THE INFLUENCE OF PERCEIVED VALUE, AND TRUST ON WOM AND ITS IMPACT ON REPURCHASE INTENTION

Innocentius Bernarto 1
Agus Purwanto 2
Joy Elly Tulung 3
Rudy Pramono 4

ABSTRACT

Objective: to analyze the relationship between Perceived Value to WoM, trust to WoM and Repurchase Intention of Coffee Shop.

Theoretical Framework: This study uses a consumer behavior framework, especially the theory of reason action and word of mouth.

Method: This research uses a quantitative approach with a survey design using a sample of 165 with convenience sampling technique. The data analysis technique used is Structural equation modeling (SEM); with the Smart PLS device to test the outer model and inner model.

Result: Based on the results of data analysis, it shows that perceived value, trust and word of mouth have a direct effect on repurchase intention. Apart from that, Perceive value and trust have an indirect effect on repurchase intention with word of mouth as a mediation.

Implications: The results of this study show that to increase repeat purchases by consumers, it is necessary to increase consumer trust and perceived value to increase word of mouth.

Originality/Value: The results of the study contribute to coffee shop efforts to increase repurchase intentions in the future by increasing consumer value and trust.

Keywords: Perceived Value, Trust, Word of Mouth, Repurchase Intention.

A INFLUÊNCIA DO VALOR PERCEBIDO E DA CONFIANÇA NA MULHER E SEU IMPACTO NA INTENÇÃO DE RECOMPRA

RESUMO

Objetivo: analisar a relação entre Valor Percebido para WoM, Confiança para WoM e Intenção de Recompra de Cafeterias.

Referencial Teórico: Este estudo utiliza um referencial de comportamento do consumidor, especialmente a teoria da razão ação e do boca a boca.

1 Pelita Harapan University, Indonesia. E-mail: innocentius.bernarto@uph.edu
Orcid: https://orcid.org/0000-0003-1952-8262
2 Pelita Harapan University, Indonesia. E-mail: aguspurwanto.prof@gmail.com
Orcid: https://orcid.org/0000-0002-5807-0736
3 Sam Ratulangi University, Indonesia. Email: joy.tulung@unsrat.ac.id
Orcid: https://orcid.org/0000-0002-4610-3721
4 Pelita Harapan University, Indonesia. E-mail: rudy.pramono@uph.edu
Orcid: https://orcid.org/0000-0002-3430-2942
Método: Esta pesquisa utiliza uma abordagem quantitativa com desenho de pesquisa utilizando uma amostra de 165 pessoas com técnica de amostragem por conveniência. A técnica de análise de dados utilizada é a modelagem de equações estruturais (SEM); com o dispositivo Smart PLS para testar o modelo externo e o modelo interno.

Resultado: Com base nos resultados da análise dos dados, mostra que o valor percebido, a confiança e o boca a boca têm efeito direto na intenção de recompra. Além disso, a percepção de valor e a confiança têm um efeito indireto na intenção de recompra com o boca a boca como mediação.

Implicações: Os resultados deste estudo mostram que para aumentar as compras repetidas pelos consumidores, é necessário aumentar a confiança do consumidor e o valor percebido para aumentar o boca a boca.

Originalidade/Valor: Os resultados do estudo contribuem para os esforços das cafeterias para aumentar as intenções de recompra no futuro, aumentando o valor e a confiança do consumidor.

Palavras-chave: Valor Percebido, Confiança, Boca a Boca, Intenção de Recompra.

RGSA adota a Licença de Atribuição CC BY do Creative Commons (https://creativecommons.org/licenses/by/4.0/).

