E-WOM BOMB EFFECT ON SOCIAL MEDIA INFLUENCE TO BRAND: CASES IN HALAL PRODUCTS

Liza Mumtazah Damarwulan Management, Diponegoro University, damarwulanliza@yahoo.co.id

Abstract

The objective of this study is to analyze social media effect on brand image and purchase intention. The purpose of this study is to explore the impact of Word-of-Mouth (WOM) communication on social media negatively or positively towards the brand / product rumored as not halal. The investigation shows that about 82 percent of respondents are internet / social networking (such as Facebook or Twitter) users for over 5 years. With the extent of network and the increasing number of users of social networking (Facebook, twitter) then if WOM is used, it will result in a major impact on the brand image, brand awareness and purchasing behavior. Design / methodology / approach - To collect the data, this paper uses an online survey of social media users (Facebook and Twitter in particular). To analyze the data, this study uses Structural Equation Modeling (SEM). Findings - The research on WOM as a means of communication has been done by many researchers. The widespread use of social media results in the magnitude impact of WOM on brand, like a bomb such as the impact on the brand, good brand reputation / brand image, brand awareness which in turn will affect the purchasing behavior (attitudes, interests and action). As a Muslim-majority country, Indonesia is very concerned about halal products, so when the news spread about the products suspected to contain haram substances, the news will have an impact on the reputation and image of the brand and also have a major impact on purchase behavior. Research limitations / implications - This study provides insight into the role of WOM information on social media which is limited to users of Facebook and twitter in shaping attitudes towards the issue of the purchase of products containing haram substances. However, the specific characteristics of the truth of the WOM information in shaping perceptions that affects halal / haram products is not explored in this study. Originality / value -The results can help practitioners to determine and overcome the impact of WOM in social media and provide correct information to make marketing communications more efficient and powerful.

Keywords: Electronic word of mouth communication, Brand awareness, Brand image, Consumer behavior, Halal products

Abstrak

Tujuan dari penelitian ini adalah untuk menganalisis pengaruh media sosial terhadap citra merek dan niat beli. Tujuan dari penelitian ini adalah untuk mengetahui dampak komunikasi Word-of-Mouth (WOM) terhadap media sosial secara negatif atau positif terhadap brand / product yang dikabarkan tidak halal. Penyelidikan menunjukkan bahwa sekitar 82 persen responden adalah pengguna internet / jejaring sosial (seperti Facebook atau Twitter) selama lebih dari 5 tahun. Dengan jangkauan jaringan dan meningkatnya jumlah pengguna jejaring sosial (Facebook, twitter) maka jika WOM digunakan, maka akan berdampak besar pada citra brand, brand awareness dan perilaku pembelian. Desain / metodologi / pendekatan - Untuk mengumpulkan data, makalah ini menggunakan survei online pengguna media sosial (khususnya Facebook dan Twitter). Untuk menganalisa data, penelitian ini menggunakan Structural Equation Modeling (SEM). Temuan - Penelitian tentang WOM sebagai alat komunikasi telah dilakukan oleh banyak peneliti. Penggunaan media sosial yang meluas menghasilkan dampak WOM yang besar terhadap merek, seperti bom seperti dampak pada merek, reputasi merek / citra merek yang baik, kesadaran merek yang pada gilirannya akan mempengaruhi perilaku pembelian (sikap, minat dan

tindakan).). Sebagai negara berpenduduk mayoritas Muslim, Indonesia sangat memperhatikan produk halal, jadi saat kabar menyebar tentang produk yang diduga mengandung zat haram, berita tersebut akan berdampak pada reputasi dan citra merek dan juga memiliki dampak besar pada produk tersebut. Perilaku pembelian Batasan / implikasi penelitian - Studi ini memberikan wawasan tentang peran informasi WOM pada media sosial yang terbatas pada pengguna Facebook dan twitter dalam membentuk sikap terhadap isu pembelian produk yang mengandung zat haram. Namun, karakteristik spesifik dari kebenaran informasi WOM dalam membentuk persepsi yang mempengaruhi produk halal / haram tidak dieksplorasi dalam penelitian ini. Orisinalitas / nilai - Hasilnya dapat membantu praktisi untuk menentukan dan mengatasi dampak WOM di media sosial dan memberikan informasi yang benar untuk membuat komunikasi pemasaran lebih efisien dan kuat.

Kata Kunci: Komunikasi mulut elektronik komunikasi, Kesadaran merek, Citra merek, Perilaku konsumen, Produk halal

JEL Classification: M31, M37

1. Research Background

Nowadays, the communication technology develops rapidly and results in very large impacts. The advancement of this technology is considered as a trigger for the immense of an era without the bulkhead. Changes and technological discoveries are always accompanied by opportunities and opportunities in the business process. All people are no longer stutter on the development of communication and information technology. It is proved by the use of Smartphone, cellular phones, tablets, PCs by people from different walk of life and almost all people from different ages and social classes are now familiar with the internet and social media based on internet connection such as Facebook, Twitter, Blackberry Messenger, Skype, Plurk, etc.

