The Influence of e-WOM and Brand Image on Hotel Booking Intention in Jakarta: A Study of Generation Z

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Abstract. The era of digitization has made every daily activity involve some form of digital media or online interaction. The number of individuals using the Internet in Indonesia is expected to continue rising alongside the increase in population. As a result, information is now widely available without cost or restriction. This study examines the influence of electronic word of mouth (e-WOM) and company brand image on hotel booking intention in Jakarta. Using Generation Z as the focus of the study because the use of technology and the internet has become a trend for them before making a purchase decision. We collect data in the Jakarta area, expecting the Generation Z we examine to have already made online hotel reservations. Online surveys were distributed using Google Forms to collect the data needed for the analysis. A total of 211 people participated in this survey. In this study, descriptive analysis was conducted using the Smart PLS software. The findings indicated that the e-WOM variable positively and significantly affected hotel booking intentions in Jakarta. Brand image positively and significantly impacts hotel booking intentions in Jakarta. Then, e-WOM positively and significantly influences the brand image.

1 Introduction

The era of digitization has brought many changes to human life, one of which is changing how we communicate. Initially, communication could be conducted face-to-face, but now, we can communicate virtually via the Internet [1]. Many countries in the world have great potential to take advantage of the development of digital technology properly and wisely, one of which is Indonesia. The reason for this is that the population of Indonesia, as well as the number of Indonesians who have access to the Internet, continues to rise each year. Statistics from the Worldometers show that as of 31 January 2023, the population of Indonesia has reached 273.52 million [2], and We Are Social Report data shows that as of January 2023, there were 212.9 million internet users in Indonesia [3].

The abovementioned phenomenon potentially becomes a business opportunity, especially in the hospitality industry. Technological advancements allow businesses to provide better customer service, increasing guest engagement and revenue by selling rooms through online channels like OTAs and social media [4]. Then, with internet technology, guests can choose and book hotel rooms through websites or applications based on location, price, and facilities according to their preferences, which is more efficient [5].

The growth of the internet has also made it easier for customers to research hotels before making reservations. For instance, to know how previous customers felt about their stay and whether the pricing is reasonable given the amenities and services provided [6]. These remarks and ratings gave rise to "electronic word of mouth."

Online word of mouth, often known as e-WOM, refers to spreading information about a company's goods and services using electronic communication that will influence a person's purchasing decisions [7]. Another definition of e-WOM is customer reviews about products distributed to many people via the internet [8].

With e-WOM, guests can seek information about other people's experiences or share information based on personal experiences through social networking platforms and review sites [9]. Reading reviews or recommendations from other people can influence the mindset and behavior of consumers regarding the purchase decisions of hotel customers [10]. E-WOM can refer to positive and negative statements that spread on the internet. If the results of customer reviews are positive about a brand, it will encourage the creation of a positive company brand image [11]. Conversely, if the results of customer reviews are negative, it can damage a company's reputation, creating a negative brand image, and dissuading potential buyers from purchasing [12]. Therefore, it is essential to a company's long-term marketing success to establish a positive brand image for a product or service because it affects customer purchasing behavior [13].

In the current era of digitization, the term "word of mouth" (WOM) more accurately refers to "electronic word of mouth," which has a much broader scope and makes it easier to have access to online reviews [14]. Moreover, this research also focused on Generation Z. The reason is most likely that Generation Z has a big
interest in the content that spreads on social media. Moreover, positive e-WOM from previous buyers can make Generation Z interested in the marketed products [15]. The existence of technology and the internet are essential elements in the daily life of Generation Z [16]. Therefore, members of Generation Z are highly critical of technology use because they like to do digital transactions on the internet, are well-versed in the fast development of new technologies, and have the internet's ability to disseminate information worldwide in a matter of seconds [17].

Based on the discussion above, this research aims to understand better how e-WOM and brand image affect hotel booking intentions in Jakarta. Furthermore, this study focused on Generation Z, who previously made online hotel reservations.