1 INTRODUCTION

In the last five years, local coffee production appears to be increasing. Indonesia's coffee production in 2021 reached 774.60 thousand tons, up about 1.62% from 762.20 thousand tons the previous year, according to the Statistics Indonesia report reported by Databoks-Katadata (Indonesia.go.id., 2022). Some of Indonesia's world-famous coffee-producing regions include Gayo coffee in Aceh Province, Papua coffee, Kintamani coffee in Bali, Toraja coffee in Sulawesi, and Java Ijen Raung coffee in Bondowoso. Other very famous coffee types are Liberica from Riau, Sidikalang from North Sumatra, Flores Bajawa, Temanggung, and Lampung. However, in December 2021, Director of PT Perkebunan Nusantara Research Iman Yani Harahap said Indonesia's coffee consumption currently stands at 300,000 tons, with continued growth (Indonesia.go.id., 2022). The history of coffee in North Sulawesi goes back a long way and is similar to other regions in Indonesia. The tradition of drinking coffee has been a habit of the Manado people since before independence. Besides personal consumption in their own homes, Manado people often go to coffee shops or coffee houses to meet and gather while drinking coffee. The development of coffee houses in Manado City is currently very rapid, especially in the last five years, and many young entrepreneurs have opened coffee shops with the concept of combining traditional and modern. With the proliferation of coffee shops, of course, competition is also increasing.

According to Choi et al. (2019) Coffee shops must always provide maximum service so that customers will be satisfied with what they buy, so they will continue to buy in the future. WOM is important in the business world. Nowadays people are not easily influenced by
traditional advertisements anymore, they prefer to trust good reviews from people they know because they are considered more accurate. Satisfaction has an important role in consumer WOM in a company. According to Sofia et al. (2020); Song et al. (2019); Torabi et al. (2021); Yuliantoro et al. (2019) If customers are satisfied with the coffee they buy, they will be happy to tell their experiences to their closest people (family and friends) with the occurrence of positive WOM that will indirectly provide promotions to coffee shops with the grab & go concept. According to Chen et al. (2019); Choi et al. (2019) explains that if consumers are satisfied (delighted), they will repurchase and do positive WOM about the company. Meanwhile, if customers feel disappointed (disappointed) they will complain to the company, do nothing, or switch to other service providers. Customers who are satisfied with the performance of the coffee shop will believe in the company and provide positive reviews or word of mouth as described. According to Chen et al. (2019); Choi et al. (2019) "As a customer trust improves in a service provider, positive WOM communication about the company is more likely to increase". Loyal customers have a strong attachment and full commitment. They will make a positive WOM and they may be less price sensitive. To maintain commitment from customers, coffee shops with the grab & go concept must be able to maintain the quality of their drinks so that they are always good, provide good, friendly and professional service, issue interesting menus, and also adjust the products they sell to current trends in society. so that customers can feel that the company cares about buyers

The phenomenon of business that is growing rapidly is the proliferation of various types of cafes that offer not only a cup of coffee or tea but also a comfortable atmosphere. In order to attract as many consumers as possible, food and beverage entrepreneurs who set up cafes compete with each other in improving quality, by arranging menu compositions, nutritional levels, food and beverage color schemes (food and beverage product design), how to arrange attractive dishes, delicious taste, healthy and clean dishes and make its own characteristics. Success in competition will be met if the company can create and retain customers.

According to Juliana et al. (2020); Kim et al. (2019); Luntungan et al. (2019) It is now easy for consumers to get information from various media about product quality, prices and various brand references which are taken into consideration when making repeat purchase decisions for one particular brand. Various brand references with their respective advantages will make consumer loyalty to a particular brand decrease. The purpose of this study is to analyze the relationship between Perceived Value to WoM, trust to WoM and Repurchase Intention of Coffee Shop.
2 LITERATURE REVIEW & HYPOTHESES DEVELOPMENT

2.1 PERCEIVED VALUE

Perceived value has been stated as important to predict consumer behavior, satisfaction, purchase intentions, word-of-mouth and loyalty. According to Mencarelli et al. (2017); Guerra-Tamez et al. (2020); Padungyos et al. (2020) describes perceived value as an evaluation or consumer assessment of goods or services based on the perception that what consumers receive is commensurate with the costs incurred. Padungyos et al. (2020) stated that the higher the price, the perception of value also increases, so that the perceived value in a restaurant is considered as an assessment of the time and money spent compared to the experience that customers get from the restaurant. Companies use other marketing elements such as advertising, sales force, and the Internet to communicate and increase perceived value in the minds of customers. Mencarelli et al. (2017); Guerra-Tamez et al. (2020); Padungyos et al. (2020) stated that the greater the customer's perceived value for the company's services, the greater the level of satisfaction. The company must deliver the promised value and the customer must accept and feel that value. Based on previous research, it is stated that perceived value has a significant effect and is accepted as a reliable predictor.