The use of internet in Indonesia is growing as rapidly as in other countries. The results of Ipsos survey during February 2012 indicated that Indonesia is the country with the most active Internet users especially on social media. The data (Marketing No.12/XI/December 2011) showed that 90% of digital consumers in Indonesia have an active profile on Facebook indicating Indonesia as the second highest country of Facebook users after the U.S. in the global level.

At first, most people use the Internet only for getting entertainment, establishing a relationship, and finding friends who are lost contacts, and so on. However, in its development, the internet is not only used for entertainment, but also for a business opportunity. The emergence of this media has been utilized by different business enterprises ranging from small class enterprises run by housewives to medium and big sized enterprises. Business people interest in social media sites because of the low cost as well as the breadth and scope of the network that can be formed. In the UK, the purchase of goods through social networking is now in trend according to the Interactive Media in Retail Group (IMRG, 2011).

The spread of information in cyberspace and social media in particular is so dramatic and generate profound impact in influencing the public. We can see some cases like Prita Mulyasari versus Omni International Hospital Tangerang. This case began from Prita's writing via e-mail and Facebook telling about bad service she got when being treated at the hospital. Because of her writing, the hospital sued her for defamation of character. Moreover, there was a case of parliament member who resigned because he was caught in the act of watching porn movies during the parliamentary session. On the other hand, there were many people who have gained positive impacts of the technology. Barack Obama, for example, made good use of social media to support his campaign for his presidency in 2008. Tegar, Nourman Kamaru and Bibit Chandra are some people who gained public support because of the information technology.

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In the case of food products, we have heard of Indomie, Magnum, and Kopi Luwak cases. The products are suspected to contain lard / haram substances. The cases cause sales decline. Based on the real experience above, we can see how the impact of information in the form of word of mouth in social media either positive or negative is so extraordinary like a bomb.

Indonesia is famous for its friendly people who like to chat and gossip. For this reason, communication by word of mouth is the most effective communication. By using social media, information networking by word of mouth is no longer done by face to face. By using Facebook, Twitter, hi5 and other social media, we can communicate by word of mouth faster and interact with more people.

The more people use this media, the greater the impact will be. This social media can be used to endorse or let down the reputation of individuals, brand or companies. Public opinion formed by social media networking is able to defeat the advertising or public communication of the company.

With the increasing popularity of social networking sites, many researchers and practitioners are interested in conducting research on marketing by word-of-mouth (WOM). Many studies have identified the strong influence of WOM. Since 1955, Katz and Lazarsfeld have been doing research on WOM and found that WOM has changed the consumers in choosing the brand, twice more effective than radio advertising time, four times more effective than personal selling and seven times more effective than newspaper and magazine ads. Hari (1971) found that WOM is nearly three times effective than free samples and nine times effective than advertising in changing consumer attitudes towards the comfort of new food launch. Then, Reichheld and Sasser (1990) found that the influence of WOM on purchase decision making twice as effective as advertising; but Hogan *et al.*, (2004) estimated that WOM is three times more effective than advertising. Villanueva *et al.*, (2008) concluded that the customers acquired through WOM are expected two times better than traditional marketing.

Although the results of previous studies showing strong effects of WOM, the findings also showed that the effects of WOM showed different results in the entire product (Ennew *et al.*, 2000; Christiansen and Tax, 2000). A number of studies have investigated this question by specifying product in the category of vulnerable or not affected (Dye, 2000), by identifying key factors, such as the perception of risk products, which determine the effects of WOM (Brown and Reingen, 1987; Duhanetal, 1997; Harrison -Walker, 2001) in line with Fang *et al.*, 2011, who proposes a conceptual framework for predicting the effects of WOM.

Previous research on the relationship between the products and the effects of WOM has helped previous research to understand why, when, whether, and how different products are influenced by WOM. However, an understanding of this issue is still confined to the conceptual level. In evaluating how the product is influenced by WOM, according to recent research, this issue is still complicated and confusing. It is also difficult to compare with each other without a uniform and easy way to measure the influence of WOM.

Allsop *et al.*, 2007 says, "WOM is a complex phenomenon and is generally not something that can be controlled directly. WOM is the type of communication that cannot be underestimated. This type of communication according to the findings of a survey conducted by Nielsen Research (2009) in 50 markets around the world is based on consumer recommendations as the most trusted form of advertising. 70 percent showed consumer confidence about the product and the brand posted online. Consumer confidence toward online consumer reviews has increased by 9 percent compared with each of the study in 2007. The growth of confidence rate of online recommendation and review site show that there are an increasing number of global users to share information about products and brands. Belief in the opinion given by friends, family or community is more credible than the information released by the company and cannot be controlled on all sorts of information contained in social media. Recommendations from

friends and trust became very influential in changing the online shopping behavior (Lisa Harris and Charles Dennis, 2011).

This study aims to examine the impact of word of mouth on social media, either negatively or positively to brand equity, brand awareness, brand image and purchase decisions on halal -labeled products. Due to the complexity of e-WOM influence on consumer decision-making, this study wanted to show how great the potential impact of e-WOM can occur in the consumer decision making process.

There are several reasons as a basis to conduct study of WOM in social media. The first of them is the rapid development of the internet and social networking site users (social media) with a very broad impact. This is important because as marketers, they must understand how the use of WOM will have an impact on the brand, and the company, and counter consumer behavior both online and offline.

