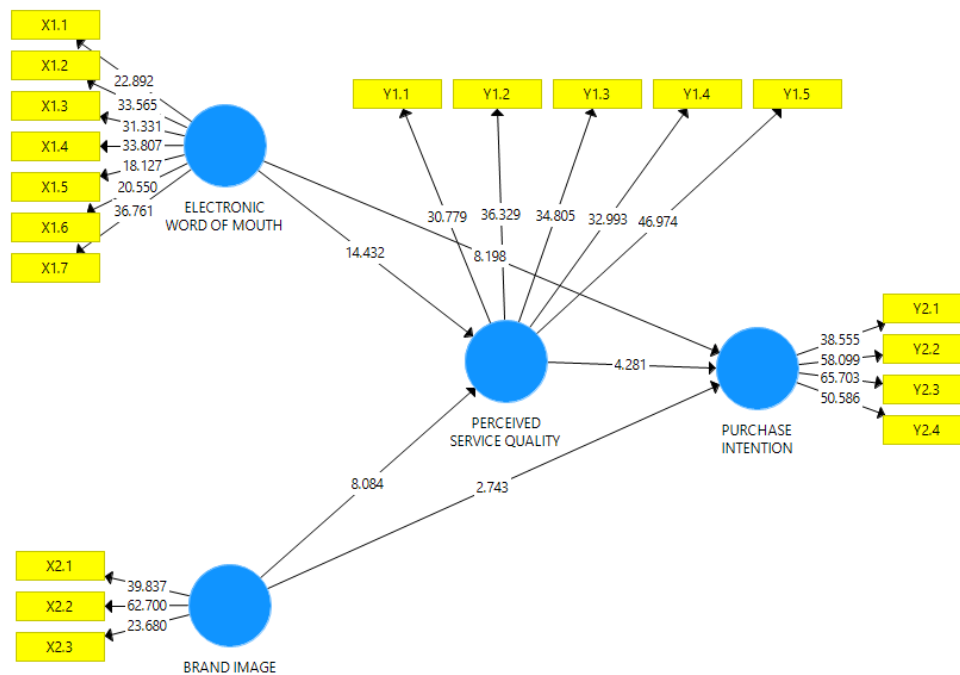


Figure 3. Output Bootstrapping

Direct Effect

Effect of electronic word of mouth on perceived service quality

The results of the first hypothesis test showed that the relationship between electronic word of mouth and perceived service quality had a path coefficient value of 0.565 (positive) with a statistical T is 14.432, which was more significant than T-table 1.96. Meanwhile, the value of the P-value is 0.000, which is smaller than 0.05. Thus it was concluded that the perceived service quality had a positive and significant effect on electronic word of mouth at RedDoorz Indonesia. The first hypothesis is accepted. Therefore, it can be said that the Service quality at RedDoorz Indonesia has been considered suitable to encourage electronic word of mouth communication. The results of this study follow previous research conducted by, found an influence between the electronic word of mouth to Perceived service quality on different objects.

The results of this study are in accordance with research (Amin & Nika, 2019; Susilowati & Sugandini, 2020) which proves that electronic word of mouth has a positive and significant impact on perceived quality. Feedback from consumers who have experience and provide comments on the RedDoorz application will have an evaluation impact for the company. And on the one hand, the good comments on the application will influence and increase consumer perceptions of RedDoorz's service quality.

Effect of brand image on perceived service quality

The results of the second hypothesis test showed that the relationship brand image and perceived service quality had a path coefficient value of 0.350 (positive), with a statistical T is 8.084 greater than T-table 1.96. Meanwhile, the P-value of 0.000 is smaller than 0.05. That means the perceived service quality has a positive and significant effect on the brand image. Therefore, the second hypothesis is accepted. These results are the following research conducted by, which found that the brand image has a positive and significant effect on perceived service quality on different objects.

Consumers often use brand image as an indicator of the quality of a product or service. If the brand image of a company has a good advantage in the minds of consumers, then consumers will have a good perception of quality. So it can be concluded that the existence of a brand image in the RedDoorz application affects the perceived service quality. Thus, the results of this study are in accordance with research (Cheong & Jang, 2013) which says that the results of brand image research have a positive and significant influence on perceived service quality.

Effect of electronic word of mouth on purchase intention

The results of the third hypothesis test showed that the relationship electronic word of mouth and purchase intention had a path coefficient value of 0.460 (positive), with a statistical T is 8.198 greater than T-table 1.96. Meanwhile, the P-value of 0.000 is smaller than 0.05. That means the perceived service quality has a positive and significant effect on the brand image. Therefore, the third hypothesis is accepted. These results are the following research conducted by, which found that the electronic word of mouth has a positive and significant effect on purchase intention on different objects.

Purchase intention is influenced by recommendations, suggestions and reviews received by respondents or potential consumers, the more often potential consumers collect information with good credibility and quality information, it will increase the tendency towards buying interest. From the results of this study, it can be said that there is an influence of e-WOM in the RedDoorz application on the interest in booking rooms. Thus the results of this study are in accordance with research (Cahyono et al., 2016; Jalilvand & Samiei, 2012) which states that e-wom is positive that other consumers can see as a reference to increase purchase intention of a product or service.

