THE IMPACT OF WORD OF MOUTH AND BRAND IMAGE ON BUYING DECISIONS OF ZOMATO GOLD’S MEMBERSHIP

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Abstract

In January 2020, Zomato Gold has around +1500 restaurant partners in JABODETABEK within total members +100.000. Zomato gold focuses on the FNB world, where other competitors have beneficial besides FNB such as spa, fitness, salon. It aims to stay in the FNB corridor. The purpose of this study is to investigate the Impact Word of Mouth and Brand Image on Buying Decisions. The objective of this research is the sales of Zomato Gold’s membership affected the variables, by obtained samples from the questionnaire results of 102 active users of Zomato Gold. Simultaneous test results (F) showed a significance value (p-value) smaller than the alpha value of 0.000 <0.05. The effect of the two variables on the Buying Decision is 43.3% while the remaining 56.7% represents the influence of other variables. Thus, companies need more focus on Brand Image, improve their services on Zomato Gold, it can affect the impact of variable WOM more positively.

Keywords: word of mouth, brand image, buying decision

INTRODUCTION

In this Digital Era, almost every process has changed into something easier and simpler. The presence of the Digital era makes people could some kind of interaction that never is done online before, such as pay with their mobile phone or make a reservation only by second. People be more interactive with each other, because it is easy to be in touch with others. It seems to happen in Instagram, or Facebook, or Twitter, people could easily spread the information, good or bad. A lot of companies or brands use the internet as their platform to approach their customer, and they could easily trigger their customer by the internet. For example, share their promos online on Instagram Ads, or for more advance, many brands have to pay some people who have a lot of followers on their social media to share the promos as Native advertising. According to Hossain et al. (2017), humans share their feelings, experiences with each other to build a decent relationship. This relationship makes trust between the humans, by the time the concept of word of mouth came up in society. Word of mouth gives satisfaction to the consumer. The concept of word of mouth increased largely in the last thirty years for the help of the internet, which gives the online platform to share reviews. Now it becomes a trend to share the experience about the product/service. Meanwhile, these phenomena is about a lot of things become easier by using digital technology, Zomato as a food discovery platform can be seeing the possibility, in which Zomato has launched Zomato Gold in 2018 as a yearly subscription product for the user. Zomato Gold is a program that connects

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restaurants and VIP members. Zomato believes that Zomato Gold’s user as a VIP user because they are active and loyal customers. Zomato Gold is a paid membership program when people willingly buy membership; they also have the budget to go out explored restaurants. Zomato Gold got so many interests from the user because they offer a different kind of promo other than any digital promos. Zomato Gold offers a 1+1 Free on Food or 2+2 Free on Drinks, and this promo will never change as long as the user keeps subscribing to Zomato Gold.

On the Restaurant’s side, the restaurant could choose which promo they would like to offer to the user, whether the food promo or drinks promo. Also, Zomato Gold will bring them more profit as the Zomato Gold user come more often which help to maintain customer loyalty from restaurant side better than they usually did and the new customer as well, it also will impact inside restaurant industry. In January 2020 Zomato Gold reach the number of users less or more than 106.000 active users and partnering with less or more than 1.500 restaurants and keep growing. Every day in Jakarta there are more a thousand unlock/visit Zomato Gold restaurants and would be increasing over the weekend. This research has a purpose to investigate the Impact Word of Mouth and Brand Image on Buying Decisions. The objective of this research is the sales of Zomato Gold’s membership affected the variables. Which way is best to increase their number of sales to hit the target, and how Zomato can improve their products in the future.

LITERATURE REVIEW
Word of Mouth

The power Word of Mouth can be defined as organic free promotion spread by the customers who already had an experience with those products from the company. Jalilvand, Esfahani, and Samiei in Luong et al (2017) defined word of mouth (WOM) as “a process of sharing opinions and information about the specific product between customers”. Ansary et al. (2018) said The information comes from different sources, among which one of the most important is WOM. Moreover, (Jalilvand and Samiei; Wangenheim; in Ansary (2018) considered that WOM is an important force in the marketplace, influencing attitudes, preferences, purchase intention, and consumer decision making. WOM has become a much more influential factor in consumer behavior compared to other forms of marketing communications, such as advertising and publicity. Alam and Yasin in Ansary (2018). The strong word of mouth communication of the sender is important for usefulness because it includes the usage of persuasive words or phrases. Kazmi, A., & Mehmood, Q. S. (2016).

