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Bringing Virtual Communities into a Marketing Strategy to Create Purchase Intentions in the Social Media Era

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ABSTRACT

Introduction/main objectives: A virtual community is a new form of social interaction that provides an alternative way for connectivity and creativity. As the most favorite platform, social networking site is one of marketing objectives and strategies for global brands. The purpose of this study is to examine the antecedents (social eWOM, image, and trust) and consequences (purchase intention) of eWOM's adoption. Background problem: Today, taking part in virtual communities is a must. People with the same interests share their experiences and become trustworthy referees for others. Understanding the effect virtual communities can have will help companies to expand their markets. Novelty: Social eWOM has a great impact, but no prior studies have examined the effect of social eWOM or a virtual community on image, trust, eWOM's adoption and purchase intentions, this study would be the first study that provides a comprehensive model using recent issues. Research methods: Purposive sampling was used to recruit 240 active participants in virtual communities in Indonesia. To collect the data, spreading questionnaire was conducted. SPSS and PLS 3 were used to analyze the data. Findings: The findings proved the relationship among social eWOM, image and trust. It also revealed that eWOM's adoption affected purchase intentions. Surprisingly, image has no statistically significant effect on eWOM's adoption. Conclusion: Well-managed social eWOM creates a better image, and increases trust, and eWOM's adoption leads to an increase in the purchase intention. This study offers managerial insights to manage social eWOM from any virtual communities, to improve their image and trust. Finally, managers should maintain positive reviews, as this will also create an intention to purchase.

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INTRODUCTION

In industry 4.0, studying consumers behavior is crucial to know how disruptive technologies can change business models at a very fast pace. To create and maintain long lasting relationships with its stakeholders (especially consumers) and increase its performance, a company needs to adopt the emerging technologies.

In the era of interactivity, social media highly influences people's daily lives. It is their information seeking changing and communicating behavior, and even the process for making a purchase decision. The need to be a part of a social network significantly increases after numerous innovations in technology have emerged over the recent decades. In 2020, as unicorns, some virtual communities have billions of active users. Facebook has 2.45 billion monthly active users, YouTube has 2 billion monthly active users, WhatsApp has 1.6 billion monthly active users and Instagram 1 billion monthly active users(Clement, 2020). Social communities (virtual communities) are places where people with similar interests and passions meet in virtual space. In marketing, virtual communities (Facebook, Instagram, YouTube) can be a powerful way to influence business, by using word of mouth (WOM). Social eWOM is a highly credible form of product reference and one of the most valuable forms of marketing information.

The sources of electronic word of mouth (eWOM) are not only from consumers, but can also be from companies or other sources (Hu, Ha, Mo, & Xu, 2014). Social eWOM will change the way people - acquire, use, experience, discard, intend something and make decisions about goods (Huiju, 2012)because it creates a behavior intention (Hausman & Siekpe, 2009; Wang, Cunningham, & Eastin, 2015; Kwok, Mao, & Huang, 2017), and value (Guo & Barnes, 2011; See-To & Ho, 2014). If

companies can manage good virtual communities effectively, then they will help the companies to expand their markets as they can push consumers to think about their products before the intention to buy is even created. Companies can make their own social media accounts and delegate ambassadors and public relations staff to spread positives issues, as well as to counter any negative issues, via social media. Therefore, understanding virtual communities' marketing processes is very useful for targeting potential consumers, since participating in a social network is one of the marketing objectives and strategies for global brands. Thus, the aim of this study is to analyze the relationship among social eWOM, image, trust, eWOM's adoption and the purchase intention. Very few studies have investigated the effect of social eWOM on image, trust and eWOM's adoption, as well as the effect of eWOM's adoption on the purchase intention. Finally, this study provides comprehensive research that has never been conducted before.

Active users of most popular virtual communities (Facebook, Instagram, WhatsApp, and YouTube)were recruited. The data was collected through spreading questionnaire to 240 Indonesian Facebook, Instagram, WhatsApp and YouTube active users. SPSS and PLS 3 were used to analyze the data.

