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# Customer Trust Mediates Word of Mouth Impact on Queen Decoration Service Decisions



Cinthia Hermiana Nueng<sup>✉</sup> Sjamsier Husen<sup>2</sup> Duta Mustajab<sup>3</sup>

<sup>✉</sup> Universitas Yapis Papua, Jayapura, Papua, 99113, Indonesia

<sup>2,3</sup> Universitas Yapis Papua, Jayapura, Papua, 99113, Indonesia

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Corresponding author: Cinthia Hermiana Nueng

<sup>✉</sup> [chermiana@gmail.com](mailto:chermiana@gmail.com)

KEYWORDS	ABSTRACT
<p><b>Keywords:</b> Customer Trust; Word of Mouth (Wom); Decision to Use Queen Decoration Services.</p> <p><b>Conflict of Interest Statement:</b> The author(s) declares that the research was conducted in the absence of any commercial or financial relationships that could be construed as a potential conflict of interest.</p> <p><b>Copyright © 2024 AJEB. All rights reserved.</b></p>	<p><b>Purpose:</b> This study examines the effect of Word of Mouth (WOM) on Customer Trust. To investigate the impact of Customer Trust on the Decision to Use Decoration Services. To examine the impact of Word of Mouth (WOM) on the Decision to Use Decoration Services. Moreover, to explore the impact of Word of Mouth (WOM) on the Decision to Use Decoration Services through Customer Trust.</p> <p><b>Research Design and Methodology:</b> This study is a quantitative descriptive research study. All customers who had ordered decoration services at Queen Dekorasi, including 140 respondents. Data was collected using field research techniques. The data analysis method used Instrument Tests and Structural Equation Modeling (SEM) Analysis.</p> <p><b>Findings and Discussion:</b> The results showed that Word Of Mouth positively and significantly affects Customer Trust. Customer Trust has a positive and significant effect on Decisions to Use Services. Word Of Mouth does not significantly affect the decision to use services. Moreover, Customer Trust can mediate the influence of Word of Mouth on the Decision to Use Services.</p> <p><b>Implications:</b> This research can be considered and evaluated so that service business actors continue paying attention to the word-of-mouth and customer trust factors influencing decisions to use services and increasing public interest in the services offered. Hopefully, this research can add to the knowledge for further research to develop what factors can influence service decisions.</p>

## Introduction

In the modern competitive landscape of the service industry, businesses must actively differentiate themselves to capture and retain customer attention. One critical factor in this endeavor is customer trust, built through consistent interactions, positive experiences, and service satisfaction (Rane et al., 2023). Word of mouth (WOM) promotion strategy is a strategy that is considered capable compared to promotion through other media (Handoko & Shiratina, 2023). Word of Mouth (WOM) has emerged as a powerful promotional tool, often more effective than traditional advertising methods (Lane Keller, 2013). As highlighted by Dyego and Oktavianti (2020), WOM can significantly shape consumer perceptions and influence purchasing decisions, making it vital for service-oriented businesses to leverage this strategy effectively. However, the inconsistency in customer demand poses a challenge, as research indicates that trust in service providers varies among consumers (Wetzel & Hofmann, 2020). This inconsistency can lead to fluctuating orders, particularly in niche markets like

event decoration services, where personal recommendations are crucial (Doyle, 2016). Furthermore, studies show that while positive WOM can drive customer engagement, negative experiences shared through WOM can deter potential clients (Ladhari et al., 2019). Given the complexities surrounding customer trust and its relationship with WOM, a focused investigation into how these elements influence decision-making in the context of Queen Decoration is warranted.

