Perceived Encourage As Mediation Of Relationship Between Social Identity And E-WOM

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Abstract:

Social networking service or commonly referred to as social network delineate as a web-based provision allows each individual to build social relationships through cyberspace. Currently SNS is being used by marketers as a promotional tool. Analyzing the effect of social identity upon WOM through perceived encouragement at 435 college students is this research’s aims. Novelty research is that with a positive review which is one form of e-WOM this will influence consumer decisions in making product purchasing decisions. The results show that there is a direct influence between the social identity of e-WOM, there is also an indirect influence between social identity on e-WOM which is mediated by perceived encouraging.

Keywords: Social networking services, perceived encouragement, Electronic WOM, Social identity, social participation

1. Introduction

Modern technology and information is a very important requirement for society, everyone needs information technology in carrying out every activity. One form of information technology is social networking or SNS (Social Networking Service). Some examples of SNS are Instagram, YouTube, Facebook, Line, Kakaotalk, and many other applications that are often used as a tool or media to carry out communication strategies, especially for promotion. Bagozzi & Dholakia (2002); Carla & Patrício (2018), states that SNS focuses on connections that will be built by one person with another person, which can be in the form of friend, family, event, profession to business and work relationship.
SNS allows each individual to build social relationships through cyberspace such as building a profile about himself, showing his social identity (Anjala et al., 2018). Communal identity is individual's self-concept comes after the perception of his affiliation in community (Hogg & Vaughan, 2002). The formation of social identity fosters groups of individuals and creates individual actions and actualizes one's identity. This depiction that SNS is beneficial tool (Arenas-Gaitan et al., 2013). In SNS’s perception, communal identity is an insight where an individual or assembly has dwelling through SNS community and has the initiative to make social contact with other people (Choi et al., 2013). Another opinion says that higher communal identities tend to use SNS because perceived encouragement for public involvement (Kwon and Wen, 2010).

Social identities can influence WOM because of encouragement or perceived encourage participation in everyone. There is a need for a product or service that becomes one of the reflections of someone when they are satisfied with the procurement of a product or service, there will be an encouragement to participate in doing WOM both in social networks and in real life (Lorenzo-Romero et al. 2012). One of the benefits of SNS is communicating that allows users to conduct network manufacture in alliance with others starting from messages related to product marketing which is the basis of the word electronic by e-WOM (Kozinets et al., 2010).

When consumers shop online, they will definitely look for information about the product. Consumers rely on the internet for information and retail search, starting from many positive reviews from customers, it will trigger other reviewers to purchase products from the company, and vice versa. WOM recognized as one of the most important marketing tools that influences purchasing conclusions (Kozinets et al., 2010). As a result, in SNS context e-WOM come to be current topic among companies and researchers. e-WOM refers to "positive or negative reviews made by potential customers, real about products or companies, which are available to many people and institutions through the Internet." (Hening-Thurau, 2003).

Most studies try to study the antecedents of WOM that can help everyone in making purchasing decisions, but in fact human desires are different or
diverse, each person behaves differently. Because of this inequality, with the existence of social identities and perceptions capable of encouraging the creation of marketing segmentation on social networks (SNS) (Kwon and Wen, 2010). Another study states that SNS will encourage people to be more apprehensive with situational enhancement association and encourage WOM intents (Chun & Lee, 2016).

From description above there is a research gap, that is, whether a positive review which is one form of e-WOM will affect consumer decisions in making product / service purchasing decisions or not. And whether this social identity can affect e-WOM through perceived encourage.

2. Literature Review

2.1. Social Identity Effect upon WOM

Basis of social identity theory describe their personalities about social groups, and such identification effective in maintaining and encouraging self-identity. The design of group identity belongs to the classification of "in groups" relation to "out groups" as well as the tendency to consider the group itself is better than outside groups (Islam, 2014). The concept of social identity shows its dependence; they belong to a particular social group and its relationship has an important valuation (Hogg and Vaughan, 2002). Therefore, the unity between groups affiliated on social networks is considered to be well established. Social identity determines the status of individuals in social groups. Strong social identity is identified as an important variable for goal setting. Maintaining desired communication as a cooperative social identity has shown that SNS is a useful tool (Arenas-Gaitan et al., 2013; Carla & Patrício 2018). In the context of SNS, social identity is a perception of the social media community where users have an incentive to make social contact with others (Choi et al., 2013). Like consumers who place their perceptions and communication on social media networks, in addition to being a place to share experiences and as a means of information seeking (Ali et al., 2018).

