The role of trust in mediating the relationship between digital marketing and product reviews on online repurchase intentions on e-commerce platforms

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Abstract

The rapidly evolving communication technology offers various forms of communication, breaking boundaries of distance, space, and time. This is largely due to the continuous growth of internet usage, which has become a lifestyle for people to fulfill their needs. One of the massive needs addressed through the internet is online shopping, also known as e-commerce. E-commerce involves using communication networks and computers for business processes. The online business world is intertwined with issues like fraud, dissatisfaction, and various forms of dishonesty by marketers. Building trust is essential for maintaining credibility and reputation, which can increase product purchasing behavior.

This research aims to determine whether trust can mediate the relationship between Digital Marketing and Review Product on the intention to repurchase. The study's population consists of residents in Denpasar, with sample selection using purposive sampling. The data analysis technique employs Structural Equation Modeling (SEM) Partial Least Squares (PLS).

Keywords: Digital Marketing; Review Product; Trust; Intention to Repurchase

1. Introduction

The rapid advancement of communication technology has led to changes in societal behavior, particularly in the preference for using the internet to facilitate various activities. A significant mass adoption of the internet is seen in the realm of online shopping, also known as E-Commerce, which involves using communication networks and computers for conducting business processes (Margareth, 2017). The significant increase in internet usage over the years, especially in Indonesia (APJII), and the shift from conventional to online marketing, which requires companies to have adequate technology knowledge and strategies. It emphasizes the benefits of E-commerce for both consumers and businesses, highlighting cost and time savings in the buying and selling processes. Additionally, it underscores the modern era's emphasis on convenience, with E-commerce serving as a solution for overcoming issues related to distance and time in transactions. Based on Statistika.com, 2028, indicates a high demand and opportunities in the categories of fashion, electronics, and furniture, with growth rates exceeding 50% in 2015, and cosmetics experiencing the highest growth at 37.6% in the same year. However, for these three categories, there has been a subsequent decline. Still, in the following three years, from 2016 to 2018, the growth for all four categories appears to be less significant. For instance, fashion experienced a substantial growth of 99.1% in 2015, but it saw a decline of 72.1% in 2016. These trends are indicative of the potential for cost savings for buyers and increased satisfaction due to faster acquisition of products within budget constraints.

The growth of e-commerce is driven by the diversity of innovative, attractive, easy-to-use, and practical product and service offerings online. To support this growth, the government has issued a roadmap that serves as a guide for the
digital commerce industry's direction and objectives. Seven incentives have been provided to bolster e-commerce development, covering logistics, funding, consumer protection, communication infrastructure, taxes, education and human resources, as well as security measures that ensure consumer safety. Based on data from Bolot Consulting Group (BCG), in 2013, the middle-class population in Indonesia reached 74 million people, and it is predicted that by 2020, this number increased to 141 million people, approximately 54% of the total population of Indonesia. From this data, it is evident that the e-commerce market potential in Indonesia is substantial. With the rising middle-class segment, individuals are more inclined to spend their money on a variety of products they desire. There are several marketplaces currently thriving in Indonesia, with six of them ranking in the top positions, including Bukalapak, Tokopedia.com, Shopee.id, Lazada, Blibli, and JD.ID. These e-commerce platforms have a significant number of users. In early 2023, there was a decline in website traffic to e-commerce sites in Indonesia, particularly among the top five e-commerce platforms, which are Shopee, Tokopedia, Lazada, Blibli, and Bukalapak. According to data from SimilarWeb, in February 2023, Shopee’s site received only 143.6 million visits, a 16% decrease compared to January 2023, and a 25% decline from the year-end figures. Similarly, both Tokopedia and Blibli saw a two-month consecutive decrease in site visitors from January to February 2023. While there was a brief increase in traffic to Lazada and Bukalapak at the beginning of the year, it also declined again in February 2023, as indicated by the graph. Furthermore, according to the Bank of Indonesia (BI), the national e-commerce transaction value in 2022 amounted to only Rp476.3 trillion, falling short of BI’s initial target of Rp489 trillion.

