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THE INFLUENCE OF WORD OF MOUTH (WOM) ON BRAND EQUITY AND THE IMPACT TO PURCHASING DECISION: A STUDY ON COSPLAY COMMUNITY

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ABSTRACT

The development of technology communication and the society high activity makes the needs of the community even more diverse, especially related to the hobbies. The channel communities share their hobbies in a community, then with this community, they try to find the products that can support their activities. This study aims to determine the relationship between word of mouth (WOM) to brand equity and purchasing decisions. This research use survey method and questionnaires to collect the data. The sample of the research is Costume Play (Cosplay) community. The result show that brand loyalty and brand association not significant toward purchase decision.

KEY WORDS

Word of mouth (WOM) , brand equity, purchase decision, cosplay community.

The emerge of the similar hobbies on an activity supporting formed a community. With the community, they compete for each other to find the product in order to support their activities. By the business actor this matter is the good opportunity then many people take a chance with becoming the seller of the product which is searched by the customer. By doing so, there are many shop emerging either online or offline. To the customer, the appear shop will greatly benefit to them since with the more type of product being offered they will have many opportunities to choose the suitable product with their wishes. But, to the seller, that matter will suffer them since the more business actor then the higher competition will be. Since, eventually, the customer requires higher value as well as diverse, due to they faced on various chosen of product and service.

This condition makes the seller facing the great competitiveness. They have to find the other way more effective to grab the customer. The easiest and cheapest way to introduce their product is through the word of mouth (WOM) in a community. The consumer will get the various information with the peer friends about the attractive offered by a product, the attract coupon by one of the newspaper, or the discount sale in a shop (Peter dan Olson, 1996). The community is one of the tools to accelerate the word of mouth information. Consumer learns about the new product, restaurant, or retail outlet from their friends and reference by the other group such as with observing or participate with them, due to they use a product and service, or searching or receive the suggestion and information from them (Hawkins et al., 2001). Consumer more relies on the information from the others in order to make a purchasing decision, especially when the consumer knows nothing about the situation.

Word of mouth playing the important role in consumer opinion formation as well as become the great power in the communication (Allsop et al., 2007). Word of mouth often has an impact in distribution and selling process, and obviously, WOM promotion becomes a standard part of the many marketing plans in companies (Berger and Schwartz., 2011). The companies which able to build up the organic customer (the customer that formed by WOM) face the benefit prospect in the better long term (Villanueva et al., 2008). WOM able to influence the expectation and consumer wish, brand company image, and finally the future and company's beneficial.

The current study investigating the impact of WOM element on brand equity based on the consumer empirically. This study aims to introduce the way to create the brand equity. Not like the advertisement, which costly, WOM is free and distributed to the people quickly. If

the company compress the WOM power, then will be profitable for the company on creating the Consumer Based Brand Equity (CBBE). Another study by Cheng et al. (2011) about the online company that using WOM as the advertisement on creating the brand equity. This study adopts the brand equity model in order to explore the possibility of factors to create the online brand equity. The result of the study shows that the online communication tools, by mouth to mouth and virtual communication have a significant impact on brand equity, where the online communication tools able to use to improve the brand awareness and brand association. Furthermore the brand equity able to causing the purchasing decision.

Image 1 – Ladies Cosplayer from Magi Animation film

In the current study, the community that will analyze is the costume play (cosplay) community, there is two big community of cosplay in Malang, they are Cosplay Daisuki (COSUKI) (<https://www.facebook.com/Cosukimalang>) and FAMIGLIA Cosplay Community (<https://www.facebook.com/f.famiglia?fref=ts>). Currently, cosplay is really liked by the young generation in Malang. Begins by the number of anime movie and an offline game or online for mature, then appear the favorite characters which make the young generation would like come into being the favorite character. The more they similar with the character played the more they feel proud that their creation has been appreciated by the society.

LITERATURE REVIEW

Word of Mouth (WOM). According to Hawkins et al. (2001), WOM is the individual information share with which the important impact on consumer decision and succeed business. The WOM communication is caused by the sender needs and the information receiver, and the receivers of the purchasing risk (Mowen and Minor, 2002). Richins and Root-Shaffer in Assael (1992) stated that WOM serving two functions, they are the product involvement to drive the consumer to inform and influence the others. The news about product give the information to the consumer, the important matter as the media to make the product awareness. After the awareness is formed, then after hearing the experience of a product from friend or kin will make the consumer able to assess the benefit of a brand or another else.

The motive to seek the word of mouth, according to Assael (1992), first: friend and kin are the product information sources. Second, the information which derived from the personal sources will make the purchasing easier, such as: save the shopping time to find out from kin about the store that has not the desired.

