Word Of Mouth: The Role Of Satisfaction In Mediating The Influence Of Brand Image And Service Quality

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Abstract

Word of mouth can encourage decision to purchase through customer satisfaction. Customer satisfaction is influenced by brand image and service quality. This study aims to determine the effect of brand image and service quality on word of mouth through customer satisfaction as a mediating variable. This research is quantitative research. The data is collected through questionnaire. The data analysis technique uses static methods with modeling Structural Equation Modeling (SEM) Partial Least Square (PLS). The sample of this study is the Skin Care "R" Beauty’s consumers taken with accidental techniques in number of 100 respondents. Based on the results and discussion of the research, it can be concluded that 1) Brand image and service quality affect Word of Mouth, 2) Brand image and service quality affect Word of Mouth through satisfaction.

Keywords: brand image, service quality, word of mouth, customer satisfaction

1. Introduction

In this globalization era, local or international market competition is really tight. A company must have accurate marketing strategy for its product and services with good quality and able to compete so that it may develop or minimally may survive. There are various attempts to market product or service of a company, such as creating brand image and improving the product and service quality.

According to Malik et.al. (Adinegara et.al, 2017), brand image is a correlation of company’s brand in consumer’s mind as an effect of assumption brand perceived by the consumer. Each company shall position their product to create good image and perception, as well as unique community and consumer.

Brand image plays important role since it allows consumer to visualize better, understand product, diminish risk perceived by the consumer in purchasing service, and help the company to achieve excellent sustainable performance (Kim et al., in Adinegara et.al, 2017). Brand image also allows company to obtain reputation, profit competitiveness (Porter & Claycomb, in Adinegara et.al, 2017), improve various things such as service quality, consumer satisfaction, loyalty, and intention to buy again (Ball et.al., in Adinegara et.al, 2017). In consequences, the brand may continuously to be known, noticed, and consumed by public (creating consumers’ loyalty).

Meanwhile, Zafar et al. (2015) explains that service quality affects consumers’ satisfaction. Service quality can be seen as a difference between expected service and actual service (Al-Ababneh, 2017). If the expected service is close to the actual service perception, the consumers will be satisfied enough. Nevertheless, if the expected service is bigger than the actual service perception so it will be very satisfying (Kotler et al., in Adinegara et.al, 2017).

Consumers’ satisfaction is defined as psychological concept which involves welfare and happiness generated from expectation of the product and service (Chen, in Adinegara et.al, 2017). Afterwards, Van Vuuren et al. (in Adinegara et.al, 2017)) explains that satisfaction is an emotional response when assessing the differences between expectation and perception relating to service performance and actual performance perception obtained through physical interaction with the business product or service.

Satisfaction has important implication for management purposes; thus, the main consequence of satisfaction is loyalty in form of repetitive purchase, willingness to pay higher price, company’s communication through word of mouth, and equity brand improvement (Dmitrovic et al., in Adinegara et.al, 2017). Other benefits from consumers’ satisfaction is ability to isolate consumer from competition, create sustainable profit,
decrease failure cost, attract consumer back, encourage loyalty, create positive word of mouth (WOM), and reduce cost for attracting new consumer (Lovelock & Wright, in Adinegara et.al, 2017). In achieving consumers’ satisfaction obviously there are influent factors, such as brand image and service quality factors.

One of the most acceptable ideas in consumers’ behavior is communication from mouth to mouth gives important role in forming attitude and behavior of the consumers. Managers are interested in mouth to mouth communication since they believe that a product success correlates with generated mouth to mouth information from the product itself (Ghalandari, in Adinegara et.al, 2017).

*Word of Mouth* is a strategic way for companies in Asian countries that focus on increasing the number of customers that tend to visit, to meet, and to talk about everything, including services provided by a company. Company’s products the get positive response from a group of people will contribute to introduce the product to the public.

Sweeney et.al (in Kazmi and Mehmood, 2016) explains that WOM is used in promoting product and service precisely in professional environment.

Meanwhile, Hasan (in Sanjaya and Yasa, 2018) explains that Word of Mouth is a part of an attempt to deliver business message to consumers. The people who are familiar with purchase capability tend to talk about fact in society relating to such phenomenon (Yoon in Kazmi and Mehmood, 2016). In line with Lovelock and Wright opinion (in Harsono, 2018), recommendation from consumer is generally considered to be more reliable than the information from the company itself and it has strong influence on people decision to use or left company’s service. Capability to identify communication word of consumer from word of mouth is really important for the service provider. (Ng et al., in Adinegara et.al, 2017).