According to Wigstrom & Wigmo (2010), social media is extensively used by organizations and companies as a marketing communication tool. Unlike traditional media, digital marketing enables bidirectional or multilateral communication. Leveraging digital marketing as a marketing communication tool involves not only the use of the internet and technology but also requires the application of communication tactics and strategies. This phenomenon presents an opportunity for digital marketers to expand their businesses through digital media.

However, research analyzing digital marketing reveals remaining controversies in its role in influencing consumers’ online purchase decisions. Previous studies have indicated the significant impact of digital marketing on consumers’ purchase intentions in the fast-food industry, as found by Umair et al. (2021). Other research, such as that conducted by Nawaz & Kaldeen (2020), demonstrates a significant positive relationship between digital marketing, especially through social media and email, and purchase intentions. It is important to note that the practical exploration of integrated and interactive technology tools in digital marketing is still limited. Additionally, its inseparable connection with cognitive, communicative, social, and internet-related abilities has not been extensively covered, as pointed out by Gorokhova (2021).

As per Mekawie & Hany (2019), digital marketing encompasses marketing activities, including branding, using various web-based media such as blogs, websites, email, Adwords, and social networks. Digital marketing, as a form of modern marketing, has significantly impacted consumer behavior, promising increased online sales and benefits for businesses in the digital age. Changes in lifestyle, preferences, priorities, and consumption patterns have compelled companies to adopt new marketing strategies. Online customer reviews (OCR), also known as electronic Word of Mouth (eWOM), have garnered significant attention from academics and the public as one of the most influential factors in consumer purchase decisions.

According to Kotler (2009), online customer reviews have a rapid and substantial impact on consumers. They serve as a means for prospective consumers to make informed purchasing decisions by addressing their questions and uncertainties about products. Online customer reviews have become a familiar promotional tool in the marketing world, as noted by Rosario et al. (2021). These reviews are an effective marketing tool in which consumers promote products or services to their friends, family, and colleagues, as highlighted by Chen & Yuan (2020). Research has indicated that 89% of Indonesians place the highest level of trust in recommendations for services or products from people they know, according to Nielsen (2020).

Previous research on the impact of digital marketing on purchase intention conducted by Dong et al. (2004), Lin (2018), and Pucci et al. (2019) found a significant positive impact of digital marketing on purchase intention. However, Zhu et al. (2020) yielded different research findings, suggesting that digital marketing does not influence purchase intention. These discrepancies in research findings were reconciled by incorporating trust as a mediating variable.

Trust, defined by Moorman et al. (1993) as a consumer’s willingness to rely on a company based on their trust in that company, played a crucial role in these studies. Various researchers (Jakie et al., 2017, Prasad et al., 2017, Zhang and Li, 2019) have discovered that social media marketing can impact trust, and in turn, customer trust can lead to an increase in purchase intention (Matute et al., 2016).
Consumers who buy and sell products and services using technology are known as digital consumers, as highlighted by Makrides et al. (2020). Digital consumers have the belief that companies will do what they promise and will not intentionally harm consumers (Pyle & Smith, 2021). Consumers play a primary role in marketing research before products or services are released to the public. When customers trust a company, they consider the company credible. The online business world is rife with issues of fraud, dissatisfaction, and various forms of dishonesty perpetrated by marketers. Building strong trust makes it easier to maintain credibility and a good reputation, ultimately increasing the intensity of product purchases (Khwaja et al., 2020). With nearly every brand marketing its products and services online, consumers are more comfortable researching, comparing, experimenting, and making purchase decisions that suit them (Junusi, 2020). These decisions are highly influenced by the information they find online, underscoring the importance of brands earning strong trust from consumers (Khwaja et al., 2020). Furthermore, it has been established that digital marketing impacts the consumer decision-making process, with a more significant influence on problem recognition, purchase decisions, and post-purchase behavior (Makrides et al., 2020).

Based on the relevant research, the researcher is interested in investigating the role of trust as a mediator in the relationship between digital marketing and product reviews on repurchase intention in the context of e-commerce platforms.