Companies should be known for the risk of negative WOM communication because the WOM is a strong tool to increase the reputation of the product or company as well as the decrease of the product sale even in the high equity branded product. Furthermore, if the products are bad people might not talk about it or even talk about it from a negative perspective, and it becomes a disadvantage for the company. This is called the Brand Image of the product.

Brand Image

Brand image means how a consumer perceives a brand like what Chandon in Shahid et al (2017) said. According to Shahid et al (2017) result, building a positive image of their brand companies have to try very hard. To keep the consumer aware of their brand and to sustain their customer a company will have to keep triggering its brand and advertise more and more to let a large number of people know about their brand. Management study guide in Regina Virvilaite et al (2015) state Brand image is the content of the product because when the consumer buys a product, they buy an image formed during the feedback. Corporate image is a set of associations perceived by consumers to companies that make a product or service. User image is a set of associations perceived by consumers to users who use a good or service. Meanwhile, Brand Image is the content of the product but the Management study guide in Regina
Virvilaite et al (2015) states that the item’s brand image is not created; it is self-formed. This is determined by the simplicity of usage, feedbacks, functional characteristics, and product value. According to Koubaa in Fadli, O et al (2017), as metaphor people say “products are made by companies and brands are made by customer”. However some research results demonstrate that brand image exerts no direct influence on customer loyalty, but it can impact on customer loyalty via customer satisfaction. Zhang, Y (2015). On the other hand Simamora; Listyawati; in Aprilia et al (2018) explained Brand image consists of three parts, namely, corporate image, user image, and product image. Moreover, Cronin in Luong et al (2017) stated that consumer buying decision totally depends on brand image.

Barich and Kotler in Upamannya et al (2015) found that corporate image is the overall impression made on people about an organization. Zameer et al (2015) Finding a result there is a positive relationship between service quality, customer satisfaction, and corporate image. It is also analyzed by the results that service quality and customer satisfaction have a high impact on the customer's perceived value where corporate image also affects the customer's perceived value. The key factor is the influence of corporate image that the stakeholder’s experience of the firm Dowling in Upamannya et al (2015). Supported by Keller in Sallam, M. A. (2016) Formulating an effective corporate branding strategy that fulfills the needs of stakeholders can improve customer brand evaluations and brand resonance. All the organizations have a unique image and this image is formed based on a perception of its stakeholders, whether the organization does good jobs for them or not to do but the image of each organization would be “unique” in nature. Upamannya et al (2015). Sutisna in Aprilia et al (2018) mentions that the indicators in the user image include:

- The style, the lifestyle of a person who poured in the activity and describes the whole person in interacting with his environment.
- Cool, which is the principle in life that teenagers use.
- Confidence, a person's belief in all aspects of his own and the belief makes him feel able to achieve the goals in his life
- Interesting, the appearance that reflects the personality of a person.

It can be concluded that User Image is a bunch collection of associations that consumers perceived to users who use goods or services, including the users themselves, lifestyle or personality, and social status. Lala (2019).

Symbolic product images refer to the stereotypic personality images consumers have of a specific product. Examples of stereotypic personality images people may have of a particular store include traditional versus modern, classy versus folksy, sexy versus plain, friendly versus formal, high status versus low status, etc. These symbolic images are differentiated from their functional counterparts in that the latter involves attributes that are related to the physical benefits of the product and not the stereotypic personality characteristics associated with it. Sirgy (2015).

Buying Decisions

Consumer buying decision is a series of choices made by consumer before making a purchase. Pride and Ferrell (2012) as cited in Sagala, Destriani, Putri, and Kumar (2014) found in Oladepo et al (2015) stated that to understand consumer buying decisions, the marketer should understand the consumption process and the utility of products in consumers’ perceptions. They also declared that when purchasing products unconsciously, a consumer gets through several steps in the making of a purchase decision, purchase, and post-purchase evaluation.