Brand equity. Brand not only a logo or name. a brand is the company identity and a direct relationship between company and society. According to Batey (2008), the definition of the brand is determined by how the brand is felt by the society on the awareness phase and how the brand resonance with them on semi or under awareness phase. According to Nicolino (2001) brand is the entity which recognizable and give the certain values. The

recognizable is easy to separate one of the similar goods with the others. The entity is something that has special existence and differs. The certain value is a product or service make a claim about what they able to give to the consumer, while the value is something that makes the customer cares until certain limitation. According to Shimps (2003) brand is the proper label and serve to describe an object be marketed.

According to Aaker et.al (2004), brand equity is defined as a set of assets and obligations related the brand which adds or reduce the product value or service to company or costumer. Aaker (1991) classified the brand equity become five type, they are: (a) Brand loyalty (b) Brand awareness (c) Quality perceived (d) Brand association (e) Other property brand assets. The five categories which underlie the brand equity displayed as the base of brand equity to create a value to the costumer and company:

- a) Brand loyalty. In any business, to obtain the new customer is costly and tend to be cheap if maintain the existing customers, especially the customer who satisfied and with a brand. The customer loyalty can reduce the weakness in the brand competition. The higher loyalty will make the higher selling.
- b) Brand name awareness and the symbol. People will be often to purchase a brand which is not strange since feel comfort, reliable in trading and has a standard quality. A brand which is not known had a little opportunity.
- c) Quality perceived. A brand related with the quality perceived entirely should not base on the specific knowledge about a product. The quality perceived influence the purchase decision and brand loyalty directly. Particularly when the buyer does not motivated or able to do analyzed about a product in detail. The quality perceived able to be a base to expand the brand, if a brand is valued in one context, then assumed will have a high quality in the related context.
- d) A Set Of Associations. The value that underlies a brand mostly underlie by the related specific association. If a brand on good position in a product attribute class (such as there is a planned like service or superior technology), the competitor will difficult to attack it, since they will face the credibility problem so that the association able to become protection from the competitor attack.
- e) Other Proprietary Brand Assets. The five categories as the other proxy of the owned brand asset like a patent, trading brand, and relation distribution. The brand asset become really valuable if they against or prevent the competitor that want to scrape the customer basis and customer loyalty. The asset able to take with several ways such as the trading brand will protect the brand equity from the competitor which want to confuse the customer using the same brand name. The brand equity has several advantages as follow: 1) give the value to the customer, 2) give the value to the company.

Purchasing Decision. According to Engel et al. (1995) purchase is the final big phase in a consumer behavior model, the consumer has to take three decisions: (1) when to do the purchase (2) where to do the purchase and (3) how to do the payment. Purchasing is a function of the two determinations (Engel et al., 1995), they are (1) intention and (2) the environment influence or the individual difference. According to Peter and Olson (1999), the consumer decision making is the integration process that combines the knowledge to evaluate two or more of the alternative behaviors and choose one of them. In this context, the consumer decision making is the problem-solving process. According to Dharmmesta and Handoko (2011), the purchase decision is taken by the buyer as the collection of decisions.

Every purchase decision has a structure as seven components. The components will be discussed in the relation purchase:

- a. Decision about the product type. Consumer able to make decisions to buy a product/ service or use their money for the other purpose.
- b. Decision about the product form. Consumer able to make the decision to buy a product. The decision also about the size, , complexion, and others.
- c. Decision about a brand. The consumer has to make a decision about which brand that will be bought. Every brand has the owned differences.

- d. Decision about the seller. The consumer has to make a decision where the product will be bought. Whether in the department stores, electricity stores, or other stores.
- e. Decision about the number of products. The consumer has to make a decision about how many products that will be bought. The purchase might be will be more than one.
- f. Decision about when to do the purchase. Consumer has to make a decision when he/she will do the purchasing. This problem will related the budget to buy the product.
- g. Decision about how to do the payment. Consumer has to make a decision about the payment way toward the product was bought in cash or credit. The decision will influence the decision about the seller and the amount the purchase.

METHODS OF RESEARCH

This research is quantitative research. The type of research used in this research is explanatory research. Explanatory research is a study that explains the causal relationship between the variables and hypothesis testing, the research analyzed the relationship between the formulated variables. (Riduwan and Kuncoro, 2011). The samples used in this study are 78 respondents from 2 communities Cosplay (COSUKI and FAMIGLIA) in Malang. Source of the data obtained in this research comes from the primary data. The primary data obtained directly based on respondents answers to questionnaires. The analysis techniques used are descriptive analysis and inferential statistical analysis with Path Analysis.