2.2 TRUST

Trust is considered as one of the important things in relationship marketing. According to Rosid et al. (2020); Siri et al. (2018); Sung, H. J., & Jeon, H. M. (2020) Companies fulfill promises made to customers to maintain long-term loyalty with customers (Nartheh et al., 2013). Trust is important for building long-term relationships with customers, products or services that have been trusted by customers will affect customer attitudes towards the company and will also trigger them to spread positive WOM about the goods or services that have been purchased. According to Rosid et al. (2020); Siri et al. (2018); Sung, HJ, & Jeon, HM (2020) trust is defined as a person's belief that another party will meet their needs, in terms of services, trust is the opinion held by customers that the service provider will provide services that match what is needed. Increased customer trust in service providers, positive WOM about the company tends to increase as well (Gremler et al., 2001; Jalilvand et al., 2017). Based on previous research, it is stated that trust has an influence on WOM. According to Rosid et al. (2020); Siri
et al. (2018); Sung, HJ, & Jeon, HM (2020) trust and commitment are considered to have an interdependent relationship with each other (dependent-outcome relationship) and trust has an influence on commitment because trust increases long-term orientation and reduce transaction costs. Customers who are satisfied with the performance of an item or service believe in the company and buy repeatedly or have a commitment. Based on previous research Rosid et al. (2020); Siri et al. (2018); Sung, H. J., & Jeon, H. M. (2020) that trust has a positive influence on commitment.

2.3 WORD-OF-MOUTH

Sofia et al. (2020); Song et al. (2019); Torabi et al. (2021); Yuliantoro et al. (2019) defines word-of-mouth as information provided by satisfied customers about a business, product, service or event (the information provided can also be negative). WOM is the most effective way to spread opinions because it is usually done directly or face-to-face in a conversation between two or more people who know each other. WOM is considered more credible and authentic because of the presence of body language and voice intonation that will strengthen the delivery of the message and is more trusted than electronic word-of-mouth which is an online review on social media because reviews in e-WOM can be fake and made up by company. Most WOM is not done online but 90% is done in person. WOM can influence a person's thoughts, views, and decisions and if used properly, WOM can market goods or services in the long term. According to Sofia et al. (2020); Song et al. (2019); Torabi et al. (2021); Yuliantoro et al. (2019); WOM is a very useful and powerful source of information because it can help buyers to find out clearer information about goods or services before making a purchase decision, and customers tend to trust information from people they know (family, friends, etc.) considered

2.4 REPURCHASE INTENTION

Repurchase intention is a form of customer loyalty behavior that reflects the strong psychological and emotional relationship between consumers and a brand. According to Aziz et al. (2018); Correa et al. (2021); Chen et al. (2019); Choi et al. (2019) Repurchase Intentions can be considered as one of the important factors in consumer purchases, namely consumers who make second, third and so on purchases are the same as consumers who already have an attachment to the brand both emotionally and functionally. Many companies with superior
servqual are found to be market leaders in terms of sales and long term customer loyalty. According to Choi et al. (2019) Repurchase intention is influenced by various factors. The servqual factor was found to have an effect on repurchase intention, besides that brand trust also had a positive influence on repurchase intention where customer satisfaction was also found to have a strong effect on repurchase intention (Mensah & Mensah, 2018). Repurchase intention is a customer's intention who has completed his first purchase to return to buy again for the next purchase. According to Chen et al. (2019); Choi et al. (2019) Repurchase intention is formed from several factors. Factors that form repurchase intention can be in the form of service quality (Servqual), brand trust and also customer satisfaction, Quality, Customer Satisfaction, Brand Trust And Repurchase Intention Servqual consists of 5 elements, namely reliability, assurance, tangible, empathy and responsiveness. According to Correa et al. (2021); Chen et al. (2019); Choi et al. (2019) Reliability is the company's ability to provide consistent service every day. Assurance is how the company can guarantee the safety of the products/services provided by the company. Tangible is everything that is visible that affects the quality of service such as the state of the surrounding environment. Empathy is how the company's attitude is always willing to help customers. Responsiveness is how responsive the company is to the wishes of the customer.

