

THE IMPACT OF PERSONAL SELLING, E-WOM AND E-REFERRAL USING BRAND IMAGE AS MEDIATING VARIABLE ON PURCHASE INTENTION OF INTUNE PRODUCTIONS

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<https://doi.org/10.37715/rmbe.v3i2.4560>

Abstract-The need for sound and music in advertising is growing every year, especially when Covid-19 accelerates the need for brands to go digital. InTune Productions is a music production company based in Surabaya, Indonesia. Specializing in jingle, sound-logo, and background music, InTune Productions has worked with various companies to increase their brand awareness through sound and music. This research aims to analyze the impact of personal selling, e-WOM and e-referral using brand image as mediating variable on purchase intention of Intune Productions. This research is quantitative research where the data collected from questionnaires will be analyzed statistically using Structural Equation Modelling Partial Least Square in SmartPLS program. Population of this research is 256 members of JCI East Java. The researcher uses purposive sampling and found 98 samples. The result shows that personal selling, e-WOM and e-referral do not have a significant effect towards purchase intention. E-referral also does not have a significant effect towards brand image. However, brand image has a positive significant effect towards purchase intention, as well as acting as a mediating variable between personal selling and e-WOM towards purchase intention.

Keywords: Personal selling, e-WOM, e-referral, brand image, purchase intention

1. Introduction

The need for voice and music in advertising continues to increase every year, especially as Covid-19 accelerates brands' need to go digital. InTune Productions is an Indonesia-based music production company that creates jingles, logos, and background music to increase their brand awareness through sound and music. The problem facing Intune Productions is maximizing the purchase rate from the company's leads. Since its establishment in 2019, most of InTune Productions' clients have been members of the well-known local business organization, JCI East Java. Based on the pre-survey, 19 of Intune Production's 33 clients came from JCI East Java members, while 15 out of 33 clients were not JCI East Java members. A total of 14 clients learned about Intune Production through personal selling, 8 clients learned about Intune Production from Instagram, and 4 clients learned about Intune Production from referrals. Intune Productions needs to ensure that these channels are the right ones to maximize the company's brand image and customer purchase intent. To create a strong brand image, one of the efforts that Intune Productions has made is to utilize e-WOM by installing client logos on the company's Instagram page, asking for client reviews on google reviews, and posting reviews on the company's Instagram page and the founder's personal Instagram page. This research will help InTune Productions and similar businesses to better understand customer buying behavior. This research will be conducted on JCI East Java members who are currently running businesses.

2. Literature Review

2.1 Summary of Recent Studies

The study conducted by Awalia (2021) shows that both brand image and personal selling have a positive significant effect towards purchase intention. The research by Tanprajna & Ellyawati (2020) shows that e-referral, e-WOM, and brand image significantly impact purchase intention. Brand image also mediates the relationship between e-referral and e-WOM on purchase intention. However, the mediating effect of brand image is higher through e-referral than through e-WOM. The research by Saputra & Barus, (2020) it is found that e-WOM does not have a direct significant effect on purchase intention. However, it has an indirect effect through brand image as a mediating variable.

2.2 Theoretical Foundation

2.2.1 Personal selling

Personal selling is a form of marketing through two-way communication between the seller and prospective buyer, aiming to persuade them in buying goods and services from the company (Rumbiati, 2021). Personal selling is frequently used in the service and technological industry that are highly sophisticated or complex. One of the benefits of using personal selling is the capacity to tailor a sales message to customer's demands, enabling the sales team to quickly address clients' queries and issues due to the two-way nature of the sales process. (Ahmad, 2016).

2.2.2 E-WOM

Electronic word of mouth (e-WOM) refers to the customer's testimonial about a service or business that is accessible to the public online (Mehyar, Saeed, & Baroom, 2020). It can also refer to the channel of communication in which consumers exchange details about goods or services that have been bought or used (Gruen et al., 2006 in Tanprajna & Ellyawati, 2020). E-WOM includes reviews from different people from various geographical area, social classes, and with little social relationships (Sahin, 2016).