LITERATURE REVIEW

Social eWOM

Today, face-to-face communication has almost totally been replaced by online communication. This shift brings changes in how people make their purchase decisions, since they now compare other consumers' experiences and opinions on online platforms anytime and anywhere, before buying products (Graham & Havlena, 2007; Chen, Nguyen, Klaus, & Wu, 2015; Nizar Hidayanto, Ovirza, Anggia, Ayuning Budi, & Phusavat, 2017). EWOM can take place on numerous online platforms, with social networking sites being the most favorite ones(Chu & Kim, 2011), as it can give more honest and trustworthy information than personal sites do(Ellison & Boyd, 2013). Consumers use these sites to get more product-related information and opinions, which makes these social networking websites important for eWOM. The role of social eWOM in influencing consumer purchasing behavior has attracted companies to manage social eWOM as their strategy to display and communicate their products (Di Virgilio & Antonelli, 2018; Chu & Kim, 2011; Sandes & Urdan, 2013).

The best strategy is needed to communicate brand values and features to customers. The best way to reach potential customers now is through eWOM on social media, since the number of social media users increases year to year. It (eWOM) has become a major strategy for brand communication (Chu & Kim, 2011; Daugherty & Hoffman, 2014) that really affects the consumers' decision making.

Lots of information is available virtually, including customers' experiences, perceptions, and evaluations of consumer products. Good information posted by people can build a good brand image in potential customers' minds (Keller, 1993; Wang & Yang, 2010; Bian & Moutinho, 2011; (Torlak, Yalin Ozkara, Ali Tiltay, Cengiz, & Fatih Dulger, 2014)

Furthermore, information provided on any social network site is used by people as their assistant for the sense of trust and as references for their information fulfillment about products they want to buy (Hajli, 2014; Huang, Chou, & Lan, 2007; Chu & Kim, 2011). In addition, Hajli, (2014) found that trust is influenced by the valuable information (eWOM) provided on the Internet. The more information that is available on the Internet will allow people to have more trust and confidence in a particular product.

López & Sicilia (2014)stated that eWOM has a high impact on the buying decision process and will remain high in the future, particularly in this internet and social media era. The quality of word of mouth in any virtual media is not the only factor that affects the purchase decision, but also the quantity of it (Lin, Wu, & Chen, 2013). The frequency of information forwarded by people on any social network sites is very useful for the other users (Pöyry, Parvinen, & Malmivaara, 2013; Hennig-Thurau, Gwinner, Walsh, & Gremler, 2004). At last, social eWOM is a significant instrument that will affect potential customers' adoption of information about goods or services (Dah-Kwei, Chih, Yuan, & Lin, 2016). As indicated by the few prior studies, this study developed the following hypotheses:

- H1: Social eWOM affects brand image
- H2: Social eWOM affects brand trust
- H3: Social eWOM affects eWOM's adoption

Brand Image

The study of a brand's image has been conducted by numerous researchers, as brand image shows a positive impact on purchase intention (Chen, Yeh, & Huan, 2014). Meanwhile, Chen et al (2014) stated that if a brand has a good image, its customers' trust in it will increase. It makes customers feel more comfortable and secure to consume products that have a good image.

According to Kotler & Keller (2012)a brand's image shows the level of the publics' awareness of the brand. Understanding and knowing a product's brand image can be a great foundation to influence assessments of the product prior to its actual purchase(Zeithaml, 1988), and the subjective perceptions of customers and their subsequent behavior(Ryu, Han, & Kim, 2008). Fishbein & Ajzen (1975) suggested the theory of reasoned action (TRA) which clarified that before a customer becomes involved in them, they consider the implications of an alternative behavior(Bang, Ellinger, Hadjimarcou, & Traichal, 2000). The behavioral intention of a customer is created from two components: the attitude toward the behavior and the subjective norms (Bang et al., 2000). A customer's perception about a brand's image is a part of their association with the brand, in the customer's memory (Keller, 1993). Moreover, the level of brand association will be stronger by linking the customer's experience and exposure and their frequency of communication (Aaker, 1991)

People's attitude toward a branded product and its attributes rely on the product's image (Aghekyan-Simonian, Forsythe, Kwon, & Chattaraman, 2012). By maintaining brand image, it will help customers define their needs and wants among all the competing products (Anwar, Gulzar, Sohail, & Akram, 2011). The close relation between eWOM's exposure and sales is confirmed by previous research(Kim, 2014; Rui, Liu, & Whinston, 2013)

The following hypotheses were proposed to investigate the relationship among brand image, brand trust and eWOM's adoption in order to confirm the previous studies:

H4: Brand image affects eWOM's adoption H5: Brand image affects brand trust

Brand Trust

Saad et al (2012)and Lien, Wen, Huang, & Wu (2015) defined some driving factors of the intention to purchase: product/service price, satisfactory value, and trust. When consumers have trust in a product, they also have the confidence that they face no risk when consuming the product and thus will maintain long-term relations with the product (Gefen, 2000). Reliability, dependability and the integrity of the product are what create customers' trust (Semuel & Chandra, 2014; Kim, Kim, & Kim, 2009).