Figure 2 – Conceptual Model

Figure 3 – Relationship between variables

Hypothesis:

- H1: Word of Mouth significant effect on brand awareness.
 H2: Word of Mouth significant effect on perceived quality.
 H3: Word of Mouth significant effect on brand loyalty.

- H4: Word of Mouth significant effect on brand association.
 H5: Brand awareness significant effect on purchase decision.
 H6: Perceived quality significant effect on purchase decision.
 H7: Brand loyalty significant effect on purchase decision.
 H8: Brand association significant effect on purchase decision.
 H9: Word of Mouth significant effect on purchase decision.

RESULTS AND DISCUSSION

In this study tested 9 relationships between variables. Significant effect is characterized by a significance value less than 0.1 ($\text{sig} \leq 0.1$), while the effect is not significant if the significance is greater than 0.1 ($\text{sig} > 0.1$). The following is presented in full analysis of the relationship between research variables.

Table 1 – The Result Hypothesis for Direct Effect

Variable	Path coefficient	Significance	Supported
H1: <i>Word of Mouth</i> (X_1) → Brand Awareness (Y_1)	0.370	0.001*	YES
H2: <i>Word of Mouth</i> (X_1) → Perceived Quality (Y_2)	0.429	0.000*	YES
H3: <i>Word of Mouth</i> (X_1) → Brand Loyalty (Y_3)	0.245	0.031*	YES
H4: <i>Word of Mouth</i> (X_1) → Brand Association (Y_4)	0.371	0.001*	YES
H5: Brand Awareness (Y_1) → Purchase Decision (Z_1)	0.193	0.027*	YES
H6: Perceived quality (Y_2) → Purchase decision (Z_1)	0.424	0.000*	YES
H7: Brand Loyalty (Y_3) → Purchase Decision (Z_1)	0.022	0.791	NO
H8: Brand Association (Y_4) → Purchase Decision (Z_1)	0.034	0.717	NO
H9: <i>Word of Mouth</i> (X_1) → Purchase Decision (Z_1)	0.334	0.000*	YES

*significant $\leq 0,1$

Table 1 shows the results of the direct effect in this study. The influence test between the variables shows if the significance value is less than 0.1 ($\text{sig.} \leq 0.1$), then the hypothesis is acceptable. The following hypotheses are H1, H2, H3, H4, H5, H6 and H9. Hypothesis 1 states that WOM significantly effect on Brand Awareness. Hypothesis 2 states that WOM significantly effect on Perceived Quality. Hypothesis 3 states that WOM significantly effect on Brand Loyalty. Hypothesis 4 states that WOM significantly effect on Brand Association. Hypothesis 5 states that Brand Awareness significantly effect on Purchase Decision. Hypothesis 6 states that Perceived Quality significantly effect on Purchase Decision. And Hypothesis 9 states that WOM significantly effect on Purchase Decision.

While hypothesis 7 states that Brand Loyalty not significant effect on Purchase Decision, and hypothesis 8 states that Brand Association not significant effect on Purchase Decision. So, hypothesis 7 and hypothesis 8 are rejected.

CONCLUSION

Word of mouth has significant influence toward the brand awareness, quality perceived, brand loyalty, and brand association. This study supports the result of the study by Rezvani, et al. (2012) which stated that one of the variables in the word of mouth which in the current is measured with the volume to influence positively to the brand awareness in Iran. Besides, similar to the previous study of Cheng, et al. (2011) which stated that the online communication tools like advertisement able to increase the brand awareness in Taiwan. The brand awareness, quality perceived significantly effect toward purchasing decision. This study supports the previous study of Kazemi, et al. (2013) which stated the variable on the brand awareness has an advantage on learning the product, determining a product, and the chosen a product to become the important matter by the consumer on purchasing decision. On the study of Doostar, et al. (2012) stated the brand awareness has a direct effect toward purchasing decision on the food product in Iran, similarly with the study of Nigam dan Khausik (2011) stated the brand awareness has significant effect toward purchasing decision of car on India.

Word of mouth has significant effect toward the purchasing decision is the resulted study by Zhenquan dan Xueyin (2010) which stated on the first hypothesis, the more of word of mouth effectively is searched by the consumer, the more of influence word of mouth sender on consumer purchasing decision. The result by this hypothesis was significant which mean responded that analyzed in china, their purchasing decision is influenced by word of mouth process. Besides, in the study of Wang dan Chang (2008) show that with high of product knowledge and purchasing involvement prefer to choose the online word of mouth as the information in purchasing decision. The purchasing decision process the adolescent in China was influenced by the online Word of Mouth since the adolescent who has the high rate to use the internet.

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