- The first step decision is problem recognition where the consumers are able to differentiate between their needs and wants. Marketers usually use advertising, sales person, and packaging
to stimulate recognition of the needs or wants.

- The second step is information search where the consumer seeks the information from their memory about the products, seeking the information from outside sources, such as from friends, relatives, government reports, publication, sales person, website, packaging label, and display, or by repetition.

- The third is evaluation of alternatives where the consumer will establish criteria which consist of characteristic that are important for them.

- The fourth step is the purchase decision where the customer decides to buy the product after evaluating among alternatives.

The last step is the post-purchase decision where the consumer decides to keep purchasing the product if he is satisfied or stop purchasing the product if he is dissatisfied.

The buying decision made by consumers is based on various motives and specific impulses. The stronger the consumer's impulse and motives, the stronger the decision to buy a particular product (Chang & Wang, 2011; Bai & Qin, 2016; in Amron (2018).

Satisfaction plays a vital role in marketing because of it is a good predictor of purchase behavior according to McQuitty et al., Saleem et al (2015). Further, Satisfaction leads customers towards long term profitable relationship with the brand, which is customer loyalty also give value to brand and extend an affirmative word of mouth marketing that build good brand repute (Hanif, in Nazir et al 2016).

A consumer’s purchase intention depends upon very much on the level of satisfaction, he expects and receives. If the brand satisfies the consumer, he/she will become a regular buyer of that particular brand but if not the consumer might engage in the negative marketing of the brand. Engel, Blackwell and Miniard, found in Shahid et al (2017). Zahid et al (2016) said that purchase intention is a useful, tool that can be used to predict consumer buying behavior. Once the individual makes a decision to purchase a particular product in a particular store or of company, they had been driven by their previous intention that has been developed about the product. Angga (2019) has summarized the purchase intention of the consumers to buy products can be predicted by attitude, subjective norm, perceived behavioral control, as well as their knowledge (perception and expectation) towards the particular products or services.

In this digital era, Zomato provides promotion by using technology that customers will ease of use. This research will have the purpose of finding the effect of Word of Mouth and Zomato Gold’s brand image on the user’s buying decision. It will also use previously established journals as the basis or reference when collecting and analyzing data in the field, in order to solve the phenomena.

![Figure 1. Conceptual Framework](source)

**H1**: There is a significant impact Word of Mouth towards Buying Decision

**H2**: There is a significant impact Brand Image towards Buying Decisions

**H3**: There is a significant impact Word of Mouth and Brand Images on Buying Decision of Zomato Gold’s membership.
MATERIALS AND METHODS
The design of this research will use a descriptive research design, with the main objective of the research is to investigate an Impact Word of Mouth to Brand Image towards Buying Decision. This research is designed to collect data that describe persons and situations. How asked the research questions would result in descriptive and explanatory. Considering that in this research use field study, such as questionnaires. It can be said that this research based on the nature and methods of data collection is a descriptive study. The population targeted for sampling is an active member of Zomato Gold in JABODETABEK. Likert scale is implemented in this research. The respondents need to specify their level of agreement or disagreement on an agree-disagree scale for a series of statements while responding to a questionnaire item. Questions were closed questions based on 4 Likert scales that each spectrum includes strongly agree, agree, disagree, and strongly disagree. This is an unbalanced rating scale that doesn’t have a neutral point.

RESULTS AND DISCUSSIONS

Respondent profile
A total of 102 questionnaires were distributed and the result of questionnaire were declared good and feasible to investigate. By the gender of the respondents, 46.1% of them was male and 53.9% was woman. By the age of the respondents, 33.3% was aged between 16-22 years old, 55.9% was aged between 23-29 years old, 9.8% was aged between 30-35 years old, and left 1% was aged >36 years old. By the job of the respondents, 51% was dominated as an employee, 5% as an entrepreneur, 38% as a student, and 6% had their own profession. By domicile of the respondents, it shows that 68% of them from Jakarta, 11.7% from Bogor, 4.9% from Depok, 11.7% from Tangerang, and 3.7% from Bekasi.