The study's findings will be helpful for managers since it explains why it's crucial to maintain a strong e-WOM and brand image in influencing prospective guests' decisions to book a stay at a hotel.

2 Literature review

2.1 Electronic word of mouth (e-WOM)

Electronic word-of-mouth is a system containing messages about products or services through online boards [18]. e-WOM is informal contact with consumers through the internet about the uses or qualities of specific goods and services or a particular seller [19]. It is a helpful marketing and communication instrument since information can spread rapidly through e-WOM [20]. An online review is one example of disseminating information through e-WOM [21]. Online reviews are opinions written by consumers in online media based on experiences from using products [22]. Reviews written by customers who have utilized the product or service substantially impact consumer purchasing decisions [23]. Positive e-WOM has the potential to affect businesses in various ways, including an increase in sales as word of mouth travels via digital channels [24]. Vice versa, negative e-WOM can spread just as quickly and dramatically, resulting in a steep drop in product sales and significant financial losses for the business [25].

The previous studies [26] categorized e-WOM into three dimensions:

- **e-WOM Quality**: The quality of e-WOM is defined as any recommendation that can persuade someone based on clear and easy-to-understand information.
- **e-WOM Quantity**: The total number of comments on a post is the e-WOM quantity. Usually, a high number of reviews assures customers that the product is well-liked and that they will not be disappointed after making a purchase.
- **e-WOM Credibility**: The e-WOM credibility is measured by how easily others are persuaded by what they say.

Prior studies [27] indicate that e-WOM positively and significantly affects brand perception among TikTok users.

Additionally, comparable results were reported in a previous study [28], showing e-WOM substantially enhances the public's perception of Zalora's products. Another study found that in Jakarta, Innisfree's brand image improved significantly once e-WOM was implemented [29].

Then, previous research [21] found that consumers' propensity to book hotel rooms via online hotel reservation services is positively and significantly influenced by electronic word of mouth. In addition, comparable results were obtained in a previous study [30], which concluded that e-WOM influences consumers' willingness to book three-star hotels in Bali. Then, prior studies [31] discovered that e-WOM influenced customers' preferences and, ultimately, their purchasing decisions at Citihub hotels in Malang City.

Based on previous research findings, most have shortcomings that prevent them from being generalized. These flaws include small sample sizes, a narrow focus on three-star hotels in Bali, and a concentration on the Malang region. Therefore, the authors raise this research because the results may differ from studies conducted in the hotel industry, especially in Jakarta and Generation Z.

2.2 Brand Image

Brand image refers to how customers feel and think about a company or product based on that knowledge and their interactions with the brand [32]. Brand image refers to consumers' overall perception of a company or product based on their experiences [33]. High-quality products, reasonable prices, and reliable service are the cornerstones of any successful brand [34]. Since a customer's initial impression of a brand is often lasting, the corporation recognizes the importance of cultivating a favorable image of the company as a competitive strategy [35].

Companies must make a positive impression so that the product's brand image becomes good, which will directly impact consumers' purchasing decisions [36]. Therefore, companies must create and maintain their brand image as much as possible regarding products, services, and other things [37]. It is intended that the quality of the company's brand can continue to increase to have an impact, where customers become loyal, and the company can compete with its competitors [38].

Previous researchers [39] divided brand image into three dimensions:

- **Strength**: Product strength is a brand advantage that cannot be found in other brands that consumers will remember.
- **Uniqueness**: What sets one product apart from its rivals is its uniqueness. Consumers will think it is superior when a product provides features that no other product has.
- **Favorable**: Product preference arises when buyers believe the product will fulfill their needs and give them a favorable impression of the brand.

Based on previous research [40], it was found that a good brand image can encourage potential buyers to purchase the product. Then, some previous researchers...
have the same opinion [41], finding a favorable relationship between consumers' perceptions of a company's brand and their propensity to purchase. Previous studies [42] also discovered that brand image affected their willingness to make an online purchase.