There are two main objectives of e-WOM related to social identity. First, users can use e-WOM as a tool to improve the others’ mind. In addition, e-WOM can be a way of expressing concern for others and serving followers of
virtual communities to produce better choices (Ryu and Feick, 2007; Stephanie, 2018). Based on this, it is hypothesized that:

**H1. Social identity has an influence on e-WOM.**

### 2.2. Effects of Social Identity on Encouraging Perceived

Encouragement is identified as a driver of human motivation to do something in human life (Oum & Han, 2011), encouraging positively influences individual’s performance (Kwon & Wen, 2010). Encouraging is a kind of intangible social support to provide psychological health for certain individuals. Because of encouragement (Jorge Arenas et al., 2018), one can resist negative stimuli or recover from unwanted dispositions (Choi et al., 2013). In the context of information technology, the perceived impulse is a relevant aspect in the behavior of using social networks. In particular, network users with social identity have a tendency to use social networks because they feel incentives to participate socially (Kwon and Wen, 2010). In addition, content created by users of online systems provides encouragement as a social trust factor (Oum and Han, 2011). Other research supports the idea that social networking will attract people who are more concerned with increasing their situational involvement and encouraging e-WOM intentions (Chun and Lee, 2016). So it can be concluded that individuals with a high level of social identity can feel high encouragement as a status symbol in social networks. Based on this, it is hypothesized that:

**H2. Social identity has an influence on perceived encouragement.**

### 2.3. Perceived Encourages Mediation of the Effects of Social Identity on e-WOM

Social identity can affect e-WOM because of the encouragement or encouragement felt in each person (Marta et al., 2018). There is a need for a product or service that is a reflection of someone when they are satisfied
with the purchase of a product or service, there will be an urge to participate in doing WOM both on social networks and in real life (Ali et al., 2018).

Most people in productive age find it very difficult to escape from a smartphone, its use is not only a tool for communication but also for browsing or entering social networks, starting from Instagram, Facebook, Paths, etc. The activities carried out starting from posting daily activities as well as reviews of a product or service that have been used, then this will be e-WOM marketing to friends, based on the existence of perceived encourage in themselves to share experiences in the use of products or services. Based on this, it is hypothesized that:

H3. perceived encourage mediating the influence of social identity on e-WOM.

3. Methodology and Data

3.1. Sampling

The study was conducted in Indonesia; the questionnaire was distributed to 450 college students because students were considered sample representatives as active SNS users. A total of 435 samples were feasible to be processed. The distribution of questionnaires was done using Google docs, the initial screening was to ensure that the respondents were SNS users. Respondents who used Facebook were 15.6%, Instagram users were 34.8%, Twitter users were 27.4%, and SNS users were 22.2%. The characteristics of the respondents indicated that 42% were from State Universities and 58% were from Private Universities. As many as 40.7% are men and 59.3% are women. Age of respondents less than 20 years as much as 25.9%, while ages between 21-25 years as many as 65.9%, and ages more than 25 years as much as 8.1%.

3.2. Variable Measurement

Conferring to Hogg & Vaughan (2002), social identity is someone's understanding they belong to a social group that is part of an individual's self-concept that comes from the perception of his membership in social
groups. Based on Song & Kim (2006), Ellemers et al., (1999), Social identity has 5 indicators.

Perceived encouragement can be defined as a pusher or impulse in an individual that can influence the performance of the individual (Marcin & Bondos, 2018). Measured by 4 indicators based on Kwon and Wen (2010).

e-WOM can be defined as any positive or negative statement made by potential, actual, or former customers about a product or company, which is made available to a multitude of people and institutions via the internet (Ali et al., 2018). There are 5 WOM indicators based on Walsh & Beatty (2007); Ismail & Spinelli (2012).