Trust not only plays an important role in the buyer-seller relationship(Lee, Kim, & Kim, 2012; Wu, Chen, & Chung, 2010) but also acts as social capital in business (Prasetio, Hurriyati, Sari, & Sary, 2017;Yaniv, 2018). Customers will select trusted information in word of mouth communications because they need to be convinced before accepting the information (Hussain et al., 2018; Fan, Miao, Fang, & Lin, 2013; (Evans & Bratton, 2010). Hence the following hypothesis:

H6: Brand trust affects eWOM's adoption

EWOM Adoption

In a fast paced technological era, more people prefer to use information from any online media source as a reliable and effortless reference (Shukla & Sharma, 2018;Rahim, Sulaiman, Chin, Baharun, & Muharam, 2016). Jiménez & Mendoza (2013), Filieri, McLeay, Tsui, & Lin (2018), and Hsu, Yu, & Chang (2017) found that online testimonials or reviews of things used by others affect the purchase intention, as those testimonials and reviews are viewed as good recommendations and information for them.

When linking to word of mouth testimonials given on multiple social media platforms, it is not only the quality but also the frequency of eWOM that influences the buying decisions of consumers (Lin et al., 2013). Sahabi (2018) observed that the perceived credibility of online consumer reviews among prospective consumers will increase their intention to purchase the product under review.

Understanding the information adoption process is crucial to minimize any unexpected responses among the receivers (Zhu, Chang, & Luo, 2016; Erkan & Evans, 2016). TRA/TAM is used to analyze how the information adoption process works (Ajzen, 1985; (Davis, 1989); (Fishbein & Ajzen, 1975). Finally, this study proposed the following hypothesis:

H7: EWOM's adoption affects the purchase intention

Purchase Intention

Dodds, Monroe, & Grewal (1991) and Wu, Lin, & Hsu (2011) defined that the intention to purchase is the probability of a customer purchasing a specific product. Prior studies have proven that the purchase intention has a significant effect on the intention to buy, and actual buying behavior (Sparks & Browning, 2011; Bai, Law, & Wen, 2008). Even if customers have a positive attitude, they tend to be willing to pay more to get the products they want (Wei, Ang, & Jancenelle, 2018) (Shin, Moon, Jung, & Severt, 2017) (Laroche, Bergeron, & Barbaro-Forleo, 2001). In other words, the purchase intention mediates the relation between attitude and actual behavior (Miniard & Cohen, 1983). The proposed model is shown in Figure 1.

METHOD, DATA, AND ANALYSIS

1. Research Method

The purpose of this study is to examine the relationship between social eWOM, brand image, brand trust, eWOM's adoption, and purchase intention. This study presents a quantitative approach using the survey method for its primary data collection. SPSS 23 and PLS 3 were used to accomplish the purpose of this study. SPSS 23 was run to discover information about the respondents, while PLS 3 was utilized to test the validity and reliability of each instrument and to test the proposed hypotheses.

2. Research Data

Data Collection

Data was gathered using questionnaires created from the literature and previous research. The structure of the questionnaire in this study was divided into two parts. At the beginning of the survey, the respondents were asked to fill out their profiles (age, gender, the number of social media platforms they use, time spent on social media each day). In the next part, measurement scales of each variable were used to investigate the relationship between social eWOM, brand image, brand trust, eWOM's adoption and purchase intention. Social eWOM was extracted from Bambauer-Sachse & Mangold (2011),

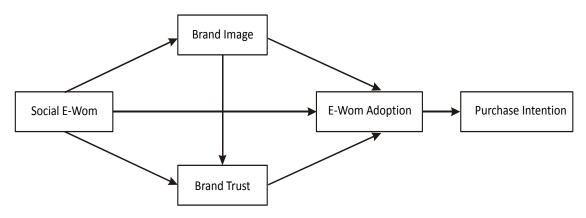


Figure 1. Research Model

Mohammad (2012), Chetna (2017); brand image items were modified from Lien, Wen, Huang, & Wu (2015); brand trust items were adapted from Chiang & Jang (2007) and Lien, Wen, Huang, & Wu (2015); eWOM's adoption items were developed from Erkan & Evans (2016) and Cheung, Luo, Sia, & Chen (2009); purchase intention items were taken from Erkan & Evans (2016) andCoyle & Thorson (2001).