Validity and reliability test

Validity Test
The validity test of this research shows the smallest r value of 0.461 and the largest r count of 0.753. The value of r-table of this study obtained the value of 0.19. Pointing out to the provisions of the value of r count > r-table, which has a greater value than r-table of 0.19. Therefore, we can conclude they were considered the questions points of the variable are valid.

Reliability test
The reliability test of this research shows that the smallest Cronbach Alpha value is 0,641 and the largest value is 0.807. Pointing out to the value of Cronbach Alpha should be higher than 0.6, it can be concluded that all the variables are reliable. Therefore, the items in each of the variable concepts were declared feasible and could be used as a measuring instrument.

Multicollinearity, Normality, Heteroscedasticity, Autocorrelation Tests
The result of Multicollinearity test of this research is the tolerance value in this study was 0.818 with reference to the provision of tolerance value > 0.10, it can be concluded that the tolerance value of this study meets the requirements. Similarly, the value of the variance inflation factor (VIF) fulfilled the VIF requirement < 10. The VIF value of this study is 1.222 it can be concluded of this study have no multicollinearity.

The normality test of this research tested by Shapiro-Wilk method. It is showed that the significance value is 0.509 > 0.05 which greater than the alpha. Thus, the residual value is normally distribute.

If there is any correlation between independent variables with residual value, it can be concluded Heteroscedasticity. From this test, the significance value of X1 is 0.939 and the significance value of X2 is 0.689, it means that both of the independent variables are above significance level of 0.05 or 5%. It can be concluded there is no correlation between the residual value and the independent variable X1 and X2.

In this research, the run test testing method used for autocorrelation test. It is used to test whether there is a high
correlation between residuals. Based on SPSS analysis results, we found that multicollinearity, heteroscedasticity, autocorrelation did not occur. The SPSS analysis result also showed that the residual value is normally distributed. Therefore we can conclude that this regression model is eligible for multiple regression tests.

Multiple Regression Test

The result of Multiple Regression analysis are used to determine the impact between Word of Mouth (X1) and Brand Image (X2) on Buying Decisions (Y). The results are provided in Table 1.

Table 1. Regression Analysis Result

<table>
<thead>
<tr>
<th>Model</th>
<th>Unstandardized B</th>
<th>Coefficients Std. Error</th>
<th>Standardize Coefficients Beta</th>
<th>t</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>(Constant)</td>
<td>5.205</td>
<td>1.29</td>
<td></td>
<td>4.034</td>
<td>0.000</td>
</tr>
<tr>
<td>WOM</td>
<td>0.317</td>
<td>0.51</td>
<td>0.227</td>
<td>2.712</td>
<td>0.000</td>
</tr>
<tr>
<td>Brand Image</td>
<td>0.325</td>
<td>0.051</td>
<td>0.528</td>
<td>6.318</td>
<td>0.000</td>
</tr>
</tbody>
</table>

a. Dependent variable: Buying decisions
b. Predictors: (Constant), Brand Image, Word of Mouth

Based on the result above, the regression model on this research is \( Y = 5.205 + 0.137 (X1) + 0.325 (X2) + e \), with the interpretation as:

a) \( B_0 = 5.205 \)

The constant of the regression equation shows a value of 5.205 meaning that if there is no contribution to the Word of Mouth variable (X1) and Brand Image variable (X2) then the Buying Decisions (Y) will have a value of 5.205.

b) \( B_1 = 0.137 \)

This regression coefficient shows the value of contribution given the variable WOM (X1) to Buying Decisions (Y). The coefficient of the WOM variable which is positive means every increasing WOM variable (X1) in value by 1 point will increase by 0.137.

c) \( B_2 = 0.325 \)

This regression coefficient shows the value of contribution given the variable Brand Image (X2) to Buying Decisions (Y). The coefficient of the Brand Image variable which is positive means every increasing Brand Image variable (X1) in value by 1 point will increase by 0.325.