4. Empirical Result and Discussion

4.1 Measure Validation

The instrument test is carried out by validity and reliability tests. The results show each indicator on each variable valid, because it has an anti-image correlation of more than 0.4. Each variable has met the recommended reliability criteria, which is more than 0.60

<table>
<thead>
<tr>
<th>STATEMENT</th>
<th>Anti-Image Correlation</th>
<th>Cronbach’s Alpha</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Social Identity</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>I am one part or member of one social group.</td>
<td>0.582</td>
<td>0.802</td>
</tr>
<tr>
<td>I get a lot of knowledge and experience in my social groups.</td>
<td>0.743</td>
<td></td>
</tr>
<tr>
<td>As a member of a social group, I like to be involved in my community.</td>
<td>0.749</td>
<td></td>
</tr>
<tr>
<td>I am very happy to be part of the social group.</td>
<td>0.606</td>
<td></td>
</tr>
<tr>
<td>Community’s activities are an important part of my life.</td>
<td>0.585</td>
<td></td>
</tr>
<tr>
<td><strong>Perceived Encourage</strong></td>
<td></td>
<td>0.658</td>
</tr>
<tr>
<td>People who meet on social media tend to</td>
<td>0.785</td>
<td></td>
</tr>
</tbody>
</table>
provide effective evaluations that are meaningful to me.

| The people on social media tend to be satisfied with me.         | 0.921 |
| People on social media give an immense improvement.            | 0.708 |
| People on social media tend to be aware of me.                 | 0.770 |

**Word of Mouth (WOM)**

| I persuade friends and family to buy the product.               | 0.602                      | Valid |
| I recommend this product whenever someone is looking for or needs advice. | 0.848                      | Valid |
| I love to give positive review about the company.              | 0.888                      | Valid |
| If my friend searches or talks about this product, I will tell them to try this product. | 0.902                      | Valid |
| I mentioned the product to my friends and family.              | 0.888                      | Valid |

The results of goodness of fit indicate that the absolute fit measure the main requirements of the chi square value are not met, this can be seen from the chi square value 948.359 and p-value 0.000 (below 0.05) so it can be concluded that this model is denied. But another alternative test of goodness of fit is through other criteria of absolute fit measures by looking at the RMSEA value of 0.083 (> 0.08), GFI has a value of 0.838 (<0.9), AGFI value of 0.486 (<0.9), the value of NFI 0.549 (<0.9), TLI 0.466 (<0.9) and the value of CFI 0.565 (<0.9). The criteria are based on Parsimonious Fit Measure by looking at the normed chi square value of 5.017 (fulfilling the lower limit 1 and upper limit 5). So that overall it can be concluded that this model is still declared marginally feasible to be used as a tool in confirming the theory that has been built based on existing observational data or it can be said this model is goodness of fit.

Table 2. Model Suitability Test Results (Goodness of Fit)

<table>
<thead>
<tr>
<th>Measurement Goodness of Fit</th>
<th>Criteria</th>
<th>Value</th>
<th>Decision</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>0.783</td>
<td></td>
</tr>
</tbody>
</table>
4.2.1. Effect of Social identity and e-WOM

The results of AMOS 24 calculations presented in table 4.7 show that the depth of social identity has a positive and significant effect on e-WOM. This can be seen from the path coefficients marked positive at 0.417 with a CR value of 0.929. Obtained a probability of significance (p) of 0.004 where this value is smaller than the specified significance level (α) of 0.05. Thus the research hypothesis which states that social identity has a positive effect on WOM is proven (H1 accepted). One of the unique characteristics of Indonesian society, especially college students is gathering (like to socialize). Such characters can be used to run a word of mouth (WOM) strategy. WOM itself has two main objectives related to social identity. First, users can use WOM as a mode to improve other people's thoughts. In addition, WOM can be a way of expressing concern for others and serving followers of virtual communities to produce better choices (Ryu and Feick, 2007).