Secondly, a lot of researches on the impact of WOM on the behavior of online communities are associated with their consumption, online interactions based upon shared enthusiasm for the knowledge, specific consumption activity or group of activities related to the bond (Kozinets, 1999).

Based on these reasons, our research aims to contribute to the literature on the effects of e-WOM on consumer purchase behavior (interests) and brand (brand image and brand awareness) which were investigated after being exposed by social media users' comments (Facebook, Twitter, etc.).

This study begins by providing an overview of previous research on WOM and e-WOM communication. Then, the questionnaire was distributed to users of social networks (Facebook, Twitter, etc.) to explore their views on the impact of WOM that they are doing in the social media, about issues related to food products suspected of using ingredients that are haram, as well as its impact on brand reputation, brand image and influence in decision making / buying behavior (interest). Furthermore, the researcher explained the methodology and data processing and then presented those findings. Finally, the researcher discussed the implications of these findings and identified directions for future research.

1.1 Literature review and research hypotheses

1.1.1 Internet

The word internet derives from the Internet-networking interconnection, which is the entire global system of interconnected computer networks that use the standard Internet protocol Suite (TCP / IP) to serve billions of users around the world. So, the internet is considered as an information center where all the information about a variety of things can be found.

Initially the Internet is a computer network that was formed by the U.S. Department of Defense in the early '60s, which is used as a liaison between departments to one another. Internet development in Indonesia began in the 1990s precisely in 1994 by the young Indonesian students returning from studying abroad.

Internet has enabled new forms of communication platform empowering providers and consumers, allowing vehicles to share information and opinions of both the Business to Consumer, and from the Consumer to Consumer. Electronic communication word of mouth (e-WOM) refers to the positive or negative statement correctly made by the customer about the product or the company, which was made available to many people and institutions via the Internet (Hennig-Thurau *et al.*, 2004).

Internet has now become easier to use not only for education but also the interests of business and individuals. Various terms appear to explain the use of the Internet for business purposes; some called it internet marketing, e-business, cyber marketing and so forth. Each provides extensive coverage and discussion regarding the use of online media for marketing.

B to B (Business to Business) concept developed into B to C (Business to Customer) added by the advent of social networking Friendster and followed by Facebook in 2008 and

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Twitter. This development further increased internet use in Indonesian society, not only to find information needs through search engines but also to communicate and form a separate social interaction. Users of social networking increased and made impact on the increasing number of small business based on social networks in 2010. Large firms start to use online media to communicate with customers.

Basically, the internet is chosen as the medium of communication because of its ability to provide information in the form of text, images, sound and animation in the electronic form. Therefore, internet is chosen as an effective and efficient means of exchanging information over long distances. Tara Hunt says, "Markets are Conversations" (Hunt, 2009), which through the internet, word of mouth promotion can create hundreds of conversations on Internet users.

Internet is chosen because of its advantages. First, the Internet provides information dissemination speed without the barriers of time and distance. Second, the Internet offers cheaper marketing costs compared with conventional marketing media. On the internet, thousands of users in Indonesia can quickly access company information anytime and in a relatively short time. The Internet has spawned social networking, therein communities formed. Social networking was made so that users can interact with a large group or community. The power of social networking such as this was then chosen by many companies as the medium to communicate the brand. Tara Hunt says that marketing using social networks allow companies to get more attention as compared to traditional marketing (Tara Hunt 2009). One study, for example, showed that 84% of internet users have at least one online community ties (CyberAtlas 2001).

Customer prefers conversing with friends through online media and trusts the people who cared. The users of social networking use social media to connect with people in the online community and do community marketing process. Fellow online community trusts over recommendations from online friends to buy or trust a brand. In this part, the company can use social networking to communicate brand. Through social networking, each individual will be easy to connect with family, friends, and even potential customers. Social networking sites offer very detailed information, not just who your friends are and what they are thinking about, but also information about the status of life.

Consumption related to the online community is basically a WOM network, where individuals with an interest in product categories interact to share information for buying, affiliating with other like-minded individuals, or participating in the complaint or compliment interactions (Cothrel, 2000; Kozinets, 1999; Hoffman and Novak, 1996).

1.1.2 Word of Mouth (WOM) Communication and e-WOM

WOM is defined as "informal communications directed at other consumers about the ownership, usage, or characteristics of particular goods and services or selling them" (Westbrook, 1987). WOM has traditionally been conceptualized and explored as an interpersonal exchange of information between individuals' familiar with each other (Brown and Reingen, 1987).

WOM is a consumer-dominated communication channel in which the sender is independent of the market. Evidence shows that consumers generally view WOM as more credible and trustworthy than corporate-led marketing communications (De Matos and Rossi, 2008; Katz and Lazarsfeld, 1955; Lau and Ng, 2001; Newman and Staelin, 1972). Therefore, WOM is considered more reliable, credible, and can be trusted by consumers than the company-initiated communication (Schiffman and Kanuk, 1995; Arndt, 1967).