The population surveyed in this study was active members of big virtual communities (Facebook, Instagram and YouTube). A purposive sampling technique was chosen for the recruitment of the respondents using the following criteria:

- Have been an active user of virtual community platforms for at least six months. As this study examines the influence of virtual community platforms, all the respondents must be active users of at least one platform to show they have good experience as a user.
- 2. Aged 17 years old or over. This minimum age reflects the level of maturity and having the ability to make decisions based on their knowledge and knowing about the consequences.
- 3. Having purchased something in the last six months. This study tests the intention to buy a particular product, and having the experience of purchasing a product in the last six months of their membership as an active user of any virtual community platform may help to explore the contribution of the platform to their intention to acquire a product.

There were a total of 250 questionnaires distributed, 240 completed questionnaires and 10 incomplete questionnaires were returned. Subsequently, for this study only the240 completed questionnaires were used.

3. Research Analysis

Descriptive analysis and explanatory analysis were used in this study. Descriptive analysis was conducted to analyze the respondents 'characteristics from the SPSS's output, while explanatory analysis was implemented to analyze the causal relationship among the theoretical concepts of this study. As this study used structural equation modeling (SEM), an inner model and outer model were adopted.

RESULT AND DISCUSSION

Respondents' characteristics. There were a total of 250 questionnaires distributed, 240 completed questionnaires and 10 incomplete questionnaires were returned. Subsequently, for this study only the240 completed questionnaires were used. Briefly, there were 141 (58.75%) female respondents and 99 (41.25%) male. The age profile of the respondents is shown in Table 1, 54.16% of the respondents were 17-25 years old, while only 15.42% were more than 35 years old. In relation to the number of social media platforms used by the respondents, the results show that, in general, over 50% of the respondents use more than one social media platform. The collected data stated that 66.25% of the respondents were still in senior high school, 30% were undergraduates and 3.75% were graduates. It is also evident from Table 1 that near half of the respondents were students (48.75%), while 45% worked for the government in some capacity (31.25%),13.75% worked in private service and only 15% were self employed. Profile for the amount of time spent each day on social media was divided as follows: < 1 hour (10 %), 1 to 4 hours (70.8%), 5 to 8 hours (18.4%), and > 8 (0.8%).

		<u>^</u>	
Profile	Description	Percentage	Frequency
Gender	Female	58.75 %	141
	Male	41.25 %	99
Education	Senior High School	66.25%	159
	Undergraduate	30%	72
	Graduate	3.75%	9
Occupation	Student	48.75%	117
	Gov't Service	31.25%	75
	Private Service	13.75%	33
	Self Employed	6.25%	15
Age (yo)	17-25	54.16 %	130
	26-34	30.42 %	73
	> 35	15.42 %	37
Number of Social	1	30 %	72
Media Platforms	2-3	45.83 %	110
Used	3-4	19.58 %	47
	> 5	4.58 %	11
Time Spent Each	< 1 hour	10 %	24
Day on Social Media	1 - 4 hour	70.8 %	170
	5 – 8 hour	18.4 %	44
	> 8	0.8 %	2

Table 1. Profiles of Respondents

Source: SPSS 23, 2019

For achieving valid results, and before testing the hypothesized relationship, tests for the internal consistency, indicator reliability, convergent validity and discriminant validity of the measurement model were conducted. Item internal consistency was assessed by applying composite reliability (CR) and Cronbach's alpha.

As presented in Table 2, composite reliability (CR) was greater than 0.7 (Hair, Hult, Ringle, & Sarstedt, 2017) and Cronbach's alpha scores were above 0.6 (Hair et al., 2017). The outer loading value of each indicator (Figure 2) was higher than 0.6 (Chin, Peterson, & Brown, 2008), Thus, all the indicators' reliability can be confirmed. To test the convergent validity, outer loading, composite reliability (CR) and the average variance extracted (AVE) have to be considered. The average variance extracted (AVE) scores of the latent variables (Table 2) were above the acceptable value of 0.5 (Hair et al., 2017; Fornell & Larcker, 1981)

Table 2.	Convergent and	Reliability
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	Cronbach's Alpha	Composite Reliability	Average Variance Extracted (AVE)
EWOM Adoption	0.869	0.938	0.884
Image	0.821	0.875	0.585
Purchase Intention	0.857	0.903	0.7
Sewom	0.916	0.941	0.798
Trust	0.797	0.869	0.624

