

CHAPTER 5

CONCLUSION AND SUGGESTION

5.1 Conclusion

This study examined the effect of electronic word of mouth, brand image, and consumer trust towards consumer purchase intention to Lazada in Surabaya. Based on the results of research hypothesis testing using Partial Least Square (PLS), and the discussion, the conclusion can be drawn as follows:

1. *Electronic Word of Mouth* is proven to have a significant and positive effect on brand image. The respondent's response on electronic word of mouth determines the consumer favorability on brand image of Lazada in Surabaya. Thus the first hypothesis which states that electronic word of mouth has effect on brand image in Lazada Surabaya is accepted.
2. *Electronic Word of Mouth* is proven to have a significant and positive effect on consumer trust. The respondent's response on electronic word of mouth determine the level of consumer trust on Lazada in Surabaya. Thus the second hypothesis which states that electronic word of mouth has effect on consumer trust in Lazada Surabaya is accepted.
3. *Brand Image* is proven to have a significant and positive effect on consumer purchase intention. The respondent's response on brand image determine the level of consumer purchase intention to Lazada in Surabaya. Thus the third hypothesis which states that brand image has effect on purchase intention in Lazada Surabaya is accepted.
4. *Consumer Trust* is proven to have a significant and positive effect on consumer purchase intention. The respondent's response on

consumer trust determine the level of consumer purchase intention to Lazada in Surabaya. Thus the fourth hypothesis which states that consumer trust has effect on purchase intention in Lazada Surabaya is accepted.

5. *Electronic Word of Mouth* is proven to have a significant and positive effect on consumer purchase intention. The respondent's response on electronic word of mouth determine the level of consumer purchase intention to Lazada in Surabaya. Thus the fifth hypothesis which states that electronic word of mouth has effect on purchase intention in Lazada Surabaya is accepted.
6. *Electronic Word of Mouth* is also found to have a significant and positive indirect effect on purchase intention through brand image, and consumer trust. Electronic word of mouth has considerable effects on brand image, and consumer trust which indirectly leads to intention to purchase, particularly towards Lazada in Surabaya.

5.2 Suggestion

5.2.1 Academic Significance

This research can give the information about the connection between EWOM, trust, and brand image to the purchase intention in Lazada Surabaya. This study also contributes to the development of research literature about the impact of EWOM on purchase intention which provides opportunities for other researcher to conduct further research into the effects of EWOM, brand image, consumer trust to purchase intention in other online shopping site.

The subject of this study is limited to people who live in Surabaya. Therefore the result of this study can be different if it's conducted outside of Surabaya. Other researcher who wants to conduct further research about the effects of EWOM, brand image, consumer trust to purchase intention can

expand the scale of the study or conducting the study in other area of business beside online shopping site.

5.2.2 Practical Significance

Based on the result of this study electronic word of mouth has the strongest effect towards consumer purchase intention. Electronic word of mouth also found to have strong effect towards brand image, and consumer trust. Therefore, Lazada should be aware of electronic word of mouth because electronic word of mouth can either bring a huge benefits or a huge loss to Lazada. Positive EWOM play an important role in creating a favorable brand image, and consumer trust towards the company, it also increasing customers' purchase intentions, and reducing promotional expenditures while in contrast negative EWOM has detrimental effects on brand image, consumer trust, and consumer purchase intention. Therefore Lazada should mantaining positive EWOM while in the same time avoidng negative EWOM. The activities that can be done are as follow:

1. Lazada should keep fulfilling their promise, and commitment, Lazada can also try to engage more with consumers like listen to the consumer complaint, and request, and settle the consumer complaint as soon as possible in the best possible way. This can dramatically increased the consumer satisfaction, and loyalty which leads to positive EWOM about Lazada.
2. Lazada can also increasing their product variety, enhancing product quality, offering the products in the price worthy of value, and pleasantly providing after sale services. These improvements could directly increase consumer satisfaction, and loyalty. Satisfied consumer, and loyal consumer will give positive EWOM which will attract new consumers to use Lazada.

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