Communication theory considers that traditional WOM has a strong influence on behavior, especially on consumer information search, evaluation, and subsequent decision making (Cox, 1963; Brown and Reingen, 1987; Money Gilly and Graham, 1998; G. Silverman, 2001). Offline WOM can convert lower order cognition and affect cognition to order and higher effects, then leads to behavioral commitment (Bristor, 1990). Through multiple exchanges, the

WOM message can reach and potentially influence many receivers (Lau and Ng, 2001). Social network analysis has been used to study the behavior of WOM as the unit of analysis as the exchange of (tangible and intangible) resources between social actors (Brown and Reingen, 1987; Bansal and Voyer, 2000) and see how the exchange between the pair build the network (Wellman and Berkowitz, 1998). Social networks found individual, group, and organizational behavior is more influenced by the type of relationships and networks in which actors are involved rather than by individual attributes of the actors themselves (Haythornthwaite, 1999).

WOM communication (WOM) is described as a process that enables consumers to share information and opinions that the buyer directly to and away from certain products, brands, and services (Hawkins *et al.*, 2004). Another author noted that consumer affective elements such as satisfaction, pleasure, and pain make all consumers be motivated to share the experience with others (Neelamegham and Jain, 1999). Researchers have identified factors/variables that can mediate WOM as sources of expertise (HS Bansal and PA Voyer, 2000), demographic similarity (Brown and Reingen, 1987), the strength of binding (Brown and PH Reingen, 1993) and perception affinity (Gilly *et al.*, 1998) as an important antecedent of WOM influence. The expected result of the spread of WOM is the reference. Mahajan (1990) found that WOM can influence product evaluations. Research conducted Gruen *et al.*, (2005) indicated that online WOM reference impact not only receiving perceived value of the company's products, but also their loyalty intentions.

Hennig-Thurau *et al.*, (2004) defines e-WOM as "any potential positive or negative statement made by actual customers or former customers about a product, company or made available to many people and through the internet".

Similar to WOM, e-WOM has high credibility, empathy and relevance to consumers than marketers induced source of information and a website has been launched to facilitate (Bickart and Schindler 2001). Other online companies also include e-WOM as an additional feature on their website, including online retailers (e.g. Amazon.com), a digital music download stores (iTunes) and C2C websites such as eBay. Online companies also use e-WOM as an alternative cost-effective and comfortable with advertising. For example, Amazon.com or Kaskus, TokoBagus etc. do not advertise through traditional methods but using e-WOM as perceived neutrality among consumers (Sen and Lerman, 2007).

e-WOM is more influential than offline WOM (WOM) due to its ability to reach a large number of people directly and on a global scale (Hennig-Thurau *et al.*, 2004; Phelps *et al.*, 2004). Although e-WOM is important, there is still a small number of studies that examine online consumer decisions and aspects of e-WOM, such as viral marketing, in a cross-national setting (e.g. Dobele *et al.*, 2007; Fong and Burton, 2008). WOM has been recognized as one of the most influential resource in the transmission of information. However, conventional WOM communication is only effective within the confines of limited social contact. Advancement of information technology and the emergence of online social networking sites have changed the way information is transmitted and has advantages that go beyond the limitations of traditional WOM.

E-WOM is used by consumers for the same reasons as traditional WOM, including the collection of information to reduce the risk, information storage to compare with other resources and share information in order to influence others (Pollach, 2006). Therefore, E-WOM is seen as an extension of traditional WOM, but different as far as the internet is not a medium that is used to trade information between consumers. Therefore, e-WOM has three main properties that are different from the traditional WOM including ubiquity, amorphousness and international context (Litvin *et al.*, 2008). WOM is the process of conveying information from person to person and played a major role in purchasing decisions of customers (Richins and Root-Shaffer, 1988).

The influence of information obtained from e-WOM comments on consumer purchasing decisions has received attention in the literature up to now. Senecal and Nantel (2004) found that

consumers use online product recommendations from three sources, including other consumers, choose the products recommended two times more often than consumers who do not use any kind of recommendation. Brown *et al.*, (2007) showed that the exchange of information via e-WOM is important for consumer decision making when consumers consider the information that is credible, and there are high levels of homophile and tie strength in online networks. Although these findings suggest that e-WOM has a positive effect on consumer purchase decisions by referring mainly to recommendations (i.e. positive e-WOM) and did not consider the e-WOM negative comments and how they affect consumer purchasing decisions. Research conducted by Reza SamieiJalilvand and Neda (2012) showed that online interpersonal influence or e-WOM plays an important role in consumers' purchasing decisions. Of several studies as described above, it can be said that e-WOM is also WOM online.

1.1.3 WOM, e-WOM and Brands

In the market, a brand is faced with thousands of brands of similar products or services. To differentiate a product, a product needs a name or brand as an identity for the company. In addition to corporate identity, branding according to Kottleris also intended to allow the customer or organization to assign the responsibility on producers (Kottler, 2007) such as administrative purposes and regulations related government policies. When consumers engage in informal conversations about products, services or brands, is known as word of mouth (WOM) (Arndt, 1967; East *et al.*, 2008). Consumers imitate each other following a representation of social or learning paradigm, but perhaps more importantly, they also talk to each other. Described as WOM communication (WOM), this process allows consumers to share information and opinion on direct purchases and away from certain products, brands, and services (Hawkins *et al.*, 2004).