2.2.3 E-Referral

E-referral is the process of sending a product or service review to contacts such friends, family, coworkers, and group members online. (Sahin, 2016). E-referral happens when a person has deep social connections in their online community (Tanprajna & Ellyawati, 2020). Therefore, in e-referral, customers can quickly recognize the sender's name, subject matter expertise, and information authenticity (Sahin, 2016).

2.2.4 Brand Image

Brand image refers to the perceptions about a brand which is reflected by the brand associations that exist in consumer's memory (Keller, 2016). If the brand has a more positive image, it will more likely be remembered by the customers. (Tanprajna & Ellyawati, 2020). Brand image is shaped through different kinds of brand associations, such as product-related or non-product-related attributes; functional, experiential, or symbolic benefits; and overall brand attitudes.

2.2.5 Purchase Intention

Purchase intention can be defined as a type of consumer behavior which denotes a customer's readiness to buy a good or service based on usage, experience, and desire (Kotler & Keller, 2016). Purchase intention, as defined by (Pentury et al., in 2019), is a consumer's desire for a good or service as a result of observing and learning from the information gathered. The process of learning and thinking that produces a perception is the source of purchase intention.

3. Research Framework

3.1 Model of Analysis

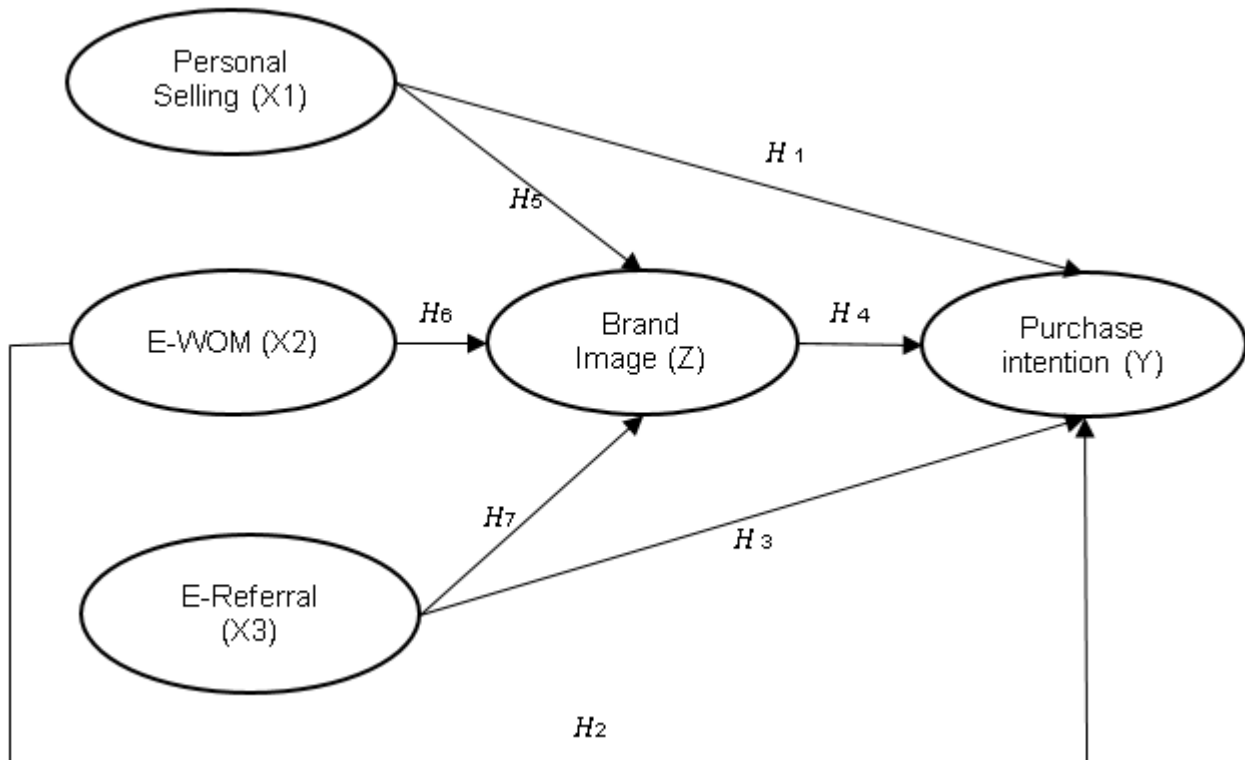


Figure 3.1 Model of Analysis
Processed by Researchers (2023)

3.2 Research Hypothesis

H1: Personal selling has a positive impact effect towards purchase intention.

