

THE EFFECT OF CUSTOMER TRUST ON REPURCHASE INTENTION THROUGH USER-GENERATED CONTENT AS AN INTERVENING VARIABLE IN THE AUTOMOTIVE INDUSTRY CASE STUDY @BANDARMOTOR_

Dhea Sartika

Bandar Motor

dheasartikaa@gmail.com

<https://doi.org/10.37715/rmbe.v2i2.3363>

Abstract-Social media is used for brand awareness. Instagram ranks third as a media that is often used in Indonesia. Bandarmotor is a shop that provides spare parts and two-wheeled vehicle service services located in South Banyuwangi. If there is no increase in followers and decrease in turnover, research is carried out to find out whether it is true that customer trust will increase motivation to create user-generated content and the desire to repurchase Bandarmotor. The study population of Instagram followers of @bandarmotor_ account amounted to 1533 people. The study sample using the purposive sampling method was 73 people. Questionnaires using Google forms. The analysis method uses Partial Least Squares-Structural Equation Modeling (PLS-SEM) with SmartPLS software. The results showed that Customer trust had a significant positive effect on user-generated content. Customer trust has a significant positive effect on repurchase intention. User-generated has a significant positive effect on repurchase intention. User-generated content has a significant positive effect on customer trust and repurchase intention.

Keywords: *customer trust, user-generated content, repurchase intention*

1. Introduction

The automotive industry is one of the sectors that contributes greatly to the Indonesian economy. Social media is used to increase brand awareness. Instagram ranks third as a media that is often used in Indonesia. Bandarmotor as the object of research is a shop that provides spare parts products and services for two-wheeled vehicles located in South Banyuwangi. Sales of Bandarmotor products through Instagram are only 15%. If there is no increase in followers and a decrease in turnover in July-September, so this study wants to find out whether it is true that customer trust will increase motivation to create user-generated content and the desire to repurchase Bandarmotor.

2. Literature Review

2.1 Previous Research

Research from Adetunji et al (2018) found that social media advertising and social media promotion from companies and user-generated content have a positive relationship with automotive brands. Research by Vazquez et al (2020) stated that, as a result, the study describes consumers as stimulated by aesthetic experiences, which then triggers a combination of relational, emotional, and interactive experiences in commerce in social commerce. Research by Wang et al (2018) found that, provider recommendations and customer reviews complement the level

of customer trust. Research by Prahiawan et al (2021) found that, E-trust has a positive and significant effect on repurchase intention.

2.2 Theoretical Foundations

2.2.1 Customer trust

Customer trust in online transactions can be defined as trust in expectations in situations of online risk or the attitude of consumers to accept vulnerabilities during online transactions (Corritore et al., 2003). Customer trust indicators according to McKnight et al (2002): (1) Benevolence; (2) Competence; (3) Integrity.

2.2.2 User-Generated Content

User-Generated Content (UGC) is all content that is not created by the company but is created by customers or users without any compulsion from the company. User-generated content indicators according to Karunanayake & Madubashini (2019): (1) Utilitarian value; (2) Hedonic value; (3) Tie strengths; (3) Homophily; (4) Normative influence; (5) Information influence.

2.2.3 Repurchase intention

Repurchase intention is defined as behavior that indicates a willingness to recommend and disseminate positive information to other customers (Jang & Namkung 2009:5; Kani et al., 2018) . Indicators of repurchase intention by Affandi et al (2020) are: (1) Transactional interest; (2) Referential interest; (3) Preferential interest; (4) Exploratory interest.

