

**IMPACT OF SOCIAL ELECTRONIC WORD OF
MOUTH AND BRAND ATTITUDE TOWARDS
PURCHASE INTENTION OF XIAOMI
SMARTPHONE IN INDONESIA**



**BY:
CLARA ALVERINA
3303015003**

**INTERNATIONAL BUSINESS MANAGEMENT STUDY PROGRAM
MANAGEMENT DEPARTMENT
FACULTY OF BUSINESS
WIDYA MANDALA CATHOLIC UNIVERSITY
SURABAYA
2019**

**IMPACT OF SOCIAL ELECTRONIC WORD OF
MOUTH AND BRAND ATTITUDE TOWARDS
PURCHASE INTENTION OF XIAOMI
SMARTPHONE IN INDONESIA**

UNDERGRADUATE THESIS

Addressed to

FACULTY OF BUSINESS

WIDYA MANDALA CATHOLIC UNIVERSITY

to Fulfill in Part the Requirement for

BARCHELOR DEGREE IN MANAGEMENT

BY:

CLARA ALVERINA

3303015003

INTERNATIONAL BUSINESS MANAGEMENT

FACULTY OF BUSINESS

WIDYA MANDALA CATHOLIC UNIVERSITY

SURABAYA

2019

APPROVAL PAGE

THESIS

IMPACT OF SOCIAL ELECTRONIC WORD OF MOUTH AND BRAND ATTITUDE TOWARDS PURCHASE INTENTION OF XIAOMI SMARTPHONE IN INDONESIA

BY:
CLARA ALVERINA
3303015003

Approved and Accepted by:

Advisor I,

Advisor II,



Lena Ellitan, Ph.D
NIK. 311.95.0227

Date: 14/1/2019



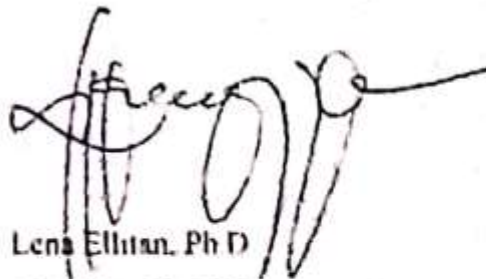
Dr. Wahyudi Wibowo, ST., MM.
NIK. 311.15.0855

Date: 15/1/19

VALIDATION PAGE

Thesis is written by Clara Alverina NRP. 3303015003 has been examined on 26th of January 2019 and declared to have passed by the Panel of Examiners

Head of Examiners.



Lena Ellitan, Ph D
NIK 511 95 0227

Confirmed By

Dean of Business Faculty.



Dr Lodovicus Lasdi, MM., Ak., CA
NIK 321 99 0370

Head of Department.



Robertus Sigit H.L., SE., M Sc.
NIK 311 31 0678

AUTHENTICITY STATEMENT OF SCIENTIFIC PAPER AND PUBLICATION APPROVAL OF SCIENTIFIC PAPER

For the sake of knowledge development, I, as a student of Widya Mandala
Catholic University Surabaya:

The undersigned below:

Name : Clara Alverina
NRP : 3303015003
Title : Impact of Social Electronic Word of Mouth and Brand
Attitude towards Purchase Intention of Xiaomi Smartphone
in Indonesia

Acknowledge that this final research study report is authentically written by me. If
it is proved that this paper is a plagiarism, I am ready to receive any sanctions
from the Business Faculty of Widya Mandala Catholic University Surabaya. I also
approve that this papers to be published in internet or other media (The digital
library of Widya Mandala Catholic University Surabaya) for academic importance
to the extent of copyright law.

Thereby the authenticity statement and the publication approval that I made
sincerely

Surabaya, 14th January 2019

Stated By,



(CLARA ALVERINA)

FOREWORDS

Big thanks to Jesus Christ for His blessings and love so that author can finish this thesis with titled “Impact of Social Electronic Word-of-Mouth and Brand Attitude towards Purchase Intention of Xiaomi Smartphone in Indonesia”. This thesis is written as one of the requirements for the author to be given the title in Bachelor of Management from Business Faculty of Widya Mandala Catholic University Surabaya

During the writing process of this thesis, the author has received a great amount of help, guidance, support, and critics from many sides, and would like to express gratitude to:

1. Dr. Lodovicus Lasdi, M.M., Ak., CA as Dean of Business Faculty in Widya Mandala Catholic University Surabaya
2. Robertus Sigit H.L, SE., M.Sc. as the Head of Management Department, Faculty of Business, Widya Mandala Catholic University Surabaya
3. Dr. Wahyudi Wibowo ST., ST., MM. as the Head of International Business Management Faculty of Business Widya Mandala Catholic University Surabaya and as Advisor II, who have patiently guide, support and give a lot of new knowledge to author so author can finish the research on time.
4. Lena Ellitan, Ph.D. as Advisor I, who have spent her time to guide me and gives a lot of knowledge, suggestion and support for the author so author can finish this research on time and done it correctly.
5. All administrative staffs in Faculty of Business Widya Mandala Catholic University Surabaya who have helped and provided information for the thesis writing.
6. Family especially my sister that always supports author with their prayers and morals every time.