Effect of brand image on purchase intention

The results of the fourth hypothesis test showed that the relationship brand image and purchase intention had a path coefficient value of 0.160 (positive), with a statistical T is 2.743 greater than T-table 1.96. Meanwhile, the P-value of 0.000 is smaller than 0.05. That means the perceived service quality has a positive and significant effect on the brand image. Therefore, the fourth hypothesis is accepted. These results are the following research conducted by, which found that the brand image has a positive and significant effect on purchase intention on different objects.

Brand Image is the view of potential RedDoorz customers towards the rooms on the RedDoorz property. This relationship is perceived as having trust in the products and services offered by RedDoorz. A good RedDoorz brand image will increase interest in buying Reddoorz rooms, because the impression created by the brand will affect consumers' purchase intentions. Thus the results of this study are in accordance with research (Chrysnaputra, 2020; Indra, 2018; Jalilvand & Samiei, 2012; Kussudyarsana, 2020; Putri, 2018; Torlak et al., 2014; Wang & Tsai, 2014) which states that there is a positive influence and significant between brand image and purchase intention.

Effect of perceived service quality on purchase intention

The results of the fifth hypothesis test showed that the relationship perceived service quality and purchase intention had a path coefficient value of 0.306 (positive), with a statistical T is 4.281 greater than T-table 1.96. Meanwhile, the P-value of 0.000 is

smaller than 0.05. That means the perceived service quality has a positive and significant effect on the brand image. Therefore, the fifth hypothesis is accepted. These results are the following research conducted by, which found that the perceived service quality has a positive and significant effect on purchase intention on different objects.

Consumers always pay attention to the quality of an item or service, because the quality they get must match what they pay for. That way it can be said that perceived service quality is one of the factors that can increase a consumer's buying interest. Products or services that are considered high quality will be preferred by consumers, otherwise products or services that are considered poor quality will not be chosen by consumers. The results of this study are in accordance with previous research by (Nurchahyo, 2017; Eman *et al.*, 2018; Indra, 2018; Demante and Dwiyanto, 2019; Kussudyarsana, 2020) which states that the service quality perceived by consumers is considered a key factor in explaining consumer intentions. buy with the results of research on brand image on perceived quality is positive and significant.

Indirect Effect

The effect of electronic word of mouth on purchase intention through perceived service quality

The indirect influence value between electronic word of mouth and purchase intention through perceived service quality is 0.173 (positive). The T-statistic is 3,950, which is more significant than the T-table of 1.96. While the P-value of 0.000 is smaller than 0.05. Thus the sixth hypothesis can be accepted. Electronic word of mouth on the RedDoorz application is in the form of reviews from consumers who tell about their stay experiences, especially in terms of services provided by RedDoorz. A good e-wom will be created because of good service, thereby increasing purchase intention in other consumers. Not many studies have analyzed the relationship between Electronic word of mouth and Purchase Intention through Perceived Service Quality, but there are two studies (Demante & Dwiyanto, 2019; Indra, 2018) which state that the results of their research show that Electronic word of mouth on Purchase Intention through Perceived Service Quality has an effect on indirectly significantly.

The effect of brand image on purchase intention through perceived service quality

The indirect influence value between brand image and purchase intention through perceived service quality is 0.107 (positive). The T-statistic is 3.937, which is more significant than the T-table of 1.96. While the P-value of 0.000 is smaller than 0.05. Thus the seventh hypothesis can be accepted. RedDoorz's brand image will be good when the service provided by RedDoorz to consumers is also good, thereby increasing consumer buying interest. Not many studies have analyzed the relationship between brand image and purchase intention through perceived service quality. However,

there are two studies that are in accordance with the results of this study, namely (Kussudyarsana, 2020; Suraputra & Suardana, 2019) which states that the results of their research show that brand image on Purchase Intention through Perceived Service Quality has a significant indirect effect.

E. CONCLUSION

After conducting research that tested the ten hypotheses proposed in the previous discussion, the conclusions of the research on the ten hypotheses are as follows:

1. Electronic word of mouth has a significant effect on perceived service quality at RedDoorz Indonesia with a t-value of 14,432. The relationship between the variable electronic word of mouth on perceived service quality is strong with a correlation value of 0.565.
2. Brand Image has a significant effect on perceived service quality at RedDoorz Indonesia with a t-value of 8,804. Brand Image on perceived service quality is weak with a correlation value of 0.350.
3. Electronic word of mouth has a significant effect on purchase intention at RedDoorz Indonesia with a t-value of 8,189. The relationship between the variable electronic word of mouth on purchase intention is weak with a correlation value of 0.460.
4. Brand Image has a significant effect on purchase intention at RedDoorz Indonesia with a t-value of 2,743. Brand Image on purchase intention is weak with a correlation value of 0.160.
5. Perceived service quality has a significant effect on purchase intention at RedDoorz Indonesia with a t-value of 4.281. Perceived Service Quality on purchase intention is weak with a correlation value of 0.306.
6. There is an indirect effect between the electronic word of mouth variable on purchase intention through perceived service quality with a t-value of 3.950. And has a correlation value of 0.173.
7. There is an indirect effect between the brand image variable on purchase intention through perceived service quality with a t-value of 3.937. And has a correlation value of 0.107.

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