Based on previous research findings, most have shortcomings that prevent them from being generalized. These flaws include a narrow focus on hotels in Bangkok, a concentration on the Palembang region, and a focus on fashion brands. Therefore, the authors raise this research because the results may differ from studies conducted in the hotel industry, especially in the city of Jakarta and in Generation Z.

2.3 Booking Intention

Booking Intention determines consumer purchase intentions when searching for information about products online [43]. Another understanding of booking intention is one of the consumer behaviors when they want to shop online [44]. A positive perception of a product's brand in the thoughts of consumers grows in tandem with the volume and positivity of e-WOM [45]. Then, the perception that is formed in the minds of consumers will bring up the existence of consumer buying interest in a product [36].

Consumer behavior in using the internet had an optimistic effect on brand image and influenced customer purchasing interest [46]. The findings of other earlier researchers [25] corroborate this, showing that e-WOM affects consumers' views of a brand and their purchasing decisions. Then, some previous researchers had the same opinion [47], where they discovered that brand image mediates the connection between consumers' trust in online hotel reviews and their subsequent booking decisions. Previous studies [48] also found that consumers' buying propensity is affected by their impressions of the brand and the feedback they read about the product or service online.

The previous researcher divided booking intention into four dimensions:

- **Transactional Interest**
  A consumer's propensity to make a purchase is known as transactional interest. A strong urge to shop constantly is usually behind such an obsession.

- **Referential Interest**
  Referential interest is the tendency of consumers to give references to certain brands. When consumers see positive recommendations, they are more likely to purchase.

- **Preferential Interest**
  Consumers' preferential interest in a brand is indicative of how much that brand means to them and how likely they are to buy it again in the future.

- **Explorative Interest**
  A person with an exploratory interest is one who is continually looking for more facts to back up their positive impressions of the product.

Based on previous research findings, most have shortcomings that prevent them from being generalized. These flaws include a concentration in Egypt, a focus on India, and small sample sizes. Therefore, the authors raise this research because the results may differ from studies conducted in the hotel industry, especially in the city of Jakarta and in Generation Z.

2.4 Consumer Behavior of Generation Z

Ages of people born between 1995 and 2012 fall into the group known as “Generation Z,” who have grown up in the context of rapid technological change [16]. Generation Z has recently been heralded as the successor of the Millennial Generation, what with their reputation as the most technologically flexible generation, because of their widespread use of devices like cell phones [49]. Generation Z is often called “digital natives” because they grew up in a world full of computers and the internet, so they can easily access information [50].

The characteristic of Generation Z is that they like to use social media platforms, such as Instagram, YouTube, Twitter, Facebook, and others [51]. Then, Generation Z can quickly find out what is trending and know new and unique things with confidence because they can access information quickly [17]. Also, Generation Z prefers instant, efficient, and practical things, making it simpler for them to conduct research and purchase over the internet [52]. It was concluded that in this era of digitization, e-commerce, and online transactions have become a part of the life of Generation Z, creating a business opportunity [53].

Generation Z is known as the generation born in the digital era, so they have distinctive preferences or behaviors as consumers [54]. Due to their high purchasing power, members of Generation Z are often stereotyped as being particularly simple to make purchases [55]. Usually, Generation Z is thrilled with digital orders and payments to make them more convenient and accessible [56]. Furthermore, because Generation Z is a prolific social media user, they frequently document and remarks on their online purchases via social media [57]. Therefore, if a business wants to reach Generation Z, it needs to offer its wares in as many online marketplaces as possible because this generation prefers to shop online because of the convenience and lower prices [58]. For these reasons, this study will concentrate on members of Generation Z.

![Fig. 1. Research Framework](image-url)
Figure 1 shows that the research framework that the author used are 3 variables, such as e-WOM, brand image, and booking intention.

2.5 Hypothesis

H1: Electronic word of mouth positively and significantly influence hotel booking intentions in Jakarta.