F-test

The F-test in this study resulted in the F-count shows a value of 37.800, and the significance value shows 0.000 which less than F-table at 5% as the significance level with degrees 2 and 99 free of 3.09. Because F-count > F-table (37.800 > 3.09) and Sig F < 5% (0.000 < 0.05), This result proves that there is a significant influence between the Word of Mouth, Brand Image, towards Buying Decisions.

t-test

In testing the hypothesis of the influence of the WOM (X1) on Buying Decisions (Y), a t-count of 5.069 was obtained with a significance value of 0,000. The statistical value of the t-test is greater than the table (5.069> 1.98) or the significance value is smaller than \( \alpha = 0.05 \). Then concluded the WOM variable (X1) partially had a significant influence on the buying decision variable (Y). Furthermore, in testing the hypothesis of the brand image (X2) on the buying decision (Y), a t-count of 8.010 is obtained with a significance value of 0.000. The t-test statistic value is greater than t-table (8.010> 1.98) or the significance value is smaller than alpha = 0.05. Then concluded the
brand image variable (X2) partially had a significant influence on the buying decision variable (Y).

**Determination Coefficient R²**

Table 2. *Determination Coefficient R²*

<table>
<thead>
<tr>
<th>Model</th>
<th>R</th>
<th>R²</th>
<th>Adjusted R²</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>0.658</td>
<td>0.433</td>
<td>0.422</td>
</tr>
</tbody>
</table>

Source: Processed Data Processing

Based on the analysis result above, The R² value is 0.433 which means in every change of WOM and Brand Image, there will be a 43.3% impact on Buying Decisions, and there is still around 56.7% impact which coming from outside this research variable.

**Table 3. Coefficients Beta**

<table>
<thead>
<tr>
<th>Model</th>
<th>Coefficients Beta</th>
<th>t</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>WOM (X1)</td>
<td>0.227</td>
<td>2.712</td>
<td>0.008</td>
</tr>
<tr>
<td>Brand Image (X2)</td>
<td>0.528</td>
<td>6.318</td>
<td>0.000</td>
</tr>
</tbody>
</table>

Source: Processed Data Processing

Based on the table 3, it can be seen that the Brand Image variable (X2) is the variable that has greatest beta coefficient 0.528, compared to the Word of Mouth variable (X1) with a value of 0.227. This can be interpreted that the Buying Decisions variable (Y) is more influenced by the Brand Image variable (X2).

**Theoretical Implications**

Based on result analysis, authors will discuss the research hypothesis regarding impact Word of Mouth and Brand Image on Buying Decisions of Zomato Gold’s membership.

1. Variable Word of Mouth has a significant impact on variable Buying Decisions. This is caused by the value of sig lower than the significant level specified t-test at 2.712 > 1.98 and has an influence of 20.4% of Word of Mouth that can explain the variation of Buying Decisions.

2. Variable Brand Image has a significant impact on variable Buying Decisions. This is caused by the value of sig lower than the significant level specified t-test at 6.318 > 1.98 and has an influence 39.1% of Brand Image can explain the variation of Buying Decisions.

3. Variable Word of Mouth and Brand Image indicates there is a significant influence on Buying Decisions. This is caused by regression value is higher than F table 37.800 > 3.09 and has an influence of 43.3 % of Word of Mouth and Brand Image can explain the variation of Buying Decisions.

**Practical Implication**

Based on result analysis, this would be the result practical implication theory that has found to identify the problem on this research.

1. Impact Word of Mouth on Buying Decisions, since, from the very first launch, Zomato has already done much advertising such as Instagram, billboard, influencers, referral code to create positive Word of Mouth about Zomato Gold to introduce Zomato Gold to a lot of people and create the awareness. And also by that advertisement, Zomato trying to get a lot of users to join Zomato Gold.

2. Impact Brand Image on Buying Decision, based on the sampling results, 70% of the sampling agree that Zomato is the food discovery platform who has the credibility to make innovation for their user. Based on that Brand Image, Zomato has built trust from their user, and impact positively to the buying decision.

Impact Word of Mouth and Brand Image on Buying Decision has a positive impact on the increasing number of sales. It is shown on the results of the sampling that 43.3% of Word of Mouth and Brand Image influence the decision to buy and join Zomato Gold.

**CONCLUSIONS AND RECOMMENDATIONS**

Conclusions
The multiple regression analysis has found that there is a positive and significant impact of the independent variable which Word of Mouth and Brand Image on the dependent variable, Buying Decisions of Zomato Gold’s membership. All the research hypotheses were accepted providing evidence of this positive relationship.