Aaker, Keller (1993) developed the concept of the behavior of customer-based brand equity (CBBE), which consists of two dimensions of brand awareness and brand image and is defined as the differential effect of brand knowledge on customer response to the marketing of the brand. Brand image consists of attributes and benefits associated with the brand that makes the brand distinctive, so that it differentiates the company from competitors' bids (Webster and Keller, 2004). Attributes are descriptive features that characterize the brand, such as what the consumer thinks the brand or cause and what is involved with the purchase or consumption. Benefit is the consumer's personal value attached to the brand attributes, i.e., what consumers think the brand can do for them (Keller 1993, 1998). In the company-customer relationship, every interaction between company and customer become input into the company's brand image.

According to Keller, (1993) the consumer mindset is divided into two dimensions, namely brand awareness and brand image. Brand awareness indicates the presence of the brand in consumer memory and because it shows how well consumers will remember or realize (Rossiter and Percy, 1987). Brand image signifies consumer associations related to the brand (Keller, 1993). Park and Srinivasan made differentiation (1994) between the brand associations related to the attributes of a product and brand associations related to specific attributes. Overall brand evaluation is reflected in the attitude of the brand. Because the consumer mindset influences consumer behavior as a result of the actual decision-making process is not observed, integrated the brand, purchase intention in the model as a result of behavioral variables (Jalilvand and Samiei, 2012). Thus, consumer-based brand equity is the result of both activitybased consumer reactions to corporate brand communications and consumer response to other consumer-based brand on social media platforms compared to the reaction of consumers who receive the equivalent non-branded products. Differences can be ascribed to the reaction of the consumer mindset (Keller, 1993). Effects captured by the customer will depend on how manufacturers provide experience in marketing programs. When exploring the literature, the formation of relationships between social actors in online consumer communities, and in particular about the place of online community / website of your own in the social networks, it may be useful to take advantage of the consumer relationship with the brand (Blackston, 1992, 1993; Hess, 1996; Moriarty Gronstedt and Duncan, 1996; Palmer, 1996; Fournier, 1998), which itself refers to the Social Exchange Theory to explain how consumers relate to the brand. Palmer (1996) argues, "People need to have an emotional bond with a high involvement of the underlying products they buy".

WOM often has valence, positive or negative (Buttle, 1998). Positive comments or recommendations usually accelerate the acceptance of the brand and encourage purchases (East et al., 2008). On other hand, negative opinion is expected to hamper the brand choice and block purchase (as Chevalier and Mayzlin, 2006). In general, it is assumed that NWOM stronger than PWOM. Therefore, marketers should be concerned with the negative comments where possible (Goldenberg et al., 2007; Luo, 2009). In psychology, this is referred to as 'negative effect', whereby unfavorable information exerts greater impact on the community assessment and perception of favorable information (Herr et al., 1991; Fiske, 1980; Mittal et al., 1998.). For WOM, however, there is evidence that the mixture NWOM is more (or less) than PWOM effect. Arndt's research, which is often cited, (1967a) showed that the impact NWOM doubled from PWOM, although it is only under investigation for a brand new one that is often purchased in the food category. Therefore, this study focuses on food products, foods that rumored (WOM) contain ingredients / substances that are forbidden or halal products which are very important and gained great concern by Muslim-majority Indonesian public.

Brandp has also been considered as a major capital for many industries. Strong brands can increase customer confidence in a company's products or services purchased, and allow them to better visualize and understand intangible factors. According to Yoo and Donthu (2001), brand image can influence the company's future profits and long-term cash flow, making the consumer's willingness to pay a premium price, making mergers and acquisitions, stock prices, sustainable competitive advantage, and marketing success. Based on the arguments mentioned, it is clear that WOM communication has a strong impact on the assessment of the product (Herr *et al.*, 1991). The Researcher found that online WOM communications posted in the live and interactive media such as the internet may have a strong effect on brand image and brand awareness, as hypothesized in this study:

H1: e-Word of Mouth Impact on Brand Image

H2: e-Word of Mouth Impact on Brand Awareness

H3: e-Word of Mouth Impact Interests Purchase

1.1.4 WOM and Purchasing Behavior

Word-of-mouth (WOM) has been recognized as one of the most influential resource in the transmission of information. Advances in information technology and the emergence of online social networking sites have changed the way information is transmitted beyond the limitations of traditional WOM, has online interpersonal influence or electronic word of mouth (e-WOM) and plays an important role in consumer purchasing decisions (Jalilvand *et al.*, 2010).

Originally WOM is referred to as communication conversations among consumers about a product (Chatterjee, 2001; Sen and Lerman, 2007), spread all over the world with the internet bringing online WOM communication (Brown *et al.*, 2007; Chatterjee, 2001: Davis and Khazanchi, 2008; Godes and Mayzlin, 2004; Kiecker and Cowles, 2001; Xia and Bechwati, 2008). This new type of WOM communications has become an important venue for consumer opinions and are generally recognized to play a considerable role in influencing and shaping consumer attitudes and behavioral intentions (Bickart and Schindler, 2001: Godes and Mayzlin, 2004; Hennig-Thurau *et al.*, 2004; Mayzlin, 2006; Chatterjee, 2001; Chevalier and Mayzlin, 2006; Herr et al., 1991; Kiecker and Cowles, 2001; Sen and Lerman, 2007; Smith and Vogt, 1995; Weinberger and Dillon, 1980; Xia and Bechwati, 2008), considered more effective than WOM communication because of its greater accessibility and high range (Chatterjee, 2001). Posting reviews of consumer products on the internet is one of the most important forms of

communication in online WOM (Schindler and Bickart, 2005; Sen and Lerman, 2007), and it is increasingly common for consumers to search for product reviews online when gathering information for pre-purchase product (Adjei *et al.*, 2009; Zhu and Zhang, 2010) and form a purchase intention (Zhang and Tran, 2009).