3. Research Framework

3.1 Analysis Models

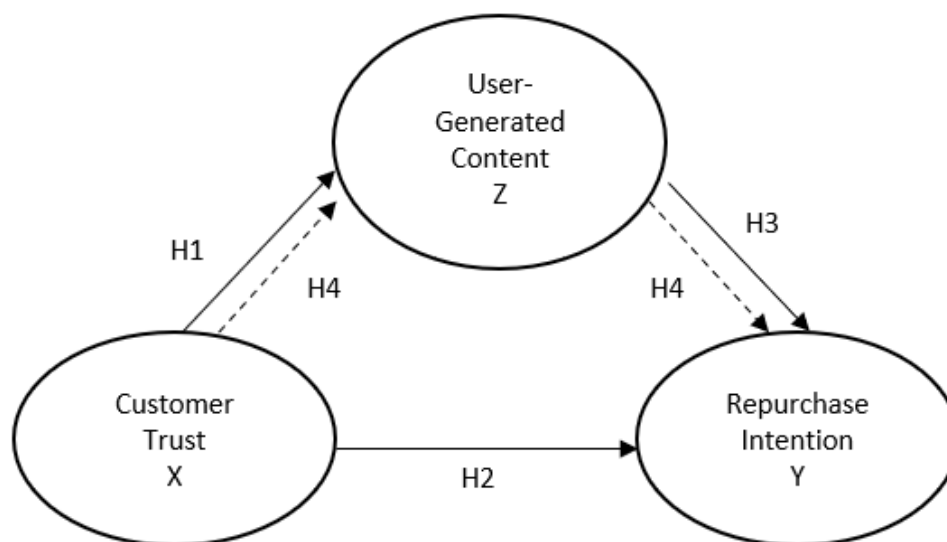


Figure 3.1 Analysis Model

3.2 Hypothesis

H1: There is an influence of customer trust on user-generated content.

H2: There is an effect of customer trust on repurchase intention.

H3: There is an effect of user-generated content on repurchase intention.

H4: There is an influence of user-generated content as an intervening variable on customer trust with repurchase intention.

4. Research Methods

4.1 Types of Research, Samples, and Data Collection

This research is quantitative research conducted on Bandarmotor Instagram on Hasanudin street, Banyuwangi. The study population was followers of the @bandarmotor_ account amount 1533 people. The research sample uses a non-probability sampling technique, namely purposive sampling with the following criteria:

1. Instagram app users who follow Instagram @bandarmotor_
2. Have made a purchase through Instagram @bandarmotor_ at least once.
3. Instagram followers who have uploaded content and tagged Instagram @bandarmotor_ in the period March 2020-April 2022.
4. Ages 17-42.

Number of UGC per month Period March 2020-April 2022													Total
Mar-20	Apr-20	May-20	Jun-20	Jul-20	Aug-20	Sep-20	Oct-20	Nov-20	Dec-20	Jan-21	Feb-21	Mar-21	
1	2	1	1	2	1	1	2	3	5	4	2	4	73
Apr-21	May-21	Jun-21	Jul-21	Aug-21	Sep-21	Oct-21	Nov-21	Dec-21	Jan-22	Feb-22	Mar-22	Apr-22	
4	3	3	2	4	3	3	3	6	4	2	4	3	

The number of samples used was 73 people. This study used primary data obtained through questionnaires, secondary data from journals, and measured on a Likert scale of 1-5.

4.2 Operational Variables and Definitions

Table 4.1 Operational Definitions of Each Research Variable

Variab le	Definition	Indicators
Customer Trust	Customer trust in online transactions can be defined as trust in expectations in situations of online risk or the attitude of consumers to accept vulnerabilities during online transactions (Corritore et al., 2003).	Indicators of customer trust according to McKnight et al (2002): 1. Benevolence in the context of social media is a belief in virtue belief in how people perceive that their personal information is stored securely. In such a context, when they believe personal information is safe and secure customers will want to produce UGC. 2. Competence in this context is when people feel that social media can support their various activities then trust in competence will be high. This causes customers to feel that they can generate UGC in the way they want. 3. Integrity leads to how businesses can be honest and keep promises. This can be seen from whether the goods that come are in accordance with the words without any flaws. When customers think that business owners have high integrity then their trust will also increase.
User-Generated Content	User-Generated Content (UGC) is all content that is not created by the company but is created by customers or users without any compulsion from the company (Scott, 2015).	Indicators of user-generated content according to Karunanayake & Madubashini, (2019): 1. Utilitarian value is the involvement of consumers into processes such as collecting information and the extent to which information perceived by individuals has benefits and is informative. 2. Hedonic value is related to passion and emotional feelings where in an online environment it is more likely to encourage engagement and create discussions about information between friends on social media. 3. Tie strenghts are strong or weak relationships between individuals on social media that will motivate each other to share information.