7. Friends in IBM who were giving support and always working on together with the author almost every day, Agnes Mariana, Joceline Debora, Ricardo Tanama, Lungardi S. Wibowo, Ivan Sutanto, Chita Jumbo, Melina Gunawan, Theresia Indri.
8. Highschool friends who always give author prayers and moral support, Maitri D. Candika, Raditya Sujana P, Jessica Godwin, and Fitri.
9. Seniors, friends and lab assistants who have helped and guide author, Maria Jessica, Feby Sandra, Ruth Natasha, Jessica Oktaviani, Clara Tanazal, Stanley Wang, Fico Abraham
10. Brotherhood 33 that enlightenment author especially Elga, that help author to borrow some book as this research's references.
11. HMJM 2015 who have helped each other in this thesis writing.

The author aware that this thesis is far from perfect and will completely open to critics and suggestions. Full of hope, that this thesis will give more knowledge and useful for the readers

Surabaya 2019,

Clara Alverina

TABLE OF CONTENT

	PAGE
TITLE PAGE	i
APPROVAL PAGE	ii
VALIDATION PAGE	iii
AUTHENTICITY STATEMENT OF SCIENTIFIC PAPER AND PUBLICATION APPROVAL OF SCIENTIFIC	iv
FOREWORDS	v
TABLE OF CONTENT	vii
LIST OF TABLES	x
LIST OF FIGURES.....	xi
LIST OF APPENDIXES.....	xii
ABSTRAK.....	xiii
ABSTRACT.....	xiv
CHAPTER 1. INTRODUCTION	
1.1. Background	1
1.2. Research Questions	6
1.3. Objectives of the Study	6
1.4. Significance of the Study	6
1.4.1. Theoretical Significance	6
1.4.2. Practical Significance	7
CHAPTER 2. LITERATURE REVIEW	
2.1. Previous Research	8
2.2. Theoretical Foundation.....	9
2.2.1. Grand Theory.....	9
2.2.2. Social Electronic Word-of-Mouth.....	11
2.2.3. Brand Attitude	12
2.2.4. Purchase Intention	13
2.3. Relationship Among Variables	14
2.3.1 Influence of Social eWOM towards Brand Attitude.....	14
2.3.2 Influence of Brand Attitude towards Purchase Intention.....	15
2.3.3 Influence of Social eWOM towards Purchase Intention.....	15
2.4. Research Hypothesis	16
2.5. Research Framework.....	16

CHAPTER 3. RESEARCH METHOD

3.1. Research Design.....	17
3.2. Variable Identification, Operational Definition, Measurement.....	17
3.2.1 Variable Identification	17
3.2.2 Variable Operational Definition.....	18
1. Social Electronic Word-of-Mouth.....	18
2. Brand Attitude.....	18
3. Purchase Intention.....	19
3.2.3 Variable Measurement	19
3.3. Data and Data Sources	19
3.4. Data Collection Tools and Methods.....	20
3.5. Population, Sample and Sampling Technique	20
3.5.1 Population.....	20
3.5.2 Sample	20
3.5.3 Sampling Characteristics	21
3.6. Data Analysis Technique	21
3.6.1 Normality Test	21
3.6.2 Overall Model Fit Test.....	22
3.6.3 Validity Test.....	23
3.6.4 Reliability Test.....	23
3.6.5 Structural Equation Model Fit Test.....	24
3.6.6 Hypothesis Testing.....	24

CHAPTER 4. ANALYSIS AND DISCUSSION

4.1.Respondent Characteristics	25
4.2.Descriptive Statistics of Research Variables.....	25
4.2.1 Descriptive Statistics of Social eWOM Variable.....	26
4.2.2 Descriptive Statistics of Brand Attitude Variable.....	27
4.2.3 Descriptive Statistics of Purchase Intention Variable.....	28
4.3.Structural Equation Modeling Data Analysis	29
4.3.1 Normality Test	29
4.3.2 Overall Model Fit Test	30
4.3.3 Validity Test.....	31
4.3.4 Reliability Test.....	32
4.3.5 Structural Equation Model Fit Test.....	35
4.3.6 Hypothesis Test.....	35
4.4.Discussion	36
4.4.1 The Impact of Social Electronic Word-of-Mouth on Brand Attitude toward Xiaomi's Smartphone in Indonesia	36
4.4.2 The Impact of Brand Attitude on Purchase Intention toward Xiaomi's Smartphone in Indonesia.....	38
4.4.3 The Impact of Social Electronic Word-of-Mouth on	