The researchers have also shown that private conversations and informal information exchange between acquaintances not only affect consumer choice and purchase decisions, but also establish consumer expectations (Anderson and Salisbury, 2003), pre-use attitudes Herr *et al.*, (1991), and even post-use perception of a product or service (Bone, 1995).

WOM has a greater impact on attitude formation and decision making than formal marketing communications (e.g. Herr Kardes and Kim, 1991; Bone, 1995). Evidence showed that the strong bond between the two members which is felt by the two members have a positive influence on the decisions they make (Leonard-Barton, 1985). Development of various information processing and response models in their efforts to understand how consumers process and respond to information related to the product have been widely studied such as Strong's classical models (1925), AIDA model (attention, interest, desire, action), and Rogers (1995) Innovation-Adoption Model (awareness, interest, evaluation, trial adoption). The model concludes that communication is the process of persuasive messages and influences the attitudes and behavior of the recipient. McGuire (2001) identified five stages of information processing: exposure, attention, comprehension / evaluation, yield / revenue and retention / diffusion without regard to the persuasive process. Considering that WOM is communication diffusion, McGuire model shows the antecedents influence re-senders. Gershoff et al., (2003) define acceptance as "the extent to which re-senders believed that WOM information is correct and likely accept suggestions proposed in WOM information". Similarly, the posting intentions refer to the extent to which re-senders want to resend the information they have received to others, including those in both online and offline environments.

According to the Elaboration Likelihood Model proposed by Petty *et al.*, (1983), the quality of the argument is an important factor in determining the persuasive impact of the message. They also found that the quality of the arguments affecting consumer attitudes toward a product, in particular, consumers tend to have a more favorable attitude toward product-related information when the product has a high quality (strength) than the lower argument (weak).

A unique aspect of the effects of WOM marketing that sets it apart from the traditional effect is a positive feedback mechanism between WOM and sales of products. Meaning that, WOM leads to product sales, which in turn generate more WOM and then more product sales (Godes D and D Mayzlin, 2004).

Online consumer review, a type of e-WOM, involves positive or negative statement made by consumers about the products for sale on the internet shopping. An online consumer reviews becomes the route to social influence that plays two roles (informant and recommender).

Brand image is the perception of the brand as reflected by the brand associations in consumer memory (Keller, 1993). Brand image comes from the consumption of the consumer experience, and service quality perceived is a function of the consumption experience. Thus, customer perception of service quality directly affects the brand image (Aydin and Ozer, 2005).

When consumers engage in informal conversations about products, services or brands, it is known as word of mouth (WOM) (Arndt, 1967, East *et al.*, 2008). Often time, WOM has a valence which can be considered as positive (PWOM) or negative (NWOM) (Buttle, 1998). It is generally accepted that PWOM encourages the purchase of the brand, while NWOM inhibits purchase (Chevalier and Mayzlin, 2006; Liu, 2006). WOM contribution for the brand can be calculated by multiplying how many people give WOM by impacts associated with each event (East *et al.*, 2008; Uncle *et al.*, 2010; Prendergast and Ko, 2010).

In this study, we are concerned with the impact of e-WOM on product that was rumored to contain haram substances, and with expectations that corporate and consumer can take better

action in the case of this food. There is several factors interaction with the reaction of the recipient to WOM. Among them are valence factors (positive / negative) and the probability of individual factors acting before accepting WOM (prior probability). While a number of existing studies focused on strength PWOM versus NWOM (Charlett *et al.*, 1995; Romaniuk, 2007; Samson, 2006). Little prior probability factor in how to act can affect the impact of WOM (East *et al.*, 2008). This study is based on previous research by examining the impact of e-WOM on brand (brand image, brand awareness) and consumer behavior (purchase interest) are hypothesized as follows:

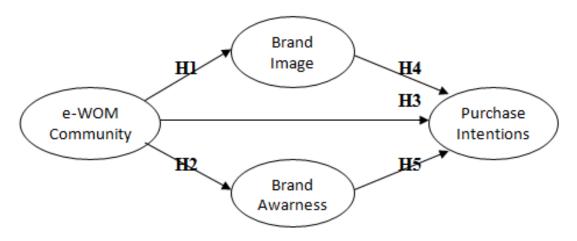


Figure 1. Research Model

2. Research Methods

2.1 Data collection and sample

The data was collected through an online survey of 400 respondents to fill out questionnaires. Three food companies whose products are rumored to contain lard material are selected. The selection of companies was based on the consideration that the majority of Indonesian people are Muslims. Muslim consumers are very vulnerable on WOM regarding the halal status of food products. So, if there are issues of a product containing pork fat, this issue will reflect badly on the image of the brand / product and affect the interest of the purchase. With WOM in social media, this issue is expected to have greater impact.