		<p>4. Homophily is the interaction with other people who have similar characteristics and online environment in which information from them is judged to be more credible.</p> <p>5. Normative influence refers to the pressure on individuals to conform to the norms/expectations of others implied or expressed in the choice of group.</p> <p>6. Information influence is based on the recipient's assessment of the relevant message content. The influence of information includes elements that refer to the quality of information in a message.</p>
Repurchase Intention	Repurchase intention is defined as behavior that indicates a willingness to recommend and disseminate positive information to other customers (Jang & Namkung 2009:5; Kani et al., 2018).	<p>Indicators of repurchase intention by Affandi et al (2020) are:</p> <ol style="list-style-type: none"> 1. Transactional interest, the tendency of consumers to always buy products they previously consumed from the same company. 2. Referential interest, the willingness of customers to recommend products or companies to other customers. 3. Preferential interest, customer behavior that makes a product or company the first choice when buying. 4. Exploratory interest, the customer's desire to find out about the product or company.

Source: Data processed by researchers, 2022

The research used the PLS-SEM analysis method consisting of the Outer Model and Inner Model with SmartPLS software.

5. Results and Discussion

5.1 Analysis

5.1.1 Respondent Profile

The majority are aged 17-25 years with a percentage of 63%. The majority is 1 vehicle with a percentage of 42.4%. Respondent is majority male with a percentage of 93.2%. The majority of respondents' monthly income in > Rp.3,000,000 with a percentage of 46.6%.

5.1.2 Descriptive Statistics

In the customer trust variable the highest mean value is CT3 of 4.71 in the category of agreeing. In the user-generated content variable the highest mean value is UGC1 of 4.66 thanks to the agree category. In the repurchase intention variable the highest mean value is RI2 of 4.71 in the category of agreeing.

5.1.3 Outer Model Testing

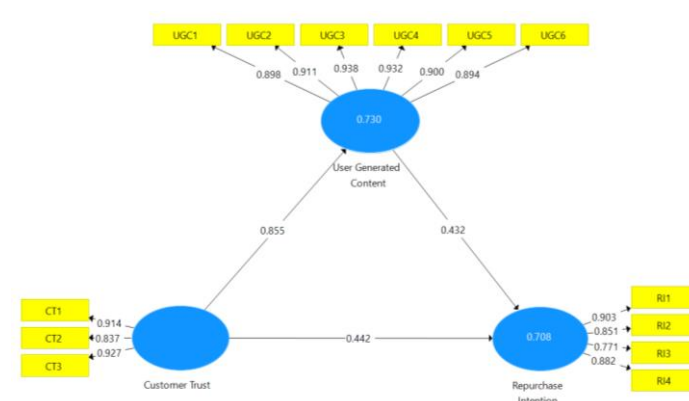


Figure 5.1 PLS Outer Model Path Diagram

Source: Data processing using PLS, 2022

1. Convergent Validity

Table 5. 1 Outer Loading

	Customer Trust	Repurchase Intention	User Generated Content
CT1	0,914		
CT2	0,837		
CT3	0,927		
RI1		0,903	
RI2		0,851	
RI3		0,771	
RI4		0,882	
UGC1			0,898
UGC2			0,911
UGC3			0,938
UGC4			0,932
UGC5			0,900
UGC6			0,894

Source: Data processing with PLS, 2022.