Purchase Intention toward Xiaomi’s Smartphone in Indonesia	39
CHAPTER 5. CONCLUSION AND SUGGESTION	
5.1. Conclusion.....	40
5.2. Limitation of the Research.....	40
5.3. Suggestion	41
5.3.1 Theoretical Suggestion.....	41
5.3.2 Practical Suggestion.....	41
BIBLIOGRAPHY	43
APPENDIXES	

LIST OF TABLES

	PAGE
Table 2.1 The Comparison of Previous Research and Recent Research	8
Table 4.1 Interval Mean Score	25
Table 4.2 Descriptive Statistic of Social Electronic Word-of-Mouth Variable	26
Table 4.3 Descriptive Statistic of Brand Attitude Variable	28
Table 4.4 Descriptive Statistic of Purchase Intention Variable	28
Table 4.5 Result Test of Univariate Normality	29
Table 4.6 Test of Multivariate Normality for Continuous Variables.....	30
Table 4.7 Overall Model Fit Test.....	30
Table 4.8 Validity Test Result	31
Table 4.9 Reliability Test Result of SE.....	32
Table 4.10 Reliability Test Result of BA.....	33
Table 4.11 Reliability Test Result of PI.....	34
Table 4.12 Reliability Test Result.....	34
Table 4.13 Hypothesis Test.....	36

LIST OF FIGURES

	PAGE
Figure 1.1 Indonesia Digital Landscape 2018.....	2
Figure 1.2 IDC Indonesia: 2Q18 Smartphone Shipments Post New Record High with Xiaomi Disrupting the Market into a New Phase	4
Figure 2.1 TPB Model.....	10
Figure 2.2 Research Framework	17

LIST OF APPENDIXES

- Appendix 1a Questionnaire in English
- Appendix 1b Questionnaire in Bahasa
- Appendix 2 Respondent's Characteristics
- Appendix 3a Respondent's Answer on Social eWOM
- Appendix 3b Respondent's Answer on Brand Attitude
- Appendix 3c Respondent's Answer on Purchase Intention
- Appendix 4a Frequency Based on Characteristics of Respondents
- Appendix 4b Descriptive Statistics
- Appendix 5 Normality Test Result
- Appendix 6 Output SEM
- Appendix 7 Diagram of Estimates
- Appendix 8 Diagram of Standard Solution
- Appendix 9 Diagram of t-value

ABSTRAK

Perkembangan teknologi serta meningkatnya variasi penggunaan internet di dunia ini membentuk ciri berkomunikasi yang semula komunikasi interpersonal. Wujud komunikasi tersebut berubah menjadi komunikasi elektronik. Bahkan pada zaman sekarang orang menggunakan media sosial untuk berkomunikasi. Penelitian ini terinspirasi dari penelitian sebelumnya yang mengangkat topik mengenai dampak dari *social eWOM* dan *brand attitude* terhadap *purchase intention*.

Riset ini dilakukan untuk memahami *purchase intention* akan Xiaomi smartphone menggunakan *social eWOM* dan *brand attitude* di Indonesia. Riset ini menggunakan metode penelitian kuantitatif, dengan total responden 150 orang yang berusia lebih dari 17 tahun. Responden dari riset ini harus pengguna media sosial, berdomisili di Indonesia, serta mengenali/ tahu merek Xiaomi. Responden harus mengisi kuesioner yang terdapat di *google form* yang telah dibagikan melalui media sosial. Penelitian ini menggunakan LISREL 8.8 *Structural Equation Modeling* sebagai alat analisa.

Penelitian ini menemukan bahwa (1) *Social eWOM* mempengaruhi *Brand Attitude* secara signifikan, (2) *Brand Attitude* juga secara positif dan signifikan mempengaruhi *Purchase Intention*. Juga (3) *Social eWOM* mempengaruhi secara langsung dan positif terhadap *Purchase Intention* konsumen.

Kata kunci: *Social eWOM, Brand Attitude, Purchase Intention, Theory Planned Behaviour.*

ABSTRACT

From the rapid change of technology also the use of internet worldwide, communication between people to people has been reshaped. From the interpersonal communication become virtual way of communication called electronic word of mouth. Even now people use social media to communicate. This study is inspired from the previous research study that seeks about the use of social eWOM and brand attitude impact to purchase intention.

This research is conducted to understand purchase intention of Xiaomi smartphone using social electronic word-of-mouth and brand attitude in Indonesia. This research is using quantitative method of study. The total numbers of respondents are 150 people who are more than 17 years old, social media user, live in Indonesia and know Xiaomi. In order to participate in this research, the respondents must fill out the questionnaire given by researcher using google form. Researcher use Structural Equation Modeling with LISREL 8.8 as the analytical tool in this study. This study finds that (1) Social Electronic Word-of-Mouth has significant impact on Brand Attitude, (2) Brand Attitude significantly impact Purchase Intention and (3) Social Electronic Word-of-Mouth has positively impact Purchase Intention.

Keyword: Social eWOM, Brand Attitude, Purchase Intention, Theory of Planned Behavior.