4.2.2 Effect of Social identity and perceived encourage.

From the test results it can be comprehended social identity has a positive influence on perceived encourage with a path coefficient of 0.628 with a significance level of 0.000. This means, every time there is an increase in the social identity of 0.628, it will result in an increase in perceived encouragement of 0.628 units. So that the test for this hypothesis is acceptable (H2 is accepted).
Table 3. Direct Effect Testing Results

<table>
<thead>
<tr>
<th>Hypothesis</th>
<th>Coefficient</th>
<th>P-Value</th>
<th>Decision</th>
</tr>
</thead>
<tbody>
<tr>
<td>H1: Social identity has a positive influence on WOM</td>
<td>0.417</td>
<td>0.004</td>
<td>H$_1$ Supported</td>
</tr>
<tr>
<td>H2: Social identity has a positive influence on perceived encourage</td>
<td>0.628</td>
<td>0.000</td>
<td>H$_2$ Supported</td>
</tr>
</tbody>
</table>

Source: questionnaire data processed with AMOS

4.2.3. Effect of perceived encourage on social identity and e-WOM.

The results of the indirect effect calculation presented in table 4.8 below shown social identity has a positive effect on WOM which is mediated by perceived encourage. This can be seen from the path coefficient marked positive at 0.261. Thus the research hypothesis is proven (H3 is accepted).

Encouragem is identified as one of the most powerful drivers in human life (Oum and Han, 2011). Encourgae has been shown to positively affect human performance (Kwon and Wen, 2010). In the context of information technology, perceived encouragement is a relevant aspect in the behavior of using social networks. In particular, users with higher social identity levels tend to use social networks more dominant because they feel there is an incentive to do social participation (Kwon and Wen, 2010), and the feeling of wanting to be recognized in a group or community becomes one of the drivers to be more active on social media.

Table 4. Indirect Test Results

<table>
<thead>
<tr>
<th>Hypothesis</th>
<th>Indirect Effects</th>
</tr>
</thead>
<tbody>
<tr>
<td>Knowledge management mediates the positive influence between trusts on organizational performance.</td>
<td>(0.417) (0.628) (0.261)</td>
</tr>
</tbody>
</table>

Source: questionnaire data processed with AMOS
The indirect influence of social identity on WOM is done by multiplying the coefficients of H1 and H2 which is equal to $0.417 \times 0.628 = 0.261$ which means that social identity indirectly has a positive effect on WOM. The greater the number of coefficients the greater the indirect influence.

5. Conclusion and Suggestion

The social identity of a college student can affect e-WOM because of encouragement or perceived encourage participation in everyone. There is a need for a product or service that becomes a reflection of someone when they are satisfied with the purchase of a product or service, there will be an encouragement to participate in doing e-WOM both in social networks and in real life, one habit unique students are happy to gather with friends (like to socialize), and from that activity will arise word of mouth in the form of buzz (gossip) which is a conversation that can generate interest, create publicity, and express new information related to the brand or other things through unexpected means. Whereas when they carry out conversations or marketing in social media, they can be viral (contagious like viruses) that encourage consumers to tell something, whether it is information about products or services through audio, video, etc. (Ali et al., 2018)

Figure 1. Full testing model
Based on the results of the research conducted, it was found that social identity had a positive and significant effect on e-WOM, social identity towards perceived encouragement, as well as social identity towards e-WOM through perceived encourage. The implication that can be conveyed to marketers, is that currently the use of social media applications is a trend, besides being a place to communicate, it is also used as a place to make buying and selling transactions for a product or service. This must be utilized by marketers to the fullest. SNS can be used as one of the effective promotional media, especially in product segmentation for college student age. Of course by paying attention to social identity and perceived encouraging. So that consumers have a dual role to consume while promoting products.

Consumers will reflexively encourage, recommend, say good things about products to friends and family about products through SNS

This study is limited in several ways. First, the respondents chosen were very open, not specifically determining what products the respondents consumed. So it's difficult to generalize. In future studies, it is better to specifically determine the SNS respondents. Second, technological developments in Indonesia are growing rapidly only in big cities, so respondents are netted even only respondents who live in big cities. This is a limitation of the research, the suggestion for further research is to use sampling by stratified sampling. Third, there are many determinants of WOM, namely variable trust, loyalty, informational influence. So that further research can consider this.

Reference