Recent research has significantly advanced our understanding of the intricate relationship between Word of Mouth (WOM) and customer decision-making. For instance, Putra et al. (2022) and Kusumastuti et al. (2022) demonstrate that WOM substantially influences purchasing decisions, underscoring the power of personal recommendations in shaping consumer behavior. These findings suggest that when potential customers hear favorable reviews from trusted sources, they are more likely to engage with the service or product. However, this body of literature has its limitations. Studies by Larasati & Chasanah (2022) reveal that WOM can sometimes yield negligible or even negative impacts on purchase decisions, illustrating the complexities and inconsistencies in this field. Such contradictions raise essential questions about the reliability of WOM as a marketing tool. Research conducted by Amanda & Fitri (2022) emphasizes the importance of brand trust in WOM. However, it must thoroughly examine how elements interact, especially within service contexts. This lack of comprehensive understanding indicates a pressing need for deeper exploration into the dynamics of WOM alongside other critical variables, particularly in service industries where customer trust plays a pivotal role. The nuanced relationship between these factors suggests that businesses must adopt a multifaceted approach to leverage WOM while cultivating consumer trust effectively. Thus, further investigation into this area could provide valuable insights into service providers like Queen Decoration, aiming to enhance customer engagement and decision-making processes.

Despite the advancements in understanding the relationship between Word of Mouth (WOM) and customer decision-making, significant gaps still need to be found in both empirical and theoretical frameworks. While studies by Putra et al. (2022) and Kusumastuti et al. (2022) establish a positive correlation between WOM and purchasing decisions, they often neglect to account for the varying contexts in which these interactions occur. Specifically, the influence of industry-specific factors, such as those in service sectors like event decoration, requires deeper exploration. Additionally, Larasati and Chasanah (2022) highlight the potential for WOM to have negligible or adverse effects but need to investigate the underlying reasons for this variability, leaving a critical void in understanding how different consumer demographics or service attributes may mediate these effects. While Amanda and Fitri (2022) discuss the importance of brand trust in conjunction with WOM, their analysis needs a comprehensive examination of how these concepts interact specifically within service-oriented businesses. This oversight suggests that existing research may need to fully capture the complexities of customer engagement in service contexts where trust plays a crucial role. The interplay between WOM, brand trust, and customer decision-making still needs to be explored, indicating a need for targeted studies to address these dynamics. By filling these gaps, future research can provide valuable insights into how service providers, like Queen Decoration, can strategically leverage WOM to foster trust and enhance customer loyalty. This focus will contribute to a more nuanced understanding of consumer behavior in service industries.

This study aims to fill the identified gaps by investigating the role of customer trust as a mediator in the relationship between Word of Mouth (WOM) and the decision to use services provided by Queen Decoration. The novelty of this research lies in its focus on the service industry, where the interplay between WOM and customer trust is critical yet underexplored. Unlike previous studies that primarily focus on general retail or product-based contexts, this research seeks to understand how trust can amplify or diminish the effects of WOM in service-oriented businesses. The primary research question guiding this study is: How does customer trust mediate the relationship between WOM and the decision to utilize decoration services offered by Queen Decoration? To address this question, the study will explore specific objectives, including assessing the direct impact of WOM on customer trust, analyzing how trust influences purchasing decisions, and examining the variations in these dynamics among different customer segments. By providing empirical evidence in a service context, this research offers actionable insights for providers looking to enhance their marketing strategies through effective WOM practices. Ultimately, the findings are expected to contribute to the theoretical framework

surrounding consumer behavior in service industries and to equip businesses like Queen Decoration with strategies to foster trust and improve customer engagement in a competitive marketplace.