3 HYPOTHESES DEVELOPMENT

3.1 THE RELATIONSHIP BETWEEN PERCEIVED VALUE AND WOM

According to Aziz et al. (2018); Correa et al. (2021) there is a positive and significant relationship between perceived value and WoM. An increase in the perceived value variable will encourage a positive and significant increase in WoM. This result is in line with the research by Chen et al. (2019); Choi et al. (2019) that there is a significant relationship between perceived value and WoM, according to Choi et al. (2019) there is a positive relationship between perceived value and WoM. According to Aziz et al. (2018); Correa et al. (2021); Chen et al. (2019); Choi et al. (2019) there is a positive and significant relationship between perceived value and WoM. Based on previous research, it was concluded that the following hypothesis was built:

\[ H_1: \text{There is a positive relationship between the perceived value of WoM} \]
3.2 THE RELATIONSHIP BETWEEN PERCEIVED VALUE AND REPURCHASE INTENTION

According to Mencarelli et al. (2017); Guerra-Tamez et al. (2020); Padungyos et al. (2020) there is a positive and significant relationship between perceived value and repurchase intention. An increase in the perceived value variable will encourage a positive and significant increase in repurchase intention. These results are in line with research by Padungyos et al. (2020) that there is a significant relationship between perceived value and repurchase intention, according to Padungyos et al. (2020) there is a positive relationship between perceived value and repurchase intention. According to Mencarelli et al. (2017); Guerra-Tamez et al. (2020); Padungyos et al. (2020) there is a positive and significant relationship between perceived value and repurchase intention. Based on previous research, it was concluded that the following hypothesis was built:

H2: There is a positive relationship between perceived value and repurchase intention

3.3 THE RELATIONSHIP BETWEEN TRUST AND WOM

According to Sofia et al. (2020); Song et al. (2019) there is a positive and significant relationship between trust and WoM. An increase in the trust variable will encourage a positive and significant increase in WoM. This result is in line with research by Torabi et al. (2021); Yuliantoro et al. (2019); that there is a significant relationship between trust and WoM, according to Sofia et al. (2020); Song et al. (2019); Torabi et al. (2021); Yuliantoro et al. (2019); there is a positive relationship between trust and WoM. According to Song et al. (2019); Torabi et al. (2021) there is a positive and significant relationship between the perceived value of WoM. Based on previous research, it was concluded that the following hypothesis was built:

H3: There is a positive relationship between trust and WoM

3.4 THE RELATIONSHIP BETWEEN TRUST AND REPURCHASE INTENTION

According to Juliana et al. (2020) there is a positive and significant relationship between trust and repurchase intention. An increase in the trust variable will encourage a positive and significant increase in repurchase intention. This result is in line with research by Luntungan et al. (2019) that there is a significant relationship between trust and repurchase intention,
The Influence of Perceived Value, And Trust on Wom and Its Impact on Repurchase Intention

According to Juliana et al. (2020); Kim et al. (2019); Luntungan et al. (2019) there is a positive relationship between trust and repurchase intention. According to Juliana et al. (2020); Kim et al. (2019) there is a positive and significant relationship between trust and repurchase intention. Based on previous research, it was concluded that the following hypothesis was built:

**H4: There is a positive relationship between trust and repurchase intention**

3.5 THE RELATIONSHIP BETWEEN WOM AND REPURCHASE INTENTION

According to Sofia et al. (2020); Song et al. (2019); Torabi et al. (2021); Yuliantoro et al. (2019) there is a positive and significant relationship between WoM and repurchase intention. An increase in the WoM variable will encourage a positive and significant increase in repurchase intention. These results are in line with research by Torabi et al. (2021); Yuliantoro et al. (2019) that there is a significant relationship between WoM and repurchase intention, according to Sofia et al. (2020); Song et al. (2019); Torabi et al. (2021); Yuliantoro et al. (2019) there is a positive relationship between WoM and repurchase intention. According to Torabi et al. (2021); Yuliantoro et al. (2019) there is a positive and significant relationship between WoM and repurchase intention. Based on previous research, it was concluded that the following hypothesis was built:

**H5: There is a positive relationship between WoM and repurchase intention**

Figure 1

*Research Model*
4 RESEARCH METHOD

To test the hypothesis as stated above, this research uses a quantitative approach with a survey design using a sample of 165 with convenience sampling technique. The data analysis technique used is Structural equation modeling (SEM); with the Smart PLS device to test the outer model and inner model.