2. Material and methods

The variables studied in this research are digital marketing, product reviews, trust, and repurchase intention. Data collection methods used in this study include interviews and distributing questionnaires. The collected data will be processed using descriptive statistical analysis techniques. Finally, each variable will be interpreted to assess the alignment between theoretical and empirical models, leading to conclusions regarding the research problem.

The research is conducted in Denpasar City, and the population for this study comprises the residents of Denpasar. The sampling method used is non-probability sampling with purposive sampling techniques. The criteria for selecting respondents include having a minimum of high school education to ensure a good understanding of the questionnaire and a history of purchasing products on e-commerce platforms.

According to Hair et al. (2014), a sample size of 100 or more is recommended. As a general rule, the minimum sample size should be at least five to ten times the number of questions to be analyzed. With 12 questionnaire items in this research, the required sample size ranges from a minimum of 60 to a maximum of 120 samples. In this study, a sample of 96 respondents was used. Purposive sampling was employed to select respondents based on specific considerations, including residency in Denpasar and a history of online product purchases on e-commerce platforms.

The research on this product employs both descriptive and inferential statistics for data analysis. Descriptive statistics serve the purpose of describing or providing an overview of the subject under investigation, whether it’s from sample data or the entire population, without conducting an analysis to draw generalized conclusions. The aim of descriptive analysis is to understand the characteristics and responses of respondents to questionnaire items. Descriptive statistics include the use of frequency tables to illustrate the distribution of respondents’ answers for each indicator and the calculation of average scores.

For data analysis, the research utilizes Structural Equation Modelling (SEM) based on component or variance, specifically Partial Least Square (PLS). According to Ghozali (2011:18), PLS is a robust factor analysis method that doesn’t require assumptions about the type of data scale, making it suitable for small sample sizes. It can be used to confirm theories and helps in obtaining latent variable values for predictive purposes.

3. Results

This research was conducted in Denpasar, a city that serves as a central hub for rapid internet user growth. The sample selection employed a non-probability sampling method with purposive sampling techniques. The criteria for selecting consumers were a minimum age of 17, indicating good knowledge and comprehension of questionnaire items, and a history of online product purchases via e-commerce platforms. The study used a total of 90 respondents. Initially, 150 questionnaires were distributed, with responses from 120 participants. Thirty responses were used to assess the validity and reliability, while the data processing involved the responses of the remaining 90 participants.
The objective of this research was to examine the role of trust in mediating the relationship between digital marketing and product reviews on the intention to repurchase online on e-commerce platforms. Data collection was carried out through the distribution of questionnaires, both online using Google Forms and offline among respondents who had previous experience in purchasing products online through e-commerce platforms.

The characteristics of the respondents in this study included their name, address, age, gender, and educational level. These measurements were obtained through data collected from the returned questionnaires. An equal percentage of female and male respondents (64% and 36%, respectively) participated in the study. In terms of age, the majority were in the 26-34 age group (52%), followed by the 17-25 age group (29%), and the 35-44 age group (19%). Regarding their education, most respondents were pursuing or had completed their undergraduate education (74%), followed by those with a high school education (17%), and those with a diploma (9%).

### 3.1. Hypothesis Testing Results

#### 3.1.1. Direct Effect

This study employed the Partial Least Square (PLS) analysis approach to test and analyze the research hypotheses.

**Table 1 Path Coefficients**

<table>
<thead>
<tr>
<th>Construct</th>
<th>Correlation Coefficient</th>
<th>t Statistics</th>
<th>Result</th>
</tr>
</thead>
<tbody>
<tr>
<td>Digital Marketing (X1) → Trust (Y1)</td>
<td>0.654</td>
<td>14.772</td>
<td>Significant</td>
</tr>
<tr>
<td>Digital Marketing (X1) → Repurchase intention (Y2)</td>
<td>0.423</td>
<td>5.025</td>
<td>Significant</td>
</tr>
<tr>
<td>Review Product (X1) → Trust (Y1)</td>
<td>0.664</td>
<td>14.782</td>
<td>Significant</td>
</tr>
<tr>
<td>Review Product (X1) → Purchase intention (Y2)</td>
<td>0.461</td>
<td>5.074</td>
<td>Significant</td>
</tr>
<tr>
<td>Trust (Y1) → Repurchase intention (Y2)</td>
<td>0.552</td>
<td>6.542</td>
<td>Significant</td>
</tr>
</tbody>
</table>