## Literature Review

### *Word of Mouth (WOM)*

Word of Mouth (WOM) is a form of personal communication about a product between potential buyers and individuals in their social circle, such as neighbors, friends, family members, and acquaintances. This type of communication involves exchanging information, thoughts, comments, or ideas between two or more individuals who are not official marketers of the company (Sutisna, 2002). Word of Mouth is often more persuasive and straightforward to consumers because the information comes directly from individuals with firsthand experience with the product or service. Pradana (2016) states that WOM shapes consumer attitudes and behaviors. It is noted that WOM has a more substantial influence on purchasing decisions than traditional communication methods, such as advertising or editorial recommendations. In more recent studies, Word of Mouth continues to be recognized as a powerful marketing tool in shaping consumer perceptions. Dyego & Oktavianti (2020) highlight that electronic Word of Mouth (eWOM) has become an influential factor in the digital age, with reviews and recommendations shared online playing a significant role in consumer decision-making. Similarly, Pacheco (2021) emphasizes that WOM influences individual purchasing decisions and contributes to long-term customer engagement. This is supported by research from Ladhari et al. (2019), who found that positive WOM significantly increases purchase intentions, while negative WOM can deter potential customers. Furthermore, Hasna and Irwansyah (2019) state that WOM can foster trust between the communicator and the receiver, especially in contexts where personal experiences are shared. Based on these definitions and insights from experts, it can be concluded that Word of Mouth serves as a crucial promotional medium where individuals share information about the advantages of a product or service with others. This shared information can significantly impact the perceptions of those who receive it, ultimately influencing their decisions either positively or negatively. As a result, WOM can be a valuable tool for businesses aiming to build a strong reputation and enhance customer loyalty.

### *Purchase decision*

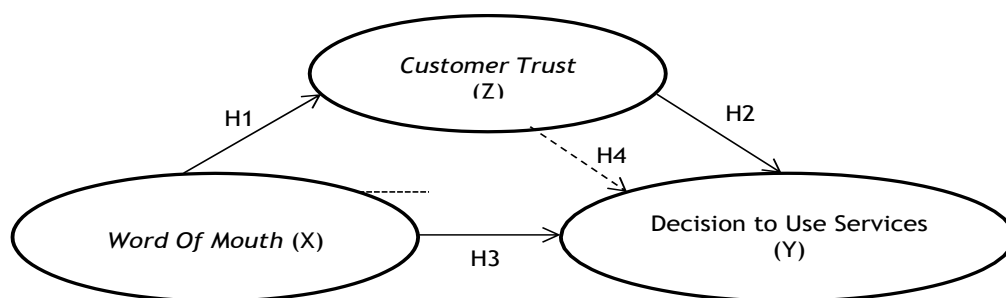
A purchase decision, especially when using services, is a complex problem-solving process where an individual evaluates various alternatives to choose the most appropriate option. This decision-making process is critical, as it determines the final course of action regarding buying or ordering a service. According to Petcharat & Leelasantitham (2021), the process involves a series of evaluations, each helping the consumer decide. The purchase decision is the culmination of the consumer's desire, where key factors such as what to buy, whether or not to proceed with the purchase, when to buy, where to buy, and how to pay for the service are fully considered (Sungkawati et al., 2022). This process is not always linear. It involves multiple stages, including identifying a need, gathering information, evaluating alternatives, purchasing, and reflecting on the post-purchase experience (Kotler & Keller, 2016). These stages ensure that the consumer's needs are met in the best way possible. For services, this decision-making process often includes considering factors such as the quality of the service, customer reviews, price comparisons, and overall experience (Glaveli et al., 2023). As services are intangible, personal experience and word-of-mouth become more significant in shaping consumers' choices. External influences play a crucial role in this process. Word-of-mouth, for example, is a powerful tool that shapes consumer perceptions. Dyego and Oktavianti (2020) highlight the growing importance of electronic Word of Mouth (eWOM) in today's digital age, where online reviews and recommendations significantly impact decision-making. In service industries, where trust and personal experience are paramount, eWOM can be a valuable resource for potential customers to make informed decisions. Yan et al. (2018) suggest that customer engagement through WOM and personal recommendations can accelerate decision-making by reducing perceived risks. When customers trust the recommendations of their peers, they are more likely to engage with the service provider without hesitation. This trust plays a crucial role in guiding customers through the evaluation stages, ultimately leading to the decision to purchase or use the service. Kotler and Keller (2016) emphasize that marketing communications, both online and offline, can significantly influence a

consumer's choice. Marketing efforts highlighting service quality, customer satisfaction, and unique selling points can sway consumers toward a purchase decision, especially when combined with positive WOM and customer reviews, in the context of service industries, such as hospitality or event planning, where intangible qualities like service experience are central, external factors like WOM and eWOM hold even greater significance. As noted by (Faraji-Rad & Pham, 2017), these factors provide consumers with insights into what they can expect, thus reducing uncertainty and increasing their confidence in deciding. Additionally, Ladhari et al. (2019) found that WOM and customer trust are especially effective in retaining customers and fostering long-term loyalty, further emphasizing the importance of these influences.