5 RESULT AND DISCUSSION

The results of data processing of the measurement model with smart pls are shown in the table below.

Table 1
Evaluation of measurement models

<table>
<thead>
<tr>
<th>Constructs and items</th>
<th>Outer loading</th>
</tr>
</thead>
<tbody>
<tr>
<td>Perceived Value (AVE=0.679; CR=0.894)</td>
<td></td>
</tr>
<tr>
<td>pv1 In my opinion, the value of the coffee shops that I often visit is because they have quality</td>
<td>0.798</td>
</tr>
<tr>
<td>pv4 The coffee shops I frequent are precious to me.</td>
<td>0.853</td>
</tr>
<tr>
<td>pv5 The coffee shop I often visit can fulfill my needs.</td>
<td>0.833</td>
</tr>
<tr>
<td>pv6 The coffee shop that I often visit has better value than its competitors</td>
<td>0.811</td>
</tr>
<tr>
<td>Trust (AVE=0.677; CR=0.926)</td>
<td></td>
</tr>
<tr>
<td>tr1 The coffee shop I frequent is reliable.</td>
<td>0.818</td>
</tr>
<tr>
<td>tr2 The coffee shop I frequent is an honest coffee shop.</td>
<td>0.861</td>
</tr>
<tr>
<td>tr3 The coffee shop I often visit has quality coffee.</td>
<td>0.794</td>
</tr>
<tr>
<td>tr4 The coffee shop that I often visit responds well to customers.</td>
<td>0.841</td>
</tr>
<tr>
<td>tr5 I believe the coffee shops I often visit provide the best for their customers</td>
<td>0.888</td>
</tr>
<tr>
<td>tr6 I admitted that “This coffee shop I frequent is trustworthy</td>
<td>0.722</td>
</tr>
<tr>
<td>Word of Mouth (AVE=0.701; CR=0.934)</td>
<td></td>
</tr>
<tr>
<td>wm1 I shared my experience at a coffee shop that I often visit with friends.</td>
<td>0.822</td>
</tr>
<tr>
<td>wm2 I say positive things about the coffee shops I frequent</td>
<td>0.793</td>
</tr>
<tr>
<td>wm3 I recommend the coffee shops I frequent to others.</td>
<td>0.873</td>
</tr>
<tr>
<td>wm4 I expressed my satisfaction regarding the coffee shop that I often visit to friends.</td>
<td>0.892</td>
</tr>
<tr>
<td>wm5 I explain the advantages of the coffee shop I often visit to my friends.</td>
<td>0.834</td>
</tr>
<tr>
<td>wm7 I love talking about the coffee shops I frequent with my friends.</td>
<td>0.805</td>
</tr>
<tr>
<td>Repurchase Intention (AVE=0.687; CR=0.929)</td>
<td></td>
</tr>
<tr>
<td>ri1 I will always visit this coffee shop that I often visit.</td>
<td>0.817</td>
</tr>
<tr>
<td>ri2 Without consideration, I will revisit the coffee shop I frequent</td>
<td>0.827</td>
</tr>
<tr>
<td>ri3 When I want to discuss things with friends, I will invite them to visit a coffee shop that I often visit.</td>
<td>0.849</td>
</tr>
<tr>
<td>ri4 I would like to experience the pleasant feeling in the coffee shop I frequent next time.</td>
<td>0.828</td>
</tr>
<tr>
<td>ri5 When I want to enjoy the best coffee, I will come to a coffee shop that I often visit</td>
<td>0.835</td>
</tr>
<tr>
<td>ri6 When my friends and I want to hang out, I recommend hanging out” at a coffee shop that I often visit.</td>
<td>0.816</td>
</tr>
</tbody>
</table>

Resource : Data analysis
Based on table 1 above, it shows that all constructs and items used in this research are > 0.7, so it can be concluded that the research instrument is valid and reliable.