Respondents were evenly split between the three brands / food products which are rumored to contain lard / haram ingredients such as Indomie, Kopi Luwak, coffee, and Magnum ice cream. They responded on social media platforms and e-WOM, regardless of whether the brand is presented correctly or does not contain prohibited substances. Respondents were selected to participate based on a statement that they have really felt the brand on social media platforms.

2.2 Measurement

Measurements were performed with Cronbach's alpha and confirmatory factor Analysis (CFA) to measure the reliability and validity. We included all the independent and dependent latent variables in a multifactorial model CFA. To demonstrate that this model fit, the researcher used Goodness of fit (x2 / Df; root mean square error of approach (RMSEA), the standard root means square residual (SRMR), comparative fit index (CFI), Tucker-Lewis Index (TLI)). The researchers used structural equation model (AMOS 17.0) to test the hypothesis.

3. Result and Discussion

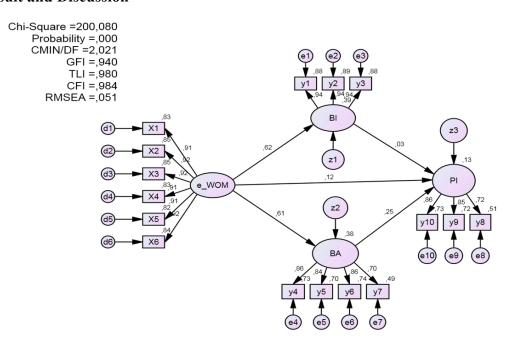


Figure 2. Research Model

Table 1. Demographic

Sample demographics (n= 400)	Amounts
Gender	
Female	171
Male	229
Education	
Ph. D	5
S2	
S1	
High School 114	114
No indication 71	71
Age	
<18	10
18-22	93
23-34	119
35-54	151
>54	27
Job	
PNS	75
Employee	79
Entrepreneur	94
Student	94
No indication	58

Source: Data processed

Table 2. Structural Coefficients

Hypotheses	Standardized structural coefficients
e-WOM → Brand Image	0,625
e-WOM → Brand Awareness	0,614
e-WOM → Purchase Intentions	0,123
Brand Image → Purchase Intentions	0,030
Brand Awareness → Purchase Intentions	0,251

Source: Data processed

The emergence of social media has introduced a brand-new channel of communication, proved by e-WOM whose impact is apparent on the brand in social media platforms. Via the mobile internet, which is becoming increasingly widely held and easy to use either through Cell phones, Smartphone, and other gadgets, social networking which is increasingly widely used by people from all walks of life, consumers and manufacturers can take the information and good communication via e-WOM in order to minimize misunderstanding, or issues related to the issue of halal food products (as a negative impact) which can result in decreased consumer buying interest

The starting point of this research is based on the observation that WOM in virtual communities or social networks (for example Facebook.com, twitter) called e-WOM or online WOM, where consumers can disseminate their experience and knowledge of the brands / products as well as services become increasingly popular. Practical experience and previous research shows that in the context of online WOM, consumers are interested in writing and reading experience pleasant and unpleasant. In addition, information from the e-WOM is very vulnerable to food products, especially the issue of food products made from substances that are not halal / haram. Consequently, from the perspective of marketers, the question arises about how to cope with the effects of WOM online (e-WOM) which may be relevant to the response variable in marketing. A response variable that plays an important role in marketing and need to be considered in the context of the effects of online WOM communication is the brand image. Therefore, the reason for doing research in the field of online WOM communication effects by introducing the concept of brand image and brand awareness in the halal food products and examine the possible effects of e-WOM on consumer behavior is very interesting to study.

This study is based on previous research and explores the unique contribution of interpersonal influence on brand image, brand awareness and intent / interest in buying in the food industry, especially halal products that have not been studied by other researchers. Our empirical study shows that e-WOM has a considerable effect on the brand image, on the need of brand awareness and indirectly leads to the intention to buy, especially in the food products industry. In addition, the researcher found that e-WOM has a strong direct influence on purchase intentions. This is consistent with many previous studies (Chevalier and Mayzlin, 2006), but not in the halal food industry products. The results of this study have some important implications. This study found that online WOM communication can lead to purchase intention which is very important for food manufacturers, especially for halal products in Indonesia with majority Muslim community.

Decomposition of total effects for the model study (N = 400), customers can read online for product recommendations, directing interest and may have a strong effect on their buying decisions. E-WOM can be used so that consumers can find out information and awareness of the brand is formed. Therefore, managers can initiate activities point-of-sale in the form of product trials with the aim of motivating online WOM communication that allows consumers to form their own impression.

Many studies have investigated the perception of the quality of customer service as a predictor of customer behavior intention, such as WOM communication. Boulding *et al.*, (1993) showed that service quality positively affects behavioral outcomes such as loyalty and positive

WOM. Zeithaml *et al.*, (1996) proposed a model of the behavioral consequences of service quality and suggested that the perception of service quality related to positive behavioral intentions including WOM, purchase intentions, complaining behavior, and price sensitivity. Based on the study, Alexandris *et al.*, Zeithaml *et al.*, (2002) showed that the quality of service indicated 93 percent of variance in WOM.