Table 1 presents the results of hypothesis testing for the direct effects of Digital Marketing (X1) on Trust (Y1). The path coefficient is 0.654, and the t-statistic value is 14.772, which is greater than the critical t-value of 1.96. Thus, the influence of Digital Marketing on Trust is significant, leading to the acceptance of hypothesis 1 (H1), which states that Digital Marketing has a positive and significant effect on Trust.

Hypothesis testing for the impact of Digital Marketing (X1) on Repurchase Intention (Y2) resulted in a path coefficient of 0.423. The t-statistic value is 5.025, which exceeds the critical t-value of 1.96. Consequently, the effect of Digital Marketing on Repurchase Intention is significant, leading to the acceptance of hypothesis 2 (H2), which suggests that Digital Marketing has a positive and significant impact on Repurchase Intention.

Table 1 also shows the results of hypothesis testing for the direct effects of Review Product (X2) on Trust (Y1). The path coefficient is 0.664, and the t-statistic value is 14.782, exceeding the critical t-value of 1.96. This implies that the influence of Review Product on Trust is significant, supporting the acceptance of hypothesis 3 (H3), which posits that Review Product has a positive and significant effect on Trust.

Hypothesis testing for the impact of Review Product (X2) on Repurchase Intention (Y2) yielded a path coefficient of 0.461. The t-statistic value is 5.074, surpassing the critical t-value of 1.96. Therefore, the effect of Review Product on Repurchase Intention is significant, resulting in the acceptance of hypothesis 4 (H4), which suggests that Review Product has a positive and significant impact on Repurchase Intention.

Based on Table 1, the hypothesis testing for the influence of Trust (Y1) on Repurchase Intention (Y2) showed a path coefficient of 0.552. The t-statistic value is 6.542, exceeding the critical t-value of 1.96. This indicates that Trust has a significant impact on Repurchase Intention, leading to the acceptance of hypothesis 5 (H5), which proposes that Trust has a positive and significant effect on Repurchase Intention.

#### 3.1.2. Results of Testing Indirect Effects (Mediation) of Trust on the Influence of Digital Marketing on Repurchase Intention

The Sobel test is an analytical tool used to examine the significance of the indirect relationship between an independent variable and a dependent variable mediated by a mediator variable. The Sobel test is formulated with the following
equation. If the calculated value of \( Z \) is greater than 1.96 (with a 95 percent confidence level), it indicates that the mediator variable can mediate the relationship between the dependent variable and the independent variable.

Based on the PLS output, it was found that the coefficient \( a \) is 0.644, and the coefficient \( b \) is 0.542. The standard error for coefficient \( a \) is 0.044, and the standard error for coefficient \( b \) is 0.084. These values are then used in the Sobel test formula as follows:

\[
Z = \frac{ab}{\sqrt{b^2SE_a^2 + a^2SE_b^2}} = \frac{0.644 \times 0.552}{\sqrt{0.552^2 \times 0.044^2 + 0.644^2 \times 0.084^2}} = 5.707
\]

The Sobel test results in the calculation above show that the \( Z \) value is 5.707, which is greater than the critical \( t \)-value of 1.96. This result indicates that Trust can mediate the influence of Digital Marketing on Repurchase Intention.

3.2. Results of Testing the Indirect Effect (Mediation) of Trust on the Influence of Review Product on Repurchase Intention

The Sobel test is an analytical tool used to assess the significance of the indirect relationship between an independent variable and a dependent variable mediated by a mediator variable. The Sobel test is formulated with the following equation. If the calculated value of \( Z \) is greater than 1.96 (at a 95 percent confidence level), it indicates that the mediator variable can mediate the relationship between the dependent variable and the independent variable.