**Table 2**

*Evaluation of HTMT ratio*

<table>
<thead>
<tr>
<th></th>
<th>perceived value</th>
<th>trust</th>
<th>word of mouth</th>
<th>repurchase intention</th>
</tr>
</thead>
<tbody>
<tr>
<td>perceived value</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>trust</td>
<td>0.771</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>word of mouth</td>
<td>0.775</td>
<td>0.849</td>
<td></td>
<td></td>
</tr>
<tr>
<td>repurchase</td>
<td>0.795</td>
<td>0.871</td>
<td>0.842</td>
<td></td>
</tr>
</tbody>
</table>

Based on the HTMT ratio value, table 2 shows the value is above 0.7, so the measuring instrument has internal consistency reliability.

**Table 3**

*Evaluation coefficient of determination*

<table>
<thead>
<tr>
<th>Endogenous Construct</th>
<th>R-squared</th>
</tr>
</thead>
<tbody>
<tr>
<td>Word of mouth</td>
<td>0.645</td>
</tr>
<tr>
<td>Repurchase intention</td>
<td>0.707</td>
</tr>
</tbody>
</table>

Evaluation of the coefficient of determination as in table 3 shows that the variable word of mouth is explained by the variable perceived value and trust at 64.5%. And repurchase intention is explained by the variables word of mouth, perceived value and trust of 70.7%.

5.1 STRUCTURAL MODEL

**Table 4**

*Hypothesis test*

<table>
<thead>
<tr>
<th>Hipotesis</th>
<th>standardized path coefficient</th>
<th>p-values</th>
<th>Decision</th>
</tr>
</thead>
<tbody>
<tr>
<td>H₁: There is a positive relationship between the perceived value of WoM</td>
<td>0.298</td>
<td>&lt;0.001</td>
<td>Supported</td>
</tr>
<tr>
<td>H₂: There is a positive relationship between perceived value and repurchase intention</td>
<td>0.208</td>
<td>&lt;0.001</td>
<td>Supported</td>
</tr>
<tr>
<td>H₃: There is a positive relationship between trust and WoM</td>
<td>0.566</td>
<td>&lt;0.001</td>
<td>Supported</td>
</tr>
<tr>
<td>H₄: There is a positive relationship between trust and repurchase intention</td>
<td>0.412</td>
<td>&lt;0.001</td>
<td>Supported</td>
</tr>
<tr>
<td>H₅: There is a positive relationship between WoM and repurchase intention</td>
<td>0.303</td>
<td>&lt;0.001</td>
<td>Supported</td>
</tr>
</tbody>
</table>

Resource : Data analysis
Based on table 4 above, it shows that all hypotheses are supported by the data because the P value is <0.05. So it can be concluded that there is a direct positive influence between perceived value on WOM, this strengthens the study from Aziz et al. (2018); Correa et al. (2021); Chen et al. (2019); Choi et al. (2019). Perceived value also has a positive effect on repurchase intention, supporting studies from Mencarelli et al. (2017); Guerra-Tamez et al. (2020); Padungyos et al. (2020). Apart from that, it can also be concluded that there is a positive and direct influence between trust and WOM, this is in accordance with the research results of Sofia et al. (2020); Song et al. (2019); Torabi et al. (2021); Yuliantoro et al. (2019). Trust also has a positive effect on repurchase intention, this supports the study of Juliana et al. (2020); Kim et al. (2019); Luntung et al. (2019). And there is a direct positive influence of WOM on repurchase intention which is in accordance with the study of Sofia et al. (2020); Song et al. (2019); Torabi et al. (2021); Yuliantoro et al. (2019).

6 CONCLUSION

The purpose of this study is to analyze the relationship between perceived value to word of mouth, trust to word of mouth and repurchase intention of Coffee Shop. Based on the results of data analysis, it shows that perceived value, trust and word of mouth have a direct effect on repurchase Intention. Apart from that, perceive value and trust have an indirect effect on repurchase intention with word of mouth as a mediation. The results of this study show that to increase repeat purchases by consumers, it is necessary to increase consumer trust and perceived value to increase word of mouth.

Originality/Value: The results of the study contribute to coffee shop efforts to increase repurchase intentions in the future by increasing consumer value and trust.

REFERENCES