H2: Brand Image positively and significantly influence hotel booking intentions in Jakarta.

H3: Electronic word of mouth positively and significantly influence the brand image.

3 Methodology

3.1 Sample and Procedure

The information used in this study originated from an online survey given to Jakarta Area residents, especially Generation Z, who have made online hotel reservations. The range in age is from 11 to 28 years old. A questionnaire was used to gather information for the study. The questionnaire was distributed via messaging apps like WhatsApp and Instagram, with Google Forms supporting as the data collection mechanism. The sampling technique used was purposive sampling. Purposive sampling is used to zero in on individuals who share particular traits [59]. Since not all samples have criteria that fit the phenomenon being studied, a purposive sampling method is used [60].

There was no financial incentive for participants to take part in the study, and they were given full control over whether they wanted to participate and share the information with their social networks. In total, 201 people took part in the research. Among those samples, 104 of the respondents are female, while 97 of the respondents are male. The collected data will be analyzed with Smart PLS. Smart PLS software is suitable for use in processing this research data because the output generated from testing using Smart PLS can make the reader's understanding better [61].

3.2 Measurements

Measurement scales were found through the literature review and adapted as needed. The questionnaire’s elements were derived from earlier research and included questions about e-WOM, brand image, and booking intention. To measure the e-WOM, we used Lin et al.’s [26]. Examples of the items are “A high number of online reviews or comments concludes that the product is popular”, “I found online reviews or comments helpful”, and many more. Meanwhile, we used the instrument established by Keller [39] for brand image. Examples of the items are “After reading the OTA reviews, I think that hotels in Jakarta are hotels with a good image”, “After reading the OTA reviews, I think that hotels in Jakarta are hotels with attractive designs and facilities”, and many more. Also, we used the instrument introduced by Ferdinand [62] for booking intention. Examples of the item for booking intentions are "After reading the reviews on OTA, I have the desire to make a reservation at a hotel in Jakarta", After reading the reviews on OTA, I have a choice when I want to make a reservation at a hotel in Jakarta", and many more. Five-point Likert scales were used from "strongly disagree" to "strongly agree."

4 Results and discussion

4.1 Demographic

<table>
<thead>
<tr>
<th>Characteristic</th>
<th>Frequency</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Age</td>
<td></td>
<td></td>
</tr>
<tr>
<td>11 – 19 years old</td>
<td>35</td>
<td>16.6%</td>
</tr>
<tr>
<td>20 – 28 years old</td>
<td>176</td>
<td>83.4%</td>
</tr>
<tr>
<td>Gender</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Male</td>
<td>78</td>
<td>37%</td>
</tr>
<tr>
<td>Female</td>
<td>133</td>
<td>63%</td>
</tr>
<tr>
<td>Occupation</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Student</td>
<td>133</td>
<td>63%</td>
</tr>
<tr>
<td>Employee</td>
<td>53</td>
<td>25.1%</td>
</tr>
<tr>
<td>Entrepreneur</td>
<td>20</td>
<td>9.5%</td>
</tr>
<tr>
<td>Freelance</td>
<td>1</td>
<td>0.5%</td>
</tr>
<tr>
<td>Streaming</td>
<td>1</td>
<td>0.5%</td>
</tr>
<tr>
<td>Unemployed</td>
<td>3</td>
<td>1.4%</td>
</tr>
<tr>
<td>Last Education</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Senior High School</td>
<td>114</td>
<td>54%</td>
</tr>
<tr>
<td>Diploma / S1</td>
<td>95</td>
<td>45%</td>
</tr>
<tr>
<td>S2</td>
<td>2</td>
<td>0.9%</td>
</tr>
</tbody>
</table>

Source: primary data

According to the results shown in Table 1, we obtained 78 responses from males (37% of the total) and 133 responses from females (63% of the total). Among our respondents, those between the ages of 20-28 were the most numerous (176 responses; 83,4%). Students comprise the largest respondent group, with 113 responses (63%). Most respondents had only completed senior high school, with 114 responses (54%).