Based on the PLS output, the results show that the coefficient \( a \) is 0.664, and the coefficient \( b \) is 0.552. The standard error for coefficient \( a \) is 0.044, and the standard error for coefficient \( b \) is 0.084. These values are then used in the Sobel test formula as follows:

\[
Z = \frac{ab}{\sqrt{b^2SE_a^2 + a^2SE_b^2}} = \frac{0.664 \times 0.552}{\sqrt{0.552^2 \times 0.044^2 + 0.664^2 \times 0.084^2}} = 5.786
\]

The Sobel test results in the calculation above show that the \( Z \) value is 5.786, which is greater than the critical \( t \)-value of 1.96. This result indicates that Trust can mediate the influence of Review Product on Repurchase Intention.

4. Discussion

4.1. Digital marketing has a significant positive effect on trust

The structural model estimation results, as presented in Table 5.1, indicate that the hypothesis testing for the effect of Digital Marketing (\( X_1 \)) on Trust (\( Y_1 \)) resulted in a path coefficient of 0.654. The \( t \) Statistics value is 14.772, which is greater than the critical \( t \)-value of 1.96. This means that the impact of Digital Marketing on Trust is significant. In other words, the better the role of Digital Marketing, the higher the trust in online shopping on e-commerce platforms.
This finding is supported by previous research by Jakic et al., 2017; Prasad et al., 2017; Zhang and Li, 2019, which found that social media marketing can influence trust, and trust can, in turn, lead to an increase in purchase intention (Matute et al., 2016).

4.2. Digital marketing has a significant positive effect on intention to repurchase online on e-commerce platforms

Table 5.1, indicating that the hypothesis testing for the effect of Digital Marketing (X1) on Repurchase Intention (Y2) results in a path coefficient of 0.423. The t Statistics value is 5.025, which is greater than the critical t-value of 1.96. This means that the impact of Digital Marketing on Trust is significant. In other words, the better the role of Digital Marketing, the higher the level of trust for online shopping on e-commerce platforms.

These findings are consistent with previous research on the positive and significant impact of digital marketing on repurchase intention conducted by Dong, et al. (2004); Lin (2018); Pucci et al. (2019).

4.3. Product reviews have a significant positive effect on trust

Table 5.1, indicating that the hypothesis testing for the effect of Review Product (X2) on Trust (Y1) results in a path coefficient of 0.664. The t Statistics value is 14.782, which is greater than the critical t-value of 1.96. This means that the impact of Review Product on Trust is significant. In other words, the better the role of Review Product, the higher the level of trust for online shopping on e-commerce platforms.

These findings are supported by previous research by Chen & Yuan, 2020, which stated that Online customer reviews are an effective marketing tool where consumers promote services/products to friends, family, and colleagues. Research also indicates that 89% of Indonesians place the highest level of trust in recommendations of services/products from people they know (Nielsen, 2020).

4.4. Product reviews have a significant positive effect on intention to repurchase online on e-commerce platforms

The results of the structural model estimation, as presented in Table 5.8, show that the hypothesis testing for the effect of Review Product (X2) on Repeat Purchase Intention (Y2) yields a path coefficient of 0.461. The t Statistics value is 5.074, which is greater than the critical t-value of 1.96. This indicates that the impact of Review Product on Repeat Purchase Intention is significant. In other words, the better the role of Review Product, the higher the intention to repurchase online on e-commerce platforms.

Online customer reviews are a well-known promotional tool in the marketing world (Rosario et al., 2021). These findings are supported by Chen & Yuan, 2020, which stated that online customer reviews are an effective marketing tool where consumers promote services/products to friends, family, and colleagues.