2. **Hypothesis**

H1: Brand Image has positive significant influence on *word of mouth* in Skin Care "R" Beauty.
H2: Service quality has positive significant influence on *word of mouth* in Skin Care "R" Beauty.
H3 : Brand Image has positive significant influence on *word of mouth* through by consumer satisfaction in Skin Care "R" Beauty.
H4: Service quality has positive significant influence on *word of mouth* through by consumer satisfaction in Skin Care "R" Beauty.

3. **Conceptual Framework**

![Conceptual Framework](image-url)
4. Research Method

This research is descriptive research. It uses data collection method in form of questionnaire which is distributed to consumer who came to Skin Care “R” Beauty. In addition, this research uses quantitative approach.

Population in this research is the people who ever use Skin Care “R” Beauty service.

Since this research uses PLS analysis, minimal recommended sample is approximately 30 until 100 cases (Ghozali, 2015). This research used 100 respondents as samples, which met the requirements, in terms of the number of samples. Samples were collected by using accidental sampling, in which the samples were taken when the research came and accidentally met the visitors of a beauty clinic “R” Beauty who are going to do treatment.

5. Result of Hypothesis Test

Hypothesis test performed by comparing t-statistic value with table in which 1,96. If t-statistic value is ≥ 1,96, it means that correlation between two variables is significant and the hypothesis accepted (Ghozali, 2015).

<table>
<thead>
<tr>
<th>Hypothesis</th>
<th>T-Statistic</th>
<th>P-value</th>
<th>Result</th>
</tr>
</thead>
<tbody>
<tr>
<td>CM → WOM</td>
<td>3.041</td>
<td>0.023</td>
<td>Accepted</td>
</tr>
<tr>
<td>KP → WOM</td>
<td>2.911</td>
<td>0.017</td>
<td>Accepted</td>
</tr>
<tr>
<td>CM → K → WOM</td>
<td>4.748</td>
<td>0.000</td>
<td>Accepted</td>
</tr>
<tr>
<td>KP → K → WOM</td>
<td>4.614</td>
<td>0.000</td>
<td>Accepted</td>
</tr>
</tbody>
</table>

Based on Table 17, result of hypothesis test is as follows:

**H1:** T test result shows brand image influence towards Word of Mouth to the value of 3,041 > 1,96, it means Brand Image influence on Word of Mouth is significant.

**H2:** T test result shows satisfaction influence towards Word of Mouth is to the value of 2,911 > 1,96, it means service quality influence on Word of Mouth is significant.

**H3:** T test result shows Brand Image influence on Word of Mouth through Satisfaction to the value of 4,748 > 1,96 which means Brand Image influence on Word of Mouth through Satisfaction is significant.

**H4:** T test result shows influence of Service Quality towards Word of Mouth through Satisfaction is to the value of 4,614 > 1,96, it means Service Quality influence on Word of Mouth through Satisfaction is significant.
6. Discussion

Based on statistic test, it can be known that brand image significantly influence Word of Mouth. It indicates that the better brand image the more positive Word of Mouth. Good brand image in consumers’ side will encourage them to deliver positive Word of Mouth to their friends.

Service quality based on statistic test has direct significant influence on Word of Mouth. It means that the stronger service quality the more positive word of Mouth delivered. Good service quality encourages consumers to deliver positive Word of Mouth to their friends.

Brand image has indirect significant influence towards Word of Mouth through satisfaction. It means that the better brand image, the more positive influence upon satisfaction; thus, it increases the possibility of consumers to deliver positive word of mouth. Good brand image in consumer side incurs satisfaction in the consumer itself towards Skin Care "R" Beauty so that in the end the consumers will deliver positive Word of Mouth.

Service quality has indirect significant influence towards Word of Mouth through satisfaction. It means that the stronger service quality, the more positive influence on satisfaction. Hence, positive word of mouth is likely to be performed. Good service quality will encourage consumers’ satisfaction towards Skin Care "R" Beauty so that in the end it will encourage word of mouth by the consumers. Result of this research is in line with statement by Kotler (2015) that service quality may be able to fulfill people's expectation, make them visit again, and recommend to others.

This research poofs that customers willbe willing to promote a product through Word of Mouth if the company gives satisfying services and has a positive image that meet the their expectation. This no expectation for the customers of Beauty Clinic “R” Beauty who have promoted the clinic through Word of Mouth because they have been satisfied with the services and the clinic has a good reputation.

The results of this research can be used as consideration for a company to improve the quality and brand image in order to meet the customers satisfaction, encouraging them to do Word of Mouth. The quality of services and the company’s image become the requirements of the customers to be willing to promote the company through Word of Mouth.

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