The mediating role of perceived value and social media word-of-mouth in the relationship between perceived quality and purchase intention

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Abstract
This study aims to investigate the effect of perceived quality on purchase intention mediated by the perceived value and social media WOM. The process involved testing the cause-and-effect relationships between the variables used in the structural equation model (SEM) empirically using primary data from an online survey of 410 Garuda Indonesia Airline passengers. The five-scale ordinal data retrieved from the 27 question items presented to the respondents were later processed using LISREL statistical software. The analysis produced several findings, first, the perceived value dimensions were directly affected by the perceived quality and also have a direct influence on social media WOM, second, social media WOM directly affected purchase intention, third, perceived value dimensions played a mediating role between perceived quality and purchase intention, and fourth, social media WOM had a mediating influencing on the effect of perceived quality on purchase intention. This simply means that perceived quality indirectly and significantly affected purchase intention through the mediation of perceived value dimensions and social media WOM.

Keywords: perceived quality; perceived value variables; social media word of mouth; purchase intention

JEL Classification: M41, M42

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INTRODUCTION

Social media is one of the most essential platforms companies use as a marketing strategy tool to deliver their brand value and quality standard to customers (Öztamur & Karakadılar, 2014). In the digital era characterized by the rapid spread of information, the quality of information consumers obtain on the internet is one factor that rationally influences their purchasing decisions (Munadie & Widodo, 2019). Consumers can get the information they need as quickly as possible using wide-range coverage of available social media platforms with their up-to-date technology. This becomes a huge potential for both consumers and companies, allowing customers to obtain as many references as they
need before purchasing any commodity. It also provides the companies with the opportunity to optimize their social media to attract the attention of potential consumers, influence them to share information about a product, and also to voluntarily provide reviews on the products purchased (Navitha Sulthana & Vasantha, 2021) to influence other social media users further. A previous study showed that 97 percent of consumers read reviews online and feel their buying decision has been influenced by the word of mouth spread on social media (J. J. Wang et al., 2018).

WOM on social media is the most effective source of information directly influencing potential buyers on the internet (Abubakar & Ilkan, 2016) and has also caused significant changes in consumer behavior in the digital world (Gómez-Suárez et al., 2017). This is because the reviews made on social media usually make it easier for consumers to find information on products and brands, make comparisons, and learn about other consumers’ experiences with certain brands, products, and services to quickly make purchase decisions (Kudeshia & Kumar, 2017; Pentina et al., 2018). Moreover, the reviews and recommendations posted by users on social media about a product have been discovered to be a key factor influencing consumers’ purchasing decisions (Farzin & Fattahi, 2018). This is associated with the influence of the posts shared by people on the decision-making of friends and acquaintances in their social community as well as other consumers that view the posts.

Companies now often market their brands on social media platforms which are two-way communication platforms that allow consumers to interact with brands, share information and opinions with other members of the social community, and build relationships with brands (Bataineh, 2015). Garuda Indonesia is one airline service company actively marketing its brand through social media platforms such as Instagram, Twitter, and Facebook. This is considered necessary because the perception of its passengers towards its service quality and value is essential for business growth. However, it was discovered that the company is experiencing a decline in the number of its passengers over the years despite its high-quality service image (BPS, 2019). It is also important to reiterate the significance of service quality and customer satisfaction for companies to compete effectively in the airline industry (T. L. Wang et al., 2017). This is because service quality is one of the most important factors influencing customer purchasing decisions (Jiang & Zhang, 2016) and is also considered a "competitive marketing strategy" that includes customer focus, creativity in services, innovation, and the desire to achieve excellence in service (Shah et al., 2020).

Previous studies have shown how perceived quality positively and significantly influenced purchase intention through social media WOM along with the rapid growth of social media users actively spreading WOM through the provision of reviews on the product and services they have used on their accounts (Abubakar & Ilkan, 2016; Alrwashdeh et al., 2020; Jiewanto et al., 2012; Park et al., 2020; van Tonder et al., 2018). This research evaluates the mediating roles of perceived value dimensions and social media word of mouth on customer’s perceptions of perceived quality and perceived value dimensions towards a brand by adapting the research model previously used by Park et al., (2020).

The impressions owned by social media users can create either positive or negative influences. In an enormously competitive environment, airlines need to understand the passengers’ expectations from their services to meet their needs and wants efficiently and subsequently achieve the highest levels of satisfaction by continually developing and innovating in-flight services (Shen & Yahya, 2021). It has also been reported that excellent service quality can affect customer perception of value, thereby, leading to a service recommendation to the social community (Suki, 2014) and customer intention to use the service. A previous study by Arif (2019) on Citilink airlines also showed that more positive
WOM on social media usually leads to higher purchase intention and vice versa. This means WOM on social media is very significant to customer purchase intention.