Source: SmartPLS 3, 2019

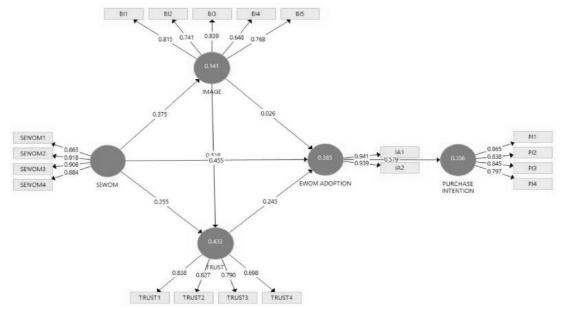


Figure 2

Table 3. Discriminant Validity

	EWOM Adoption	Image	Purchase Intention	Sewom	Trust
EWOM Adoption	0.94				
Image	0.347	0.765			
Purchase Intention	0.579	0.528	0.837		
Sewom	0.575	0.375	0.517	0.894	
Trust	0.465	0.614	0.545	0.45	0.79
G G DI G 2 201	0				

Source: SmartPLS 3, 2019

Table 4. R Square

	R Square	Goodness of Fit (GoF):
EWOM Adoption	0.385	
Image	0.141	$GoF = \sqrt{AVE} \times \overline{R^2}$
Purchase Intention	0.336	$GoF = \sqrt{0.718} \times \overline{0.6762}$
Trust	0.433	$C_{\alpha}E = 0.607$
Source: Smort DI S 2 2010		GoF = 0.697

Source: Smart PLS 3, 2019

Table 5. Path Coefficients

	Original Sample(O)	Sample Mean (M)	Standard Deviation (STDEV)	T Statistics	P Values
SE -> BI (H1)	0.375	0.381	0.061	6,189	0
SE -> BT (H2)	0.255	0.256	0.052	4,889	0
SE -> EA (H3)	0.455	0.455	0.056	8,107	0
BI -> EA (H4)	0.026	0.024	0.077	0.339	0.735
BI -> BT (H5)	0.518	0.521	0.046	11,214	0
BT -> EA (H6)	0.245	0.244	0.078	3,151	0.002
EA -> PI (H7)	0.579	0.583	0.051	11,258	0

Source: SmartPLS 3, 2019

The next step was assessed using a cross loading indicator to evaluate the discriminating validity. Table 3 indicates each indicator of this model has an outer loading higher than the cross loadings of all the indicators opposed to the other constructs (Hair et al., 2017). It demonstrates that discriminant validity has been achieved by the correlation between the indicator and latent variables.

Hypotheses result

As shown in Table, six of the proposed hypotheses were found statistically significant (P values smaller than 0.05 and T statistic values greater than 1.96) while one hypothesis was statistically not significant as its P value was greater than 0.05 and its T statistic value smaller than 1.96 (Hair et al., 2017;Kock, 2012). Empirical results from the structural model suggest that social eWOM is a good predictor of brand image (P = 0.00, t = 6.189), brand trust (P = 0.00, t = 4.889) and eWOM's adoption (P = 0.00, t = 8.107).

The results of the model testing also indicated that brand image had a meaningful effect on brand trust (P = 0.00, t = 11.214). This study also found that brand image had no significant impact on eWOM's adoption (p > 0.05, t < 1.96). Moreover, the findings statistically proved the significant effect of brand trust on eWOM's adoption (P = 0.002, t = 3.151). Finally, the result confirms that eWOM's adoption had a significant effect on the purchase intention (P = 0.00, t = 11.258).

Discussion

In the current era of social media, people tend to communicate with others freely and more actively, as their communications are supported by text, video, photo and voice systems that are provided by the various platforms. People share their ideas and experiences, as well as their views on various products. Reviews on social media (eWOM) by people with the same interests and experience in consuming products are believed to be trustworthy sources, rather than advertisements from marketers or companies (Sen & Lerman, 2007)).

Figure 1 shows the research model for this study, which explains the interrelationships among the variables (social eWOM brand image, brand trust, eWOM's adoption, and intention to purchase). Empirically, the results of this study suggest that social eWOM has an effect on brand image. The finding also support the prior studies (Bian & Moutinho, 2011; Torlak, Yalin Ozkara, Ali Tiltay, Cengiz, & Fatih Dulger, 2014) that proved social eWOM can help sellers reach a wider audience and build an image in customers' minds. They also believe that people's experiences and evaluations while consuming a product create an image of that product(Keller, 1993; Wang & Yang, 2010; Bian & Moutinho, 2011). It indicates that more frequent and wider product reviews, spread on any virtual community, will result in a stronger product image and make people keener to make a purchase decision.