H2: E-WOM has a positive impact effect towards purchase intention.

H3: E-Referral has a positive impact effect towards purchase intention.

H4: Brand image have a positive impact effect towards purchase intention.

H5: Brand image mediates the relationship between personal selling and purchase intention.

H6: Brand image mediates the relationship between personal selling and purchase intention.

H7: Brand image mediates the relationship between e-referral and purchase intention.

4. Research Methods

4.1 Research Description

This research is quantitative. This research will be conducted in Surabaya, East Java, Indonesia. Population of this research is 256 members of JCI East Java. Purposive sampling, which the researcher employs. The researcher shared a questionnaire containing questions – in which answers are in the form of Likert scale: ranging from 1 (strongly disagree), 2 (disagree), 3 (somewhat agree), 4 (agree), and 5 (strongly agree).

4.2 Operational Definition

Table 4.1 Variables and Indicators

Variables	Conceptual Definition	Indicators	Operational Definition	Source
Personal Selling	Personal selling is a form of marketing through two-way communication between the seller and prospective buyer, aiming to persuade them in buying goods and services from the company	1. Communication ability	1. It is important for a salesperson to have a good communication ability 2. Intune Productions' salesperson has a good communication ability	Rumbiati, (2021)
		2. Product Knowledge	1. It is important for a salesperson to have a good product knowledge about the product / services they are selling 2. Intune Productions' salesperson has a good product knowledge of their services	
		3. Creativity	1. It is important for a salesperson to be creative in delivering the information about the products / services they are selling 2. Intune Productions' salesperson is creative in delivering the information about the products / services they are selling	
		4. Empathy	1. It is important for a salesperson to be empathetic with the customers' needs 2. Intune Productions' salesperson is empathetic with the customers' needs	
e-WOM	Electronic word of mouth (e-WOM) can be defined as customer's testimonial about a service or business that is accessible to the public online	1. E-Wom Quality	1. The online reviews of Intune Production are helpful 2. In general, the quality of online review is high.	Mehyar, Saeed, & Baroom, (2020)
		2. E-Wom Quantity	1. The number of online reviews is large, inferring that the product is popular. 2. Highly ranking & recommendation, inferring that the product has good reputations.	
		3. Credibility	1. I think the person who provided the online review is credible	

Variables	Conceptual Definition	Indicators	Operational Definition	Source
			2. I think the person who provided the online review is trustworthy	
E-Referral	E-referral is the process of sending a product or service review to contacts such friends, family, coworkers, and group members online. (Sahin, 2016).	<ol style="list-style-type: none"> 1. Referrals received from friends, colleagues and family, 2. Referrals received from trusted firms and social network sites 3. Confidence in purchasing a product or service based on referrals 4. Concern in purchasing a product or service not supported by referrals 	<ol style="list-style-type: none"> 1. I often buy product/brands referred by my friends, colleagues and family. 2. I often buy product/brands referred by trusted firms and social network sites. 3. When I buy product/brands not referred I worry about my decision. 4. Online referrals increase my confidence in purchasing a product/brand 	Sahin, (2016)
Brand Image	Brand image refers to the perceptions about a brand which is reflected by the brand associations that exist in consumer's memory	1. Favorability	<ol style="list-style-type: none"> 1. The services provided by Intune Productions are useful 2. I have a positive image of Intune Productions 	Keller, (1993) in Yusniar et.al., (2019)
		2. Strength	<ol style="list-style-type: none"> 1. I am familiar with Intune Productions 2. Intune Productions is a brand that can be trusted 	
		3. Uniqueness	<ol style="list-style-type: none"> 1. Intune Productions provide unique services that is not provided in other brands 2. Intune Productions is capable of producing unique audio designs 	
Purchase Intention	Purchase intention refers to a consumer's desire for a good or service as a result of observing and learning from the information gathered	<ol style="list-style-type: none"> 1. Transactional interest 2. Referential interest 3. Preferential interest 4. Explorative interest 	<ol style="list-style-type: none"> 1. I have the desire to purchase Intune Production's services 2. I am willing to refer Intune Productions to other people 3. Productions is my preferred audio production company 4. I am willing to seek information about Intune Productions 	Pentury et. al., (2019)

Processed by Researchers (2023)

4.3 Data Analysis Method

This research utilizes the Partial Least Square (PLS) method and structural equation modeling (SEM) as an analytical tool. The causal relationship between the research variables is examined via SEM-PLS. (Guterres et al., 2020) PLS-SEM is used for data analysis to assess the study's measurements and models and look at the connections between its constructs.