4.5. Trust has a significant positive effect on intention to repurchase online on e-commerce platforms

The results of the structural model estimation, as presented in Table 5.8, show that the hypothesis testing for the effect of Trust (Y1) on Repeat Purchase Intention (Y2) yields a path coefficient of 0.552. The t Statistics value is 6.542, which is greater than the critical t-value of 1.96. This indicates that the influence of Trust on Repeat Purchase Intention is significant. In other words, higher trust in the e-commerce platform leads to a greater intention to repurchase online on the e-commerce platform.

These findings are supported by previous research conducted by Che-Hui Lien et al. in 2015. In that study, it was found that to enhance online purchasing preferences, especially for hotels, several considerations came into play, including brand image, price, trust, and value, which could influence consumers’ purchase intentions. From this research, it becomes evident that trust is a determinant in influencing consumers’ intentions to repurchase.

4.6. The role of trust in mediating the relationship between digital marketing and online repurchase intentions on e-commerce platforms

The results of the Sobel test calculations indicate that the Z-value is 5.707, which is greater than the critical t-value of 1.96. This result explains that Trust can mediate the influence of Digital Marketing on Repeat Purchase Intention. In this context, to enhance the impact of Digital Marketing on repeat purchase intentions, the focus should be on building trust in the e-commerce platform itself. By increasing trust in the e-commerce platform, the intention to make repeat purchases will also increase.
The role of trust in mediating the relationship between product reviews and online repurchase intentions on e-commerce platforms

The results of the Sobel test calculations indicate that the Z-value is 5.786, which is greater than the critical t-value of 1.96. This result explains that Trust can mediate the influence of Review Product on Repeat Purchase Intention. In this context, to enhance the impact of Review Product on repeat purchase intentions, the focus should be on building trust in the e-commerce platform itself. By increasing trust in the e-commerce platform, the intention to make repeat purchases will also increase.

4.7. Implications of research results

The findings of this study demonstrate that the use of digital marketing and review products has a positive and significant impact on the intention to repurchase products online on e-commerce platforms. Additionally, trust in the e-commerce platform significantly mediates the relationship between the use of digital marketing and review products with the intention to repurchase products online on e-commerce platforms. These results are expected to provide a reference for e-commerce platform users offering products online to increase their product sales repeatedly. With an increase in consumer repurchase intentions, it is hoped that online e-commerce platform users can significantly boost their sales turnover.

Research limitations

Several limitations can be drawn from this study, including:

- The scope and sample of this study are very limited, as it only includes respondents with the intention to repurchase products online on e-commerce platforms in the Denpasar area.
- Since this research was conducted at a specific point in time, individuals' attitudes toward the environment cannot be measured and may change over time

5. Conclusion

Based on the discussion of the results of the research that has been carried out, it can be concluded that:

- Digital Marketing has a positive and significant effect on Trust. This means that the better the role of Digital Marketing, the higher the trust in the e-commerce platform.
- Digital Marketing has a positive and significant effect on Repurchase Intention. This means that the better the role of Digital Marketing, the higher the intention to repurchase products online on the e-commerce platform.
- Product Reviews have a positive and significant effect on Trust. This means that the better the role of Product Review, the higher the trust in the e-commerce platform.
- Product Review on Repurchase Intention. This means that the better the role of Product Review, the higher the intention to repurchase products online on the e-commerce platform.
- Trust has a positive and significant effect on Repurchase Intentions has a positive and significant effect. This means that the higher the trust in the e-commerce platform, the higher the intention to repurchase products online on the e-commerce platform.
- Trust is able to mediate the influence of Digital Marketing on Repurchase Intention. In this case, to increase the influence of Digital Marketing on repurchase intentions, it is necessary to focus on trust in the e-commerce platform, because by increasing trust in the e-commerce platform, the intention to repurchase will also increase.
- Trust is able to mediate the influence of Product Reviews on Repurchase Intentions. In this case, to increase the influence of Product Reviews on repurchase intentions, it is necessary to focus on trust in the e-commerce platform, because by increasing trust in the e-commerce platform, the intention to repurchase will also increase.

Compliance with ethical standards

Disclosure of conflict of interest

No conflict of interest to be disclosed.
Statement of informed consent

"Informed consent was obtained from all individual participants included in the study.

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