Previous research on the influence of perceived quality on social media WOM has not provided a broader scope of the critical aspects possibly influencing customers’ purchase intention. Therefore, this study aims to investigate the influence of perceived quality on customers’ purchase intention based on more extended factors of perceived value and social media WOM. Moreover, Park et al. (2020) used an indefinite brand as their primary object, but this study focuses on Garuda Indonesia. Emphasis is placed on the indirect effect of perceived quality on social media WOM mediated by perceived value and the indirect influence of perceived quality on purchase intention mediated by perceived value and social media WOM, which have never been previously studied.

**HYPOTHESES DEVELOPMENT**

The feasibility of service is usually determined by consumers using the perceived quality they believe can meet their expectations. This means perceived quality is a vital attribute influencing consumers to spend more money for a decent service (Chang et al., 2016). Consumers usually develop a good perceived value towards a brand when they experience the best quality of service (C. H. S. Liu & Lee, 2016). This simply shows that perceived service quality is normally formed by consumers' experience based on a company's performance such that it is bad when the expectations are not met and good when they are met (Joung et al., 2016). Consumers' good perception of service quality enhances the proud introduction of such services or products to their social surroundings (Saputri & Kurniawati, 2015).

Customers can perceive the quality of service rendered by a brand to be good when they feel it is differentiated and better than other competing brands. This can influence their purchasing decisions and encourage the patronage of such brand (Navitha Sulthana & Vasantha, 2021). It was discovered from previous research that the value of a product or service sought by consumers is strongly influenced by its perceived quality and this is mainly associated with the personal value of the individuals. Other studies also showed that perceived quality has a significant and positive effect on personal value (García-fernández et al., 2018; Howat & Assaker, 2013; Park et al., 2020). This, therefore, led to the assumption that perceived quality influences personal value, which is the foundation for one of the proposed hypotheses.

Perceived quality and perceived value have a continuous impact. It is also important to note that consumers are always keen to share their experiences on social media when they receive good value from a particular service to ensure other users also enjoy the same value (van Tonder et al., 2018). Over time, perceived value has developed with several dimensions that influence eWOM, including social, personal, and functional values. Moreover, the recommendations made on social media are a form of e-WOM created based on perceived quality and perceived value consumers have for a service (Park et al., 2020).
Social Value is the utility obtained from alternative associations with one or more specific social groups and is closely related to consumer prestige when using a brand. Its dimensions include conspicuousness and prestige value associated with perceived utility in goods and services recognized by the consumers within a social group. Social value also contributes to the designation of a brand as premium (X. Liu & Hu, 2012). Meanwhile, Personal Value is the feeling of consumers when they use a service (Park et al., 2020). Functional Value is defined as the value of functionality or usability derived from the perceived quality and expected performance of a product or service. Previous findings stated that functional value is based on the rational and economic aspect felt by each individual after using a product or service. It is very significant within the context of social media to attract social media users to the brand page based on functionality or information satisfaction (Ceyhan, 2018; Han et al., 2017). Moreover, Purchase Intention is considered the single most accurate predictor of consumer behavior. In recent times, consumers check the online reviews and comments of their peers while gathering information and knowledge concerning products and brands before making a purchasing decision (Farzin & Fattahi, 2018). Previous studies have discovered a relationship between perceived quality and perceived value dimensions with the assumption that perceived quality impacts social, personal, and functional values. Therefore, the following hypotheses were formulated:

H1: Perceived quality has a positive and significant effect on social values.
H2: Perceived quality has a positive and significant effect on personal values.
H3: Perceived quality has a positive and significant effect on functional values.

The rapid technology and information growth require that a brand provides remarkable value to consumers to create a good perception of its image in their minds. Moreover, consumers interpret perceived value based on the ability of the products and services to meet their needs and expectations. They also usually feel it is important to recommend the excellent value experienced to others in their social group using their social networks. This means good perceived values normally create a good word of mouth to be intentionally shared on social media platforms and this is in line with previous findings that perceived value has an important role in creating a good impression on social media that leads to good recommendations by the consumers (Saleem et al., 2015; J. J. Wang et al., 2018). This proved the ability of perceived value dimensions to influence social media WOM and this further led to the development of the following hypotheses:

H4: Social values have a positive and significant effect on social media WoM.
H5: Personal values have a positive and significant effect on social media WoM.
H6: Functional values have a positive and significant effect on social media WoM.