5. Result and Discussion

5.1 Respondent Characteristics

Population of this research is 256 members of JCI East Java. With purposive sampling, the sample used in this research are 98 members of JCI East Java who has communicated with Intune Productions' salesperson before. 66 respondents are male (67%) and 32 respondents are female (33%).

5.2 Validity & Reliability Test

The AVE value of all variables exceeds 0.5, which means that all variables are adequate for convergent validity. The factor loading indicators on the assigned construct are higher than all loading of other constructs. The HTMT values are lower than 0.90. Therefore, it is adequate for discriminant validity. The value of composite reliability and cronbach alpha for each variable are above 0.6 and does not exceed 0.95. Therefore, it is acceptable for internal consistency.

5.3 Data Analysis Results

5.3.1 R square

It can be interpreted that the variable brand image can be explained by 0.619 (61.9%) with personal selling, e-WOM and e-referral; while the other 38.1% are explained by other variables outside this research. The variable purchase intention can be explained by 0.662 (66.2%) with personal selling, e-WOM and e-referral, while the other 33.8% are explained by other variables outside this research.

5.3.2 T tests

Table 5.1 Path Coefficients

	Original sample (O)	Sample mean (M)	Standard deviation (STDEV)	T statistics (O/STDEV)	P values
BI -> PI	0.682	0.673	0.108	6.312	0.000
ER -> BI	0.092	0.108	0.114	0.813	0.208
ER -> PI	-0.038	-0.028	0.096	0.391	0.348
EW -> BI	0.448	0.469	0.136	3.299	0.000
EW -> PI	0.076	0.080	0.097	0.787	0.216
PS -> BI	0.327	0.301	0.148	2.208	0.014
PS -> PI	0.124	0.117	0.091	1.352	0.088

Processed by Researchers (2023)

1. There is no significant impact between personal selling and purchase intention (H1 rejected)
2. There is no significant impact between E-WOM and purchase intention (H2 rejected)
3. There is no significant impact between E-Referral and purchase intention (H3 rejected)
4. There is a significant impact between brand image and purchase intention (H4 accepted)

5.3.3 Mediation Effect Test

Table 5.2 Total Indirect Effects

	Original sample (O)	Sample mean (M)	Standard deviation (STDEV)	T statistics (O/STDEV)	P values
ER -> PI	0.063	0.070	0.076	0.826	0.204
EW -> PI	0.306	0.315	0.103	2.961	0.002
PS -> PI	0.223	0.206	0.112	1.994	0.023

Processed by Researchers (2023)

1. Brand image mediates the relationship between personal selling and purchase intention (H5 accepted)
2. Brand image mediates the relationship between E-WOM and purchase intention (H6 accepted)
3. Brand image does not mediate the relationship between E-Referral and purchase intention (H7 rejected)

5.4 Result and Discussion

5.4.1 Relationship between Personal Selling and Purchase Intention

Based on the findings of this research, personal selling has no significant effect towards purchase intention. In the case of Intune Productions, it is most likely that some of the business owners approached do not necessarily need an audio branding in an urgent manner. Being small enterprises with limited budgets, audio branding might not be on top of their priority list. Therefore, in this research personal selling does not have the ability to directly impact the purchase intention significantly. Nevertheless, more data may need to be compiled in order to validate this statement.

5.4.2 Relationship between E-WOM and Purchase Intention

Based on the findings of this research, e-WOM does not significantly impact purchase intention. In the case of Intune Productions, the probable reason why e-WOM does not significantly impact purchase intention is because the lack of product knowledge the respondents have about Intune Productions. The information about Intune Production's list of services and its usages in its social media may be overshadowed by the number of portfolios and reviews posted. Therefore, even though there are many trusted reviews, the respondents still have no clear idea as to how the services can help their business.