In this study investigated the relationship between Word of Mouth towards Buying Decisions, previous studies in Irbid has shown that e-WOM quality is the most influential dimension (predictor) on purchase intention, As well as, the corporate image was found to mediate the relationship between the independent variables and the dependent variable. Bataineh, AQ (2015). In line with previous studies, this study based on a questionnaire of section WOM most people like to recommend the other to buy Zomato Gold’s member, occurring results on variable WOM there are significant impacts towards buying decisions. Implications Lopez & Sicilia (2014) a studies from Spain state the increasing access to online opinions from mobile devices, could develop apps for mobile phones and tablets which collect all consumers’ opinions about a company’s products, or even with which consumers could write their own opinions about the products they try. These apps could include tools that enable consumers to evaluate source trustworthiness to help them make their decisions based on e-WOM. Supports previous studies result from northern Egypt Abd-Elaziz, ME, Aziz, WM, Khalifa, GS, & ... (2015). the relationship between EWOM determinants and customer purchasing decision. As with offline wom, source credibility affects EWOM influence. When perceived source credibility is high, EWOM is more influential on purchasing decision. By then this study has source credibility who already become a member of Zomato Gold where when they give the information to others talk about beneficial become a member, people might be more convinced to buy a member since the information came from credibility source. Besides, why Zomato Gold’s members mostly give information about beneficial become a member, because Zomato has a referral code program. The system is beneficial for both sides. Referral code can be shared by the member user of Zomato Gold to the non-Zomato Gold user. The benefit from the member they can get free extend members for one month/referral code, and for the non-Zomato Gold user they can get 10% off discounts member of the price. Based on a questionnaire on a section WOM, 59.8% give their referral code to the others before anyone purchases the member. By then we can see how does it work on variable Word of Mouth has a significant impact on Buying Decisions of Zomato Gold’s membership.

Also, this study investigates the relationship between Brand Image towards Buying Decisions, previous studies in Bangalore, India by Raj, MPM, & Roy, S (2015). State Brands with a positive brand image do stand a fair chance but consumers prefer friends and expert reviews in newspapers as their most trusted source of seeking information about such products. However, there is still a small portion of the market that makes emotional buying decisions and even they are active information seekers. This proves, a company that provides less clarity on what it intends to offer in this market, has very minimal chance of survival and the contrary is true for companies giving customers solid information sources with authenticity. Similar to Zomato, the user could make a review on Zomato about their experience and it can’t be deleted by anyone but Zomato. The result of this analysis indicates the multiple regression test based on beta values and significance brand image has an effect of 32.5% towards buying decisions in this research. It means the brand image is the most influential dimension of buying decisions membership of Zomato Gold.

As above from the literature review clarify about WOM communication, Kazmi, A., & Mehmood, Q. S. (2016) previous studies from Pakistan said WOM communication can influence the consumer perception towards the brand and services which have high-quality belief. So, it would be more effective to analyze
the E-WOM communication and brand image. Furthermore, previous studies in Turkey by Yaman, Z. (2018). companies need to pay more attention to word-of-mouth marketing. The increase in the quality perception will positively contribute to the brand image, while it will create an opportunity to attract more customers to companies with less cost through word-of-mouth marketing at the same time.

Recommendations

Based on the research that has been done, the authors contribute suggestions to Zomato to increase selling member Zomato Gold’s relate by improving marketing session on Word of Mouth and Brand Image also give for future research.

For Zomato, the author advises the company to be more focused on their Brand Image, and improve their service on Zomato Gold, so the user will be more satisfied, loyal, and they will make good reviews on the product and services of Zomato Gold to others that can impact WOM more positively. If Zomato Gold has good reviews it will affect the purchase intention of the user, because based on the sampling results that the author got, Brand Image is more influential rather than WOM. And also the author advises the company to do more advertising on Zomato Gold, so the company could reach more users to join Zomato Gold.

As stated in the previous chapter that all of the independent variables, WOM and Brand Image have only 43.3% influence on buying decisions, therefore, further research is suggested to increase the number of samples and observation periods to find more effective and comprehensive research results. Furthermore, in future research, the author advises researching other variables that affect the buying decision.

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