Managers can improve brand image by increasing the range of product information, improving product quality, offering products in a decent price and providing friendly after-sales service. These improvements will directly enhance the product purchase intentions. However, companies with high brand equity should not rely on such a high brand image benefits such as customer loyalty as expressed in the literature (Aaker, 1991; Agarwal and Rao, 1996; Keller and Lehmann, 2006).

Food companies should be aware of the risk of negative WOM communication online because companies with high brand equity can be significantly attenuated by negative WOM online and will be detrimental. Marketers can develop the right communication tools and media to make consumers more aware of their brands / products, and try to change some of the issues or negative perceptions that consumers know about brands / products through online WOM. It can be said that the positive e-WOM plays an important role in improving customer purchase intent, creating a brand image / profitable product for the company, it can even reduce promotional spending.

Research on the effects of e-WOM on social media conducted by Nguyen and Romaniuk, (2012) showed that traditional media exert a stronger impact on brand awareness compared to online communication media, while online social media communication has a stronger positive effect on brand image. As a result, the communications media comparative assessment showed that traditional media such as TV and print campaigns are best suited to increase brand awareness, while company's weblogs company or brand profiles on social networking sites are best suited to enhance the brand image.

Marketers need to be very aware that they can use and create social media communications to enhance brand image and enhance certain ability to influence the C2C and B2C communications via e-WOM. Companies can actively begin using WOM communication about their brands by leaving a memorable impression in the minds of consumers (Mangold and Faulds, 2009). Magnum ice cream has proved a traditional media campaign with vigorous advertising and used social media based on Internet network, through Facebook and Twitter. Unfortunately, manufacturers do not focus on providing knowledge to consumers that their products are halal guaranteed.

Joint use of traditional media communications and social media provides a very effective and optimal marketing mix to positively affect brand equity. Companies may affect consumers and use traditional communication channels and media to manage brand awareness and brand image. Marketing managers should find out what can trigger awareness because awareness ultimately affects consumer behavior. Finally, companies should be aware of why they are involved in social media and be careful in defining a clear strategy for their involvement. Social media does offer companies a lot of opportunity to listen to their customers, engage with them, and can even affect their conversation. Therefore, the company must have a direction and a purpose, wrapped in honesty in conveying information regarding its products that not only aims to achieve a good image by providing knowledge about the product information in a transparent manner.

4. Conclusion

E-WOM is a relatively new phenomenon and is still an area that should be explored in this field. Previous research focused specifically on e-WOM recommendations, positive and negative e-WOM, ambiguous e-WOM information, or a combination of the various reviews,

which may exist on many sites that provide tracking and e-WOM recommendations. E-WOM, brand and purchase intention has been tested on a variety of products, such as luxury cars, laptops, gadgets, Starbuck, TV commercials, movies, etc. From these studies, we can gain rich insights that can be obtained to study the various categories of products, including high-risk product search experience on products and services. This is what underlies this research. E-WOM research on social media and its influence on the brand and purchase intention of halal food products has not been studied previously. These results also open up some interesting paths for future research.

By knowing the impact of e-WOM on brand and buying interest in this study, marketers should not underestimate the presence of WOM communication types. Major impact should be utilized and related marketing strategies of e-WOM communications must fit and proper so that the company's efforts in building a brand image, providing product knowledge to increase brand awareness, increase buying interest and encourage the purchase was worth it.

Limitations of this study are the absence of discussion about the truth of whether the product is halal or haram. However, this study aims to examine the e-WOM on brand image, brand awareness and purchase interest in the product rumored to contain haram substances.

Research in the future will be made and developed from this research, related to strategy, or seek another impact of e-WOM, or on the type of another product.

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Appendix

Word of mouth (Bambauer-Sachse and Mangold, 2011)

- (E-WOM1) I often read product reviews online from other consumers, to find out what product / brand makes a good impression on others
- (E-WOM2) To make sure I buy the right product / brand, I often read online product reviews from other consumers
- (E-WOM3) I often consult about online product reviews from other consumers, to help choose the right product / brand
- (E-WOM4) I often collect information about product reviews online from other consumers before I buy certain products / brands
- (E-WOM5) If I do not read product reviews online from other consumers, when I buy a product / brand, I'm worried about the decision I made.
- (E-WOM6) When I buy a product / brand, product reviews from other consumers online make me confident in buying products / brands

Brand image (Davis et al., 2009, Scott and English., 1989, Verhoef et al., 2004)

- (BI1) Compared to other products / brands, I believe this product / brand has halal quality
- (BI2) This product / brand has a good historical credibility as a halal product
- (BI3) I believe this product / brand is a halal product

Brand awareness Yoo et al., (2000)

- (BA1) I easily recognize this product / brand as a halal product
- (BA2) Some characteristics of this product / brand immediately come to my mind
- (BA3) I easily memorize the symbol / logo of this product / brand
- (BA4) I have a very clear picture of this product / brand

Intention to buy (Grewal et al., 1998, Shukla., 2010)

- (Pi1) I would seriously consider buying this product / brand
- (Pi2) I am willing to recommend others to purchase this product / brand
- (PI3) I intend to purchase this product / brand in the future