5.4.3 Relationship between E-Referral and Purchase Intention

Based on the findings of this research, e-referral has no significant effect towards purchase intention. In the case of Intune Productions, the services provided by Intune Productions may not be needed by the prospective customers in the first place. Since the need for audio is rather niche and unfamiliar, there are a lot of factors that prospective customers may consider before having the intention to make an audio branding. Therefore, this may be the reason why e-referral does not significantly impact purchase intention in this research.

5.4.4 Relationship between Brand Image and Purchase Intention

Based on the findings of this research, brand image has a positive and significant effect towards purchase intention. Brand image has a significant influence on purchase intention because it reflects the overall perception and attitude of consumers towards a particular brand. Intune Productions has made efforts to increase its brand image through its digital presence, such as by posting high profile portfolios and reviews. This shows that the efforts to increase the brand image is effective to enhance the purchase intentions of potential customers.

5.4.5 Mediating Effect of Brand Image between Personal Selling and Purchase Intention

Based on the findings of this research, personal selling has a positive and significant effect towards brand image, and brand image acts as a mediating variable between personal selling and purchase intention. Brand image influences the consumer's perception and evaluation of the product or service being sold. In the case of Intune Productions, it can be concluded that the salesperson of Intune Productions is able to highlight the strengths of Intune Productions and its services well, hence it contributes to the increase in the brand image.

5.4.6 Mediating Effect of Brand Image between E-WOM and Purchase Intention

Based on the findings of this research, e-WOM has a positive and significant effect towards brand image, and brand image acts as a mediating variable between e-WOM and purchase intention. Brand image acts as an intermediary factor that influences the strength and direction of the relationship. E-WOM has a positive significant effect on brand image because it allows consumers to share their experiences and opinions about a brand with a large number of people quickly and easily through online platforms. In the case of Intune Productions, it can be concluded that posting e-WOM such as client reviews and client logos in the social media is proven to be effective in increasing the brand image of Intune Productions.

5.4.7 Mediating Effect of Brand Image between E-Referral and Purchase Intention

Based on the findings of this research, e-referral does not significantly affect brand image, and brand image does not mediate e-WOM and purchase intention. In the case of Intune Productions, referral marketing may not be an effective way to increase brand image because with our niche services, referrers may not be able to convey our service features and usages well. They may lack knowledge on technical stuffs about audio production that may need to convince the prospective customers that Intune Production can deliver unique and good quality audio. Therefore, in this case brand image does not mediate the relationship between e-referral and purchase intention.

6. Conclusion and Suggestion

6.1 Conclusion

1. There is no significant impact between personal selling and purchase intention (H1 rejected)
2. There is no significant impact between E-WOM and purchase intention (H2 rejected)
3. There is no significant impact between E-Referral and purchase intention (H3 rejected)
4. There is a significant impact between brand image and purchase intention (H4 accepted)
5. Brand image mediates the relationship between personal selling and purchase intention (H5 accepted)
6. Brand image mediates the relationship between E-WOM and purchase intention (H6 accepted)
7. Brand image does not mediate the relationship between E-Referral and purchase intention (H7 rejected)

6.2 Suggestion

6.2.1 For future researches

This research can be used as a reference for finding the effect of personal selling, e-WOM, e-referral and brand image towards purchase intention. In the future, other researchers may try to use other variables other than personal selling, e-WOM, e-referral to measure purchase intention. Furthermore, mediation other than brand image can also be used in order to find them mediating effect between the variables.

6.2.2 For Intune Productions

Since brand image is proven to have a positive and significant effect towards purchase intention, as well as acting as a mediating variable between personal selling and e-WOM towards purchase intention, the researcher suggests Intune Productions to keep its brand image positive. Personal selling and e-WOM are also proven to have a positive significant effect towards brand image. Therefore, Intune Productions should continue the efforts made in terms of personal selling and brand image to create a positive brand image in the eyes of potential customers. However, since e-referral does not have a positive significant effect towards brand image and purchase intention, Intune Productions should find other marketing strategies to increase the purchase intention of potential customers other than referral programs.

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