According to the result of this study, managing social media official accounts as well as engaging and supporting fan pages accounts will not only help to direct positive impressions or images of a product, but also build trust in the customers' hearts. This was also confirmed by previous research that examined the relationship between social eWOM and brand trust (Hajli, 2014; Chu & Kim, 2011). People are more likely to believe reviews on social eWOM (particularly on social networking sites) rather than reviews or explanations from companies or advertisements (Chu & Kim, 2011; Ellison & Boyd, 2013). More positive reviews on virtual communities creates greater trust in a brand, as people consider social eWOM to be their reference to avoid risks from consuming a product they know nothing about. In other words, people will believe information from social eWOM and trustworthy brands. This strong relation has been confirmed in this study, which has shown that brand image has a significant effect on brand trust.

The findings also proved that eWOM's adoption will end up by increasing the intention to buy (Sahabi, 2018) More people believe information from eWOM, and this tends to make them trust those reviews and increases their intention to buy. However, this study showed that brand image has no significant affect on eWOM's adoption. This result contrast to the prior study by Aghekyan-Simonian et al., (2012). It means that if a product already has a good image, it does not guarantee that people will accept information that is sourced from eWOM. Meanwhile, as found in another prior study byChen et al, (2014), this study also confirmed that brand image plays an important role in creating brand trust.

CONCLUSION AND SUGGESTION

Finally, upon the completion of this study, both the theoretical and practical contributions were provided for. Theoretically, the main contribution of this study refers to the findings that social eWOM influences brand image, brand trust and eWOM's adoption. This study would be the first research that explores virtual communities' motivations and their role in creating customers' behavioral intentions and values in brand communities.

From a practical standpoint, managing good social eWOM will improve a company's image and people's trust in it. However, an improved company image and greater trust cannot increase eWOM's adoption, as long as a company has a positive and well-managed social eWOM, people will still accept the information provided and increase their intention to buy the product. Therefore, this study will also recommend that companies manage their virtual communities, since social media can unite people from around the world and change business processes. Finally, a virtual community is a vehicle for companies to create behavioral intentions to expands their markets.

While this study provides a deeper and new insight about social eWOM, brand image, brand trust, eWOM's adoption and intention to purchase, this study has a couple of short comings that can be explored in the future. First, this study did not explore and compare all the social media platforms owned by Samsung. By comparing other platforms, a more valuable contribution maybe gained. Second, this study did not take into account different countries. Using a more diverse sample could give new insights. Furthermore, this study suggests the use of more variables in any future research. Lastly, it may be necessary to undertake a mix of qualitative and quantitative research, to obtain more comprehensive findings.

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APPENDIX

Questionnaire

Social eWOM (Bambauer-Sachse & Mangold, 2011; Chetna, 2017; Mohammad, 2012)

- SEWOM 1: I often read other consumers'/friends' posts to make sure I buy the right product/brand.
- SEWOM 2: I often read other consumers'/friends' posts to know what products/brands make a good impression on others.
- SEWOM 3: I often read other consumers'/friends' posts to gather information about products/Brands.
- SEWOM 4: I often read other consumers'/friends' posts to have confidence in my decision to buy.

Purchase Intention (Erkan & Evans, 2016; Coyle & Thorson, 2001)

After considering information about products which are shared by my friends on social media ...

- PI1: It is very likely that I will buy the product.
- PI2: I will purchase the product next time I need that sort of product.
- PI3: I will definitely try the product.
- PI4: I will recommend the product to my friends.

EWOM's Adoption (Erkan & Evans, 2016;Cheung et al., 2009)

- IA1: They make it easier for me to make a purchase decision
- IA2: They enhance my effectiveness in making a purchase decision.

Image (Lien et al., 2015)

- BI1: The brand is reliable.
- BI2: The brand is attractive.
- BI3: The brand is pleasing.
- BI4: The brand is a social status symbol.
- BI5: The brand has a good reputation.

Trust (Lien et al., 2015b)(Chiang & Jang, 2007)

- T1: What the hotel says about its product/service is true.
- T2: If the hotel makes a claim about its product/service, it is true.
- T3: I feel I know what to expect from the hotel.
- T4: I believe this hotel would be reliable.