### *Customer Trust*

Customer trust refers to the belief and confidence consumers place in a product, its benefits, and its attributes. This trust is developed through a cognitive learning process, where consumers form associations based on their personal experiences with a brand or product (Rahmizal & Yuvendri, 2021). Trust becomes established when a product consistently fulfills customer expectations, resulting in satisfaction. According to Maharama & Kholis (2017), this sense of satisfaction fosters loyalty, as consumers are less inclined to switch to competitors once they have developed trust in a specific brand or company. Over time, trust becomes a critical factor in sustaining a company or brand, influencing customer retention and brand loyalty. Bahrudin & Zuhro (2016) emphasize the importance of maintaining customer trust for the long-term success of a business. In their view, trust is a foundation for building lasting relationships between a company and its customers, essential for staying competitive in increasingly saturated markets. This is particularly relevant in industries where differentiation is complex, and consumer choices rely heavily on perceived trustworthiness. Jamil et al. (2023) further argue that trust is the "glue" that holds together various organizational and business processes. This enables companies to manage and allocate resources effectively, creating additional value for the business and its customers. In today's digital era, customer trust has become even more significant. Research (Handoyo, 2024) suggests that trust in online platforms and e-commerce is paramount, as consumers now rely heavily on online reviews, ratings, and social proof before making purchasing decisions. This reliance on digital information makes it essential for businesses to demonstrate integrity and transparency in their online interactions consistently. Similarly, Ladhari et al. (2019) found that trust plays a crucial role in customer retention, mainly when companies can convey honesty and reliability in their service or product offerings. Customer trust is, therefore, not merely about fulfilling immediate needs. Instead, it involves building long-term relationships that contribute to the overall sustainability of the brand. Trust establishes a foundation upon which businesses can cultivate loyalty, foster repeat business, and develop a competitive advantage. As highlighted by Kamalul Ariffin et al. (2018), trust also reduces perceived risk in the eyes of consumers, making them more confident in their decision to engage with a company's products or services.

### *Theoretical Framework*



**Figure 1.** Theoretical Framework

H<sub>1</sub> : Word of Mouth (WOM) affects Customer Trust

H<sub>2</sub> : Customer Trust affects the Decision to Use Services

H<sub>3</sub> : Word of Mouth (WOM) affects the Decision to Use Services directly

H<sub>4</sub> : Word of Mouth (WOM) affects the Decision to Use Services through Customer Trust as mediation

## Research Design and Methodology

The type of research in this study is quantitative descriptive research. This research is conducted at the Queen Decoration service business at Dok 8 Atas Jayapura Utara, Jayapura City, Papua. The population in this study consisted of customers who had ordered decoration services at Queen Decoration, with as many as 140 respondents. Data collection in this study is done using field research techniques. Field research is collecting data by conducting field surveys that have to do with the problem under study. The data analysis method uses an Instrument Test (Validation Test and Reliability Test), Structural Equation Modeling (SEM) Analysis (Structural Model Estimation and Testing, Evaluation of Goodness Of Fit Criteria, and Sobel Test).

Table 1. Operational Definitions

Variable	Code	Indicator	Major Reference
<i>Word of Mount</i>	X.1	Talkers (Speakers)	(Siwi & Maskur, 2022)
	X.2	Topics	
	X.3	Tools	
	X.4	Talking Part (Participation)	
	X.5	Tracking	
Purchase Decision	Y.1	Commitment to order the service	(Noviandini & Yasa, 2021)
	Y.2	Deciding to order due to popularity	
	Y.3	Ordering services that meet needs and desires	