The use of positive WOM on social media influences consumers’ attitudes towards a brand and shapes their purchase intention. This is common in this digital era where information on a product or service is usually shared quickly and massively through reviews which further become the recommendation for other users with subsequent influence on their intention to use the service. Several studies have shown how social media WOM, such as reviews and recommendations, influence consumers’ purchase intention (Farzin & Fattahi, 2018; Kudeshia & Kumar, 2017; J. J. Wang et al., 2018). This relationship between social media WOM and purchase intention led to the proposition of the following hypothesis:

H7: Social media WoM has a positive and significant effect on purchase intentions.
Perceived quality is an independent variable with a significant direct effect on several dependent variables apart from perceived value. Several studies have shown a relationship between perceived quality, perceived value dimensions, and social media word of mouth. (Koubova & Buchko, 2017; Kudeshia & Kumar, 2017; Nwankwo et al., 2014; Park et al., 2020; Saleem et al., 2015). It was proven that perceived quality has a positive and direct but insignificant effect on social media WOM. Moreover, the customers’ perception of value in a brand affects their willingness to recommend such a brand to their peers (Firman et al., 2021). Pham & Nguyen (2019) found the need to create good personal and social value through efficient service quality to increase consumers' probability of recommending a service. This was also supported by Manohar (2018) that perceived quality affects word of mouth stronger when mediated by the functional and personal values of a brand. This simply shows that perceived value dimensions have an important mediating role in the relationship between perceived quality and social media WOM. Therefore, the following direct and indirect hypotheses were proposed:

H8a: Social value mediates the effect of perceived quality on social media WOM positively and significantly.

H8b: Personal value mediates the effect of perceived quality on social media WOM positively and significantly.

H8c: Functional value mediates the effect of perceived quality on social media WOM positively and significantly.

H9: Perceived quality has a positive and significant effect on social media WoM.

Previous studies that used green and organic products as research objects found a direct and positive effect of perceived quality on purchase intention, which means customers’ positive perceptions of the quality of services or products increase their purchase intention (Saleem et al., 2015). Aside from this direct effect, several studies confirmed that perceived value plays a mediation role in the correlation between perceived quality and purchase intention (Pham & Nguyen, 2019) while social media WOM has a slight mediating impact. It was also discovered that the consumers' perception of quality recommended on social media networks is an impactful tool for a company to increase potential buyers for its services and products (Chen et al., 2014). These two potential relationships led to the development of the following hypotheses about the direct and indirect effect of perceived quality on purchase intention:

H10: Social media WOM mediates the effect of perceived quality on purchase intention positively and significantly.

H11: Perceived quality has a positive and significant effect on purchase intention.

Previous studies only examined the direct relationship between each variable, such as perceived quality's positive and significant influence on social media WOM and purchase intention. However, this study examines the direct and indirect impacts between these variables to determine the potential of the broadened model and contribute more to the previous body of knowledge on customer
engagement in social media WOM. Therefore, the focus of the study is on, first, the direct effect of perceived quality and social media WOM on perceived value, second, the direct effect of social media WOM on purchase intention, and third, the mediating role of perceived value on the indirect relationship between perceived quality and purchase intention, and fourth, the mediating role of perceived value and social media WOM on the indirect relationship between perceived quality and purchase intention.

These relationships were used to develop the hypotheses and conceptual framework presented in the following figure.

Figure 1
Conceptual Framework

METHOD

Cross-sectional data were obtained through a survey by distributing questionnaires using Google Form to 500 respondents. These samples were selected through a purposive non-probability sampling technique based on specific criteria, such as being an active social media user below 17 years old. The population is all Garuda Indonesia Airline passengers living in Indonesia. Moreover, the online questionnaire was designed to consist of some screening questions and 27 statement items with a five-point Likert scale (1 = strongly disagree and 5 = strongly agree) response. The questionnaire has a section on demographic information of the respondents, such as gender, age, education, occupation, income, and the frequency of using the Garuda Indonesia Flight service.

SEM LISREL maximum likelihood (ML) requires a minimum of 200 data for the six variables (Hair et al., 2014). This is a total of 500 respondents were contacted to fill the questionnaires. The survey was conducted for three months, and 410 correct entries were returned to be processed. It is important to note that the 27 indicators used in the questionnaire were adopted from the previous research conducted by (Park et al., 2020) with mild modifications in the wordings to fit the purpose of the study.

LISREL 8.80 statistical software was used to process the sample data into parameter data needed to test the validity and reliability of a group of observed variables for each latent variable. The parameter values generated by the software were also required to determine the goodness of fit for the model, the causal relationship between variables in the structural equation model (SEM), and to calculate the determination value of each regression equation (Hair et al., 2014).

All the variables in this study are latent, meaning a group of observed variables, including indicators developed into quizzical sentences distributed to respondents is needed for their
measurement. The respondents were asked to rate each statement sentence by selecting an answer on a scale of five to produce the primary ordinal data, which were further converted into a polychoric correlation matrix to meet the normality required to be processed in the software.

Each indicator’s loading factor and error variance values were used to calculate the Average Variance Extracted (AVE) and Construct Reliability (CR) of each variable. The criteria used were that the indicators with AVE value greater than 0.5 were declared valid and those with CR value greater than 0.6 were declared reliable (Hair et al., 2014). The standard loading factors and error variance of each indicator and the validity and reliability tests results for each variable are, therefore, presented in the following table.