All dimensions and indicators have a loading value of > 0.5 which indicates that all indicators have good convergent validity.

2. Construct Validity

Table 5. 2 Average Variance Extracted (AVE)

	Average Variance Extracted (AVE)
Customer Trust	0,799
Repurchase Intention	0,728
User Generated Content	0,832

The results show that all three variables are declared to have good *construct validity* because their values are greater than 0.5.

3. Discriminant Validity

Table 5. 3 Cross Loading

	Customer Trust	Repurchase Intention	User Generated Content
CT1	0.914	0.767	0.805
CT2	0.837	0.586	0.611
CT3	0.927	0.795	0.846
RI1	0.802	0.903	0.805
RI2	0.636	0.851	0.631
RI3	0.567	0.771	0.492
RI4	0.729	0.882	0.778
UGC1	0.765	0.777	0.898
UGC2	0.718	0.736	0.911
UGC3	0.841	0.737	0.938
UGC4	0.787	0.805	0.932
UGC5	0.799	0.674	0.900
UGC6	0.765	0.697	0.894

Source: Data processing with PLS, 2022.

The test results show that the indicator of each variable has a higher value than the value in other variables, so it can be said that it has a good discriminant validity.

4. Composite Reliability

Table 5. 4 Cronbach's Alpha and Composite Reliability

	Cronbach's Alpha	Composite Reliability
Customer Trust	0.874	0.922
Repurchase Intention	0.876	0.914
User Generated Content	0.960	0.968

Source: Data processing with PLS, 2022.

The test results show that each variable has a value of Cronbach's alpha and composite reliability greater than 0.7 so it is reliable.

5.1.4 Inner Model Testing

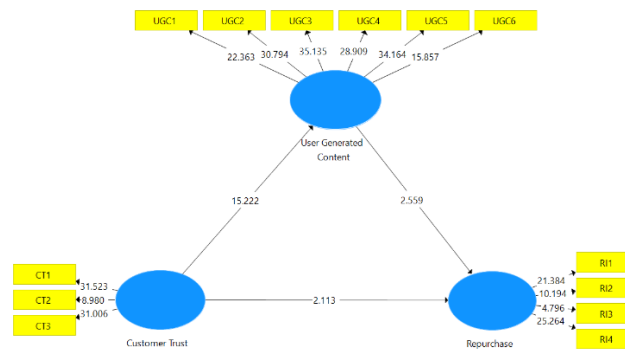


Figure 5.2 PLS Outer Model Path Diagram

Source: Data processing using PLS, 2022

1. Coefficient of Determination (R^2)

Table 5. 5 Coefficient of Determination (R^2)

	R Square
Repurchase Intention	0.708
User Generated Content	0.730

Source: Data processing with PLS, 2022.

The results show that customer trust and user-generated content can explain repurchase intention as much as 70.8% while the rest comes from variables outside the model. Customer trust can explain about user-generated content as much as 73% while the rest comes from variables outside the model. Both have a good coefficient of determination.

2. Predictive Relevance (Q^2)

Table 5. 6 Predictive relevance (Q^2)

	Sso	SSE	$Q^2 (=1-SSE/SSO)$
Customer Trust	219.000	219.000	
Repurchase Intention	292.000	158.422	0.457
User Generated Content	438.000	191.739	0.562

Source: Data processing with PLS, 2022.

The results show that the model has predictive relevance values of 0.457 and 0.562 which shows that it has good predictive relevance because the value is above zero.

3. Effect Size (F^2)

Table 5. 7 Effect Size (F^2)

	Customer Trust	User Generated Content	Repurchase intention
Ct		2,709	0,180
Ugc			0,172

Source: Data processing with PLS, 2022.

Customer trust has an effect size on user-generated content of 2,709 and on repurchase intention of 0.180. User-generated content has an effect size of 0.172 on repurchase intention.