4.2 Validity Convergent and Reliability Test

The validity convergent and reliability test are presented below, including the loading factor, AVE, CA, and CR values of each research variable.

<table>
<thead>
<tr>
<th>Variable</th>
<th>Code</th>
<th>Loading factor</th>
<th>AVE</th>
<th>CA</th>
<th>CR</th>
</tr>
</thead>
<tbody>
<tr>
<td>Electronic word of mouth</td>
<td>EWOM 1</td>
<td>0.678</td>
<td>0.569</td>
<td>0.941</td>
<td>0.943</td>
</tr>
<tr>
<td></td>
<td>EWOM 2</td>
<td>0.734</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>EWOM 3</td>
<td>0.756</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Source: primary data
Table 2 show that the accuracy of a questionnaire can be determined through the use of a validity test [63]. We used Smart PLS software to conduct the validity analysis and focused on the convergent validity value derived from the loading factor and the AVE values [28]. The results of the loading factor have to be higher than 0.6, and the AVE value has to be higher than 0.5 [29]. The data provided above indicates that all the variables are valid.

The reliability test determines whether a questionnaire containing variable research indicators is reliable [63]. Cronbach’s Alpha and Composite Reliability were used to conduct the reliability test [29]. Cronbach’s Alpha and Composite Reliability must be greater than 0.7 for the study to be considered reliable [19] [33]. Therefore, all research instruments may be reliable from the data shown above.

4.3 Discriminant Validity

The study model will be valid enough if the correlation between each construct and the other constructs is less than the AVE root. If the value of AVE for each construct is greater than 0.5, then it can be considered valid. Otherwise, if the AVE value is less than 0.50, it is invalid [64].

Table 3. Discriminant Validity

<table>
<thead>
<tr>
<th>Electronic Word of Mouth</th>
<th>Brand Image</th>
<th>Booking Intention</th>
</tr>
</thead>
<tbody>
<tr>
<td>EWOM 1</td>
<td>0.678</td>
<td>0.503</td>
</tr>
<tr>
<td>EWOM 2</td>
<td>0.734</td>
<td>0.549</td>
</tr>
<tr>
<td>EWOM 3</td>
<td>0.756</td>
<td>0.610</td>
</tr>
<tr>
<td>EWOM 4</td>
<td>0.808</td>
<td>0.572</td>
</tr>
<tr>
<td>EWOM 5</td>
<td>0.773</td>
<td>0.570</td>
</tr>
<tr>
<td>EWOM 6</td>
<td>0.751</td>
<td>0.569</td>
</tr>
<tr>
<td>EWOM 7</td>
<td>0.717</td>
<td>0.604</td>
</tr>
<tr>
<td>EWOM 8</td>
<td>0.719</td>
<td>0.548</td>
</tr>
</tbody>
</table>

The results of the Discriminant Validity test are shown in Table 3, which reveals a higher cross-loading value between the electronic word of mouth, brand image, and booking intention than with any of the other constructs. These results indicate that the constructs for each research variable had solid discriminant validity [64].

4.4 Hypothesis test

The objective of testing this theory is to find out the effect of electronic word of mouth on brand image and booking intention in Generation Z. The hypothesis test was conducted using the t-statistic test within the partial least squares (PLS) analysis model in Smart PLS 4.0 software. In this test, the results of the p-value were less than 0.05, indicating that the independent variables significantly impacted the dependent variable [65].