### Table 1
Validity and Reliability Test

<table>
<thead>
<tr>
<th>Latent Variable</th>
<th>Indicators/ Observed Variables</th>
<th>Std. Loading Factors</th>
<th>Error Variance</th>
<th>Construct Reliability</th>
<th>Average Variance Extracted</th>
</tr>
</thead>
<tbody>
<tr>
<td>PQ (Perceived Quality)</td>
<td>1. The quality of Garuda Indonesia’s service is reliable.</td>
<td>0.81</td>
<td>0.35</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>2. The service quality of Garuda Indonesia can be trusted.</td>
<td>0.84</td>
<td>0.30</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>3. Garuda Indonesia is responsive in meeting consumer demands.</td>
<td>0.82</td>
<td>0.33</td>
<td>0.93 (Reliable)</td>
<td>0.70 (Valid)</td>
</tr>
<tr>
<td></td>
<td>4. Garuda Indonesia has high-quality standards.</td>
<td>0.88</td>
<td>0.22</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>5. The service quality of Garuda Indonesia is amazing.</td>
<td>0.85</td>
<td>0.28</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>6. Garuda Indonesia has a good performance.</td>
<td>0.83</td>
<td>0.31</td>
<td></td>
<td></td>
</tr>
<tr>
<td>SV (Social Value)</td>
<td>1. Using Garuda Indonesia is a symbol of success.</td>
<td>0.79</td>
<td>0.38</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>2. Using Garuda Indonesia is a symbol of luxury</td>
<td>0.79</td>
<td>0.37</td>
<td>0.85 (Reliable)</td>
<td>0.53 (Valid)</td>
</tr>
<tr>
<td></td>
<td>3. Using Garuda Indonesia can increase my prestige.</td>
<td>0.76</td>
<td>0.42</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>4. I feel that I will be easily accepted in my society if I use Garuda Indonesia.</td>
<td>0.66</td>
<td>0.57</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>5. I use Garuda Indonesia to improve my social status.</td>
<td>0.65</td>
<td>0.58</td>
<td></td>
<td></td>
</tr>
<tr>
<td>PV (Personal Value)</td>
<td>1. I feel happy when I use Garuda Indonesia.</td>
<td>0.72</td>
<td>0.48</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>2. I feel that getting on the Garuda Indonesia plane is important.</td>
<td>0.82</td>
<td>0.33</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>3. I feel comfortable when I use Garuda Indonesia.</td>
<td>0.48</td>
<td>0.77</td>
<td>0.88 (Reliable)</td>
<td>0.56 (Valid)</td>
</tr>
<tr>
<td></td>
<td>4. When I search for Garuda Indonesia tickets, I feel happy.</td>
<td>0.81</td>
<td>0.34</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
The results showed that each indicator has a good loading factor value with none recorded to have below 0.5 (Hair et al., 2014). This shows that the indicators of the six variables met the validity and reliability requirements as indicated by AVE> 0.5 and CR> 0.6.

LISREL software generated 14 main parameters to test the goodness of fit (GoF) and 11 parameters were discovered to have met the commonly used statistical criteria, and these include the Chi-square Significance Probability (0.98), RMSE (0.00), normalized chi-square (2.1), NFI (0.97), TLI (1), CFI (1), RFI (0.96), IFI (1), AGFI (0.60), PNFI (0.87), and PGFI (0.56). Meanwhile, the other three parameters including GFI (0.67), RMR (0.17), and SRMR (0.18) did not meet the criteria. It was concluded that the model meets the GoF because the number of parameters that meet the criteria is more than five (Hair et al., 2014).

RESULTS AND DISCUSSION
The mediating role of perceived value and social media word-of-mouth in the relationship between perceived quality and purchase intention

Results

A total of 410 out of 500 respondents provided correct entries and they were used as research samples. These include 216 (52.7%) females and 194 (47.3%) males with 54% discovered to be between 17 and 25 years old, 44% between 26 and 55 years old, and 2% over 55 years old. Moreover, 45% were students, 19% were private employees, 17% were self-employed, and 9% were in other professions. Most of the respondents represented by 75% have an income lesser than IDR 10 million while the remaining 25% have more than 10 million.

The hypotheses were tested based on the comparison between the calculated t-value and the t-table value at a one-tail 0.025 alpha level and they were to be accepted when the value of the calculated t-value is higher than the table t-value of 1.96. Moreover, the strength of influence was measured by the value of the regression coefficient of the hypothesized causal relationship (Ferdinand, 2014). The results of the hypotheses tested are presented in the following Table -2.