4. Estimated Path Coefficient (t-test)

Table 5. 8 Live Hypothesis Test

	Original Sample (O)	Standard Deviation (STDEV)	T Statistics (O/STDEV)
Customer Trust -> User Generated Content	0,855	0,059	15,222
Customer Trust -> Repurchase Intention	0,442	0,207	2,113
User Generated Content -> Repurchase Intention	0,432	0,169	2,559

Source: Data processing with PLS, 2022.

The test results state that customer trust has an influence on user-generated. Customer trust has an influence on the repurchase intention of content. User-generated content has an influence on repurchase intention. This is because the T-Statistic value is above 1.96.

Table 5. 9 Indirect Hypothesis Test

	Original Sample (O)	Standard Deviation (STDEV)	T Statistics (O/STDEV)
Customer Trust -> User Generated Content -> Repurchase Intention	0,369	0,153	2,412

Source: Data processing with PLS, 2022.

The results of the test indicate that there is an influence of user-generated content as an intervening variable on customer trust and repurchase intention. This is because the T-Statistic value is above 1.96.

5.2 Discussion

5.2.1 The Effect of Customer Trust on User-Generated Content

The results showed that customer trust has a significant influence on user-generated content. This shows that integrity when transacting is one of Bandarmotor's ways to increase customer trust. Having a lot of trust in Bandarmotor will increase the passion to recommend product and be a big motivation for users to uploads content.

5.2.2 Effect of Customer Trust on Repurchase Intention

The results showed that customer trust has a significant influence on repurchase intention. This shows that trust is one of the motivations for buying returns and recommending products through various means including coming to the store even though it is a long distance.

5.2.3 Effect of User-Generated Content on Repurchase Intention

The results showed that user-generated content has a significant influence on repurchase intention. It means that Instagram social media really helps spread information about Bandarmotor. The better and more informative the user-generated content is, the more time customers will spend finding out about the product, for example the results of testimonials from customers.

5.2.4 The Effect of Customer Trust on Repurchase Intention through Variable Intervening User-Generated Content

The test results show that user-generated content has a significant intervention influence on customer trust and repurchase intention. When customers have trust in Bandarmotor, then trust will increase when customers give positive product testimonials. In the end, it encouraged them to choose Bandarmotor to make a repurchase.

5.3 Managerial Implications

Table 5. 10 Managerial Implications

Variable	Implication
Customer trust	The thing that can be done to increase trust is to upload testimonials via Instagram. Testimonials must be from people who have bought products at Bandarmotor so that the experience gained is real. In addition, Bandarmotor can implement a cash on delivery payment system which is to attract the trust of new buyers.
User-generated content	The thing that can be done to attract users to upload content is with a giveaway, where they will be given discounts, free shipping or special prizes if they create content after making a purchase. The hope is that with the competition, users will be more creative and innovative in creating content.
Repurchase Intention	The thing that can be done to increase buyback intentions is to maintain relationships after purchases through recommendation feedback.

Source: Data processed by researchers, 2022

6. Conclusions and Suggestions

6.1 Conclusion

1. Customer trust has a significant positive effect on user-generated content. H1 accepted.
2. Customer trust has a significant positive effect on repurchase intention. H2 accepted.
3. User-generated has a significant positive effect on repurchase intention. H3 accepted.
4. User-generated content has a significant positive effect on customer trust and repurchase intention. H4 accepted.

6.2 Suggestion

6.2.1 For Further Research

Future research could focus on the media used by user-generated content such as videos, photos, and text to see which media have the most influence on customer trust. This is because different target markets will distinguish how to increase their confidence.

6.2.2 For Online Automotive Business People

The advice for other businesses is to pay more attention to user-generated content because the benefits of user-generated content are huge. These benefits include low cost because the content provided is free from the user, contributes positively to increasing sales, customers trust UGC more than traditional promotions such as paid advertising, and make Instagram accounts more attractive.

7. Reference

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