Table 4. Hypothesis Test

<table>
<thead>
<tr>
<th>Hypothesis</th>
<th>Original Sample</th>
<th>Standard Deviation</th>
<th>T-Statistic</th>
<th>P-Value</th>
<th>Result</th>
</tr>
</thead>
<tbody>
<tr>
<td>H1: Electronic word of mouth → booking intention</td>
<td>0.553</td>
<td>0.102</td>
<td>2.782</td>
<td>0.005</td>
<td>Accepted</td>
</tr>
<tr>
<td>H2: Brand Image → booking intention</td>
<td>0.285</td>
<td>0.090</td>
<td>6.157</td>
<td>0.000</td>
<td>Accepted</td>
</tr>
</tbody>
</table>
Based on Table 4, this study revealed that Hypothesis 1, which is the electronic word of mouth positively and significantly influences booking intention. It can be concluded that H1 has been accepted because the value of $t = 2.792$ or greater than the critical value of 1.96, and $p-value = 0.033$, indicating that e-WOM positively impacts booking intention. For the second hypothesis, it was found that the e-WOM variable significantly influenced the booking intention variable. This is because the $t = 2.792$ or greater than the critical value of 1.96, and $p-value = 0.033$, indicating that e-WOM positively impacts booking intention. Based on the results of this study, e-WOM has a positive and significant influence on hotel booking intentions in Jakarta, so H1 is accepted. These findings align with those of prior studies [66][67], from which they came to the same conclusion: a positive and significant relationship between e-WOM and booking intention.

For the second hypothesis, it was found that the relationship between brand image and booking intention is significant ($t = 6.157$, or larger than 1.96, and $p = 0.000$, or less than 0.05). This study also shows that brand image positively affects booking intention, as evidenced by the original sample value of 0.285. Based on the results of this study, brand image has a positive and significant influence on hotel booking intentions in Jakarta, so H2 is accepted. These findings align with those of prior studies [68][69], from which they came to the same conclusion: a positive and significant relationship between e-WOM and booking intention. Thus, e-WOM plays an essential role in influencing a consumer's decision to buy because people are more inclined to purchase products they hear about positively.

4.5 Discussion

The hypothesis tests (Table 4) showed that the e-WOM variable significantly influenced the booking intention variable. This is because the $t = 2.792$ or greater than the critical value of 1.96, and $p-value = 0.033$, indicating that e-WOM positively impacts booking intention. Based on the results of this study, e-WOM has a positive and significant effect on booking intention. Thus, e-WOM plays an essential role in influencing a consumer's decision to buy because people are more inclined to purchase products they hear about positively.

For the third hypothesis, the e-WOM variable was found to have a significant effect on the brand image variable. This is because the $t = 24.210$ or larger than the critical value of 1.96, and the $p-value = 0.000$ or less than the significance level of 0.05. Then, the original sample value was 0.797, indicating that e-WOM positively impacts the brand image. Based on the results of this study, e-WOM has a positive and significant influence on brand image, so H3 is accepted. These findings line up with those of prior studies [70][71], from which they came to the same conclusion: a positive and significant relationship between e-WOM and brand image. Thus, positive brand perception can only be established through effective e-WOM communication.

5 Conclusion

The study found that since members of Generation Z are heavy social media users who frequently share their shopping experiences, it follows that electronic word of mouth has a positive and significant effect on booking intention. Therefore, the more positive reviews spread on social media, the more likely hotel bookings will increase. Furthermore, brand image and booking intention have a positive and significant influence. Maintaining a positive brand image is crucial since loyal customers are more likely to purchase from a business that has earned their trust. What makes a brand memorable to consumers can range from its visual appeal to its accessibility, usefulness, features, and value to customers. In the end, brand image will affect booking intention.

Then, there is a positive and significant influence between e-WOM on brand image. Based on the results of the research that has been carried out, it was shown that electronic word of mouth has the most significant influence on brand image compared to other variables. Therefore, this needs careful consideration, as word-of-mouth advertising online can significantly alter how customers view a product or service.

In this study, there were still some limitations of the researchers since they relied solely on data collected through online surveys for their analysis rather than conducting in-person interviews with participants. The researchers also limited their research to the Jakarta region and Generation Z, so their findings should not be extrapolated beyond that. Future researchers are encouraged to expand their geographic scope to collect more representative data.

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