The hypotheses were also tested by examining the significance of the parameters and the strength of the influence between several related variables. The estimation method in LISREL 8.80 software was used to produce the information on the regression coefficient, standard error, and t-value. The standard error was further used to measure the accuracy of each parameter estimate while the regression coefficient determined the level of influence one variable has on the others. It is important to note that the values obtained can be manually cross-checked by ensuring that the magnitude of the calculated T-value is the same as the comparison between the estimated value and the standard error (Hair et al., 2014).

Table 4
Hypothesis Testing

<table>
<thead>
<tr>
<th>Hypothesis</th>
<th>Regression Coefficient</th>
<th>T-Value</th>
<th>Result</th>
</tr>
</thead>
<tbody>
<tr>
<td>H1: Perceived quality has a positive and significant effect on social values.</td>
<td>0.42</td>
<td>7.77</td>
<td>Supported</td>
</tr>
<tr>
<td>H2: Perceived quality has a positive and significant effect on personal values.</td>
<td>0.57</td>
<td>11.17</td>
<td>Supported</td>
</tr>
<tr>
<td>H3: Perceived quality has a positive and significant effect on functional values.</td>
<td>0.67</td>
<td>12.96</td>
<td>Supported</td>
</tr>
<tr>
<td>H4: Social values have a positive and significant effect on social media WoM.</td>
<td>0.14</td>
<td>3.72</td>
<td>Supported</td>
</tr>
<tr>
<td>H5: Personal values have a positive and significant effect on social media WoM.</td>
<td>0.60</td>
<td>15.34</td>
<td>Supported</td>
</tr>
<tr>
<td>H6: Functional values have a positive and significant effect on social media WoM.</td>
<td>0.40</td>
<td>9.88</td>
<td>Supported</td>
</tr>
<tr>
<td>H7: Social media WoM has a positive and significant effect on purchase intentions.</td>
<td>0.91</td>
<td>26.27</td>
<td>Supported</td>
</tr>
<tr>
<td></td>
<td>Hypothesis</td>
<td>Regression Coefficient</td>
<td>T-Value</td>
</tr>
<tr>
<td>---</td>
<td>-----------------------------------------------------------------------------</td>
<td>------------------------</td>
<td>---------</td>
</tr>
<tr>
<td>H8a</td>
<td>Social value mediates the effect of perceived quality on social media WOM positively and significantly.</td>
<td>0.13</td>
<td>2.12</td>
</tr>
<tr>
<td>H8b</td>
<td>Personal value mediates the effect of perceived quality on social media WOM positively and significantly.</td>
<td>0.61</td>
<td>7.64</td>
</tr>
<tr>
<td>H8c</td>
<td>Functional value mediates the effect of perceived quality on social media WOM positively and significantly.</td>
<td>0.46</td>
<td>4.71</td>
</tr>
<tr>
<td>H9</td>
<td>Perceived quality has a positive and significant effect on social media WOM.</td>
<td>0.13</td>
<td>6.05</td>
</tr>
<tr>
<td>H10</td>
<td>Social media WOM mediates the effect of perceived quality on purchase intention positively and significantly.</td>
<td>0.61</td>
<td>5.31</td>
</tr>
<tr>
<td>H11</td>
<td>Perceived quality has a positive and significant effect on purchase intention.</td>
<td>0.61</td>
<td>5.31</td>
</tr>
</tbody>
</table>

Source: Data processed (2021)

Table 2 shows that all causal relationships between hypothesized variables have a positive effect as indicated by the calculated t-values which are observed to be greater than 1.96 and this means all the eleven research hypotheses were supported. First, Perceived Quality has a positive and significant influence on Social Value with Regression Coefficient=0.42 and T-Value=7.77 and this means hypothesis-1 is supported. Second, Perceived Quality positively and significantly influences Personal Value with Regression Coefficient=0.57 and T-Value=11.17, and hypothesis-2 is supported. Third, Perceived Quality positively and significantly influences Functional Value with Regression Coefficient=0.67 and T-Value=12.96, hypothesis-3 is supported. Fourth, Social Value has a positive and significant influence on Social Media WOM with Regression Coefficient=0.14 and T-Value=3.72, hypothesis-4 is supported. Fifth, Personal Value has a positive and significant influence on Social Media WOM with Regression Coefficient=0.60 and T-Value=15.34, hypothesis-5 is supported. Sixth, Functional Value has a positive and significant influence on Social Media WOM with Regression Coefficient=0.40 and T-Value=9.88, thus hypothesis-6 is supported. Seventh, Social Media WOM has a positive and significant influence on Purchase Intention with Regression Coefficient=0.91 and T-Value=26.27, hypothesis-7 is supported. The examination of the indirect effects also provided a clearer result. First, the Perceived Quality has a positive and very significant effect on Social Media WOM through the mediation of Perceived Value dimensions such that the Social Value mediation was found to have a Regression Coefficient=0.13 and T-Value=2.12, Personal Value mediation had Regression Coefficient=0.61 and T-Value=7.64, and Functional Value mediation had Regression Coefficient=0.46 and T-Value=4.71. Second, Perceived Quality positively and significantly influenced Purchase Intention through the mediation of Social Media WOM with Regression Coefficient=0.76 and T-Value=15.64. Moreover, the direct relationships examined showed similar results with Perceived Quality discovered to have a positive and significant direct influence on Social Media WOM as indicated by Regression Coefficient=0.13 and T-Value=6.05 and the same was observed with Perceived Quality and Purchase
Intention as indicated by the Regression Coefficient=0.61 and T-Value=5.31.

Another study by Park et al., (2020) considered the direct effects of each section of the causal relationship without considering the two direct (H-9 and H-11) and two indirect effects (H-8 and H-10). The command "Option: EF" was used on the LISREL software to issue the coefficient needed to measure the strength of the influence for the four mediating variables. Furthermore, the responses of the respondents to the 27 question items developed from the indicators used for the 6 variables are presented in the following Table 3. The level of each respondent’s perception was calculated by comparing the total score of the answer to the maximum total score. The classification made based on the continuum curve is also displayed in Table 4.

### Table 3
Continuum Curve Table Classification

<table>
<thead>
<tr>
<th>Variables</th>
<th>Indicator’s Score for Total Respondent</th>
<th>Total Score</th>
<th>Max Score</th>
<th>Percentage</th>
<th>Classification</th>
</tr>
</thead>
<tbody>
<tr>
<td>Perceived Quality</td>
<td>PQ1 PQ2 PQ3 PQ4 PQ5 PQ6 PQ7</td>
<td>22371</td>
<td>14385</td>
<td>78%</td>
<td>good</td>
</tr>
<tr>
<td>Social Values</td>
<td>SV1 SV2 SV3 SV4 SV5</td>
<td>7671</td>
<td>10275</td>
<td>75%</td>
<td>good</td>
</tr>
<tr>
<td>Personal Values</td>
<td>PV1 PV2 PV3 PV4 PV5 PV6</td>
<td>9669</td>
<td>12000</td>
<td>81%</td>
<td>good</td>
</tr>
<tr>
<td>Functional Values</td>
<td>FV1 FV2 FV3 FV4 FV5</td>
<td>8602</td>
<td>10000</td>
<td>86%</td>
<td>very good</td>
</tr>
<tr>
<td>Social Media WOM</td>
<td>WM1 WM2 WM3</td>
<td>4979</td>
<td>6000</td>
<td>83%</td>
<td>very good</td>
</tr>
<tr>
<td>Purchase Intention</td>
<td>PI1 PI2</td>
<td>3293</td>
<td>6000</td>
<td>55%</td>
<td>moderate</td>
</tr>
</tbody>
</table>

Source: Data processed (2021)

The comparison shows the percentage of the respondent’s perception and was further plotted into five continuum scales for classification purposes. For example, those with a 78% quality perception level were classified as “high/good” while the responses related to the functional value and social media WOM aspects were categorized as “very good”. This means the respondents feel Garuda Indonesia provides superior service quality and are ready to recommend the company’s service on their social media platforms.
The table shows that the score of the respondents on the trust, reliability, and performance of Garuda Indonesia is 78%, thereby making the classification good. Moreover, the social value, as the second variable is also classified as good based on the 75% score which shows the ability of the company to create a good image and prestige from the perspective of the passengers. Personal and functional values scored a very higher number of 81% and 86% respectively and this means the respondents highly believe the company can create a good vibe to make their consumers feel proud using the services of the airline service. Furthermore, social media WOM with three indicators also has an 83% score, which is classified as good, indicating the respondents’ great tendency to share and recommend Garuda Indonesia service to their friends, family, and others on their social media platforms. Meanwhile, purchase intention scored 55%, which is a moderate classification. This means the respondents have a moderate tendency to seek the services of Garuda Indonesia based on the information on social media platforms.

Discussion

Consumers assess perceived quality based on the ability of a product or service to meet their expectations. According to Joung et al. (2016), perceived quality is an important attribute influencing consumers to spend more money for a decent service. This means they determine the quality of a service based on the satisfaction with the value offered (García-Fernández et al., 2018) and the perception of a good value usually spurs the consumers to share or recommend their experiences on social media platforms for others to enjoy the same value (Brochado et al., 2019). Perceived value has also developed over time with certain dimensions such as social, personal, and functional values which have been reported to be influencing eWOM (Konuk, 2018). An example is the recommendations on social media through WOM based on perceived quality and perceived value experienced in service by consumers (Chang et al., 2016; C. H. S. Liu & Lee, 2016; Park et al., 2020).

The findings from the first hypothesis classified perceived quality as good based on the 78% level recorded for its indicators and this means the services of Garuda Indonesia are trustworthy, reliable, and efficient. The social value was also observed to have a 75% classification and this means the respondent’s perception of Garuda Indonesia’s quality can influence the image they present to their social peers. Meanwhile, the influence of perceived quality on social value had a T-value of 7.77 which surpasses the 1.96 standards, thereby, indicating the possibility of the passengers increasing their prestige and social status by using the high-quality services provided by Garuda Indonesia. This
is in line with the findings of a previous study that perceived quality positively and significantly affects perceived value (Chang et al., 2016). One of the indicators of social value is the prestige created by social groups and it has been discovered to have a great tendency to influence peers in choosing a brand (Pham & Nguyen, 2019). Moreover, consumers perceive a brand to be premium when they feel it offers superior services (Hung et al., 2011). The respondents believed that high-quality standards supported by superior service in Garuda create prestige and social status in the community.

The test for the second hypothesis showed that the perception of the respondents towards the effect of perceived quality on personal value is on the good classification as indicated by the 81% level recorded. This means the good quality of the airline service can create a joyful feeling in the passenger's heart. Moreover, the results also showed that the consumers perceived the quality of services provided by Garuda Indonesia to have a positive and significant effect on their value. This is in line with the previous study that report a positive and significant impact of perceived quality on personal value (Konuk, 2018). It has also been found that the perceptions of service quality have a significant influence on the personal value consumers have on a brand (Farzin & Fattahi, 2018). The personal value owned by consumers was also discovered to be closely related to the feelings they have when using the services provided (Nwankwo et al., 2014). This, therefore, means the passengers feel happy and comfortable with the services offered by Garuda Indonesia.

The findings of C. H. S. Liu & Lee (2016) showed the positive and substantial effect of perceived quality on functional value. This is in agreement with the results of the test conducted on the third hypothesis which classifies the relationship between perceived quality and functional value to be very good. This simply means the perception of the passengers towards the service quality determines their satisfaction with the functionality. It is important to note that this relationship has the influence rate compared to the others tested and this shows that the provision of superior service quality by Garuda Indonesia can increase the confidence of the passengers to spend more money. Moreover, consumers also usually compare the functions and quality of a particular brand with several others before making the purchasing decision (Han et al., 2017). The superior quality provided by Garuda Indonesia creates a perception of trustworthiness and dependability for the passengers, thereby, increasing their willingness to pay more. The functional value in this study is closely related to the costs and efforts incurred by passengers (Brochado et al., 2019) such that they have good perceptions when the costs and efforts incurred are comparable to their expectations. Garuda Indonesia, as a premium brand, has the highest price compared to its competitors but also provides superior service quality.

The fourth hypothesis which focuses on the influence of social value on social media WOM had a moderate classification because the respondents showed that they were not convenient with sharing their prestige and image on social media as the main subject to promote the services of a company. This agrees with a previous study that showed the positive but insignificant influence of social value on social media word of mouth (Park et al., 2020). The prestige and social status experienced by the passengers due to the services of the company did not motivate them to share their experiences on social media. It is important to reiterate that the social value variable is closely related to the prestige of consumers in their social groups (Han et al., 2017). It has also been reported that consumers feel
proud that they can use a brand of superior quality (Jiang & Zhang, 2016). However, another research showed that a premium service has a positive and significant impact on the tendency of consumers to share their experiences and perceptions of the brand on social media platforms (H. Liu et al., 2021). It was discovered in this study that social value did not affect word of mouth concerning Garuda Indonesia and this means the passengers only have a slight tendency to share information on the premium service quality enjoyed in Garuda Indonesia with their families and friends.

The fifth hypothesis that personal value has a positive and significant influence on word of mouth was also supported by this study's findings as indicated by Park et al. (2020). This is indicated by the ability of the passengers' feelings of happiness, comfort, and funds to increase their willingness to recommend Garuda Indonesia services to their relatives. Their emotional bond with the company is closely related to their perceived value because they feel satisfied, comfortable, and happy with the services offered which further enhances their intention to share their experiences on social media platforms. The #BecauseYouMatter campaign initiated by Garuda Indonesia was observed to be effective because it emphasizes the personal values of passengers. The campaign indicates the decision of the company to always be there for its passengers in line with its principle as the "The Most Caring Airline". This hashtag was used by the company to increase positive sentiment trends on social media platforms such as YouTube, Instagram, and Twitter.

The sixth hypothesis test showed that functional value positively and significantly affects social media word of mouth, and this was observed to be in line with the findings of Park et al. (2020). The indicators of these variables indicated the ability of the functionality of Garuda Indonesia to increase passengers' intention to share and recommend its services on their social media. This functionality is closely related to consumer expectations based on the cost and effort incurred. (Ifie et al., 2018). The value recorded in this study for this relationship was discovered to be high (Alrwashdeh et al., 2020) and this means the ability of a company to perform its functions effectively usually influences the consumers to recommend its services to their friends and family.

Zhao et al. (2020) stated that social media word-of-mouth communication has been studied several times, but scholars usually forget that the most crucial thing related to this concept is the quality of information (van Tonder et al., 2018). It was previously reported that purchase intention is significantly influenced by eWOM on social networking sites (Kudeshia & Kumar, 2017) and this is in line with the findings of this study that social media word of mouth has a very high effect on purchase intention. This means the spread of positive information on social media concerning a company usually increases the intention of others to patronize such a brand. Therefore, Garuda Indonesia needs to increase social media user interaction due to its ability to spur purchase interest among social media users, indicating that a better engagement rate on social media leads typically to a higher purchase interest (Nwankwo et al., 2014). Another study also proved that social media engagement has an extreme and significant impact on purchase intention through the mediating influence of premium brand value perception (Amelia et al., 2020). This further indicates the need for Garuda Indonesia to engage with its users, considering the ability of active social media users to motivate others to use the airline's services.

The indirect relationships between perceived quality and social media WOM mediated by perceived value as well as between perceived quality and purchase intention mediated by social media WOM and perceived value were also explored in this study. This was achieved by testing the ninth hypothesis focusing on determining the significance of the direct effect of perceived quality on social media WOM and measuring the strength of the effect through regression coefficient. Meanwhile, the
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The eighth hypothesis was tested by observing the significant mediating role of social, personal, and functional values on the relationship between perceived quality and social media WOM. The strength of the mediation was determined through regression coefficients and found to be 0.67.

The test conducted on the tenth hypothesis showed the ability of social, personal, and functional values as well as the social media WoM to mediate the indirect relationship between perceived quality and purchase intention. The mediating strength of the four variables was measured using an indirect regression coefficient and found to be 0.76. Moreover, the direct effect of perceived quality on purchase intention was also discovered to be significant as indicated by the T-value which is greater than 1.96, thereby, leading to the acceptance of the eleventh hypothesis.

These findings showed that the direct relationships in H9 and H11 are weaker than the indirect ones highlighted in H8 and H10 despite high significance reported for the other direct and indirect relationships between perceived quality and social media WOM as well as perceived quality and purchase intention. This simply means Garuda Indonesia needs to focus on increasing its quality and value dimensions in order to establish an excellent perception to make the passengers spread positive WOM concerning its services on social media with a gradual effect on the intention of others to patronize the brand.

CONCLUSION

This study aimed to investigate the effect of perceived quality on purchase intention through the mediating role of perceived value and social media WOM. The result showed that all of the eleven hypotheses formulated are supported such that higher perceived quality was observed to have led to an increase in consumers’ social personal, and functional values. Moreover, greater social, personal, and functional values were also found to have increased the tendency to spread word of mouth on social media. The findings also showed that the higher tendency of a consumer to spread social media word of mouth enhanced the purchase intention of other users. Furthermore, perceived quality was reported to have a significant indirect but insignificant direct influence on social media word of mouth, and this means perceived value dimensions had a substantial mediating role in the relationship. It was also observed that perceived quality also had a significant indirect but insignificant direct influence on purchase intention, and this indicates that perceived value and social media WOM had a strong intervening role in the relationship.

From the theoretical perspective, these results prove that the indirect relationship between perceived quality, social media WOM, and purchase intention has a more substantial effect than the direct relationship. This contributes to future research needed to broaden and seek other potential mediating variables and serves as a new theoretical perspective related to the mechanism of purchase intention considering the lack of focus on the concept in previous studies on social media WOM engagement. Moreover, social, personal, and functional values and perceived quality can most likely be used to deepen the understanding of the factors influencing social media WOM and the subsequent effect on purchase intention.
This study contributes positively to improving the flight service quality of Garuda Indonesia but has several limitations to be considered in future research. First, the social media studied was not limited and this means there was no focus on specific characteristics. This is why it is recommended that further studies have specifications for the social media to analyze to easily identify the characteristics of the different users of these platforms and have a deeper discussion on the factors influencing their willingness to spread WOM on the specific social media. Moreover, it is also suggested that the respondents be asked about the social media platforms they often use. Second, moderating variables were not included, and this can serve as a better basis for discussion in subsequent studies.

Several suggestions were made based on the limitations observed to improve the quality of similar future studies. First, this study examines the indirect relationship between perceived quality and social media WOM as well as perceived quality and purchase intention. Therefore, further research can be conducted on these variables considering the high T-Value recorded for the relationships in each hypothesis tested, especially the indirect ones. Second, the level of significance for the effect of social media WOM on purchase intention was studied and it is expected that further studies can develop a research framework and investigate purchase decision behavior as the main variable. Lastly, future studies should consider control variables such as the present COVID-19 pandemic, which can affect the results. This can be achieved through the consideration of factors such as the health and safety of the potential passengers, which can influence their decision to use the service of airline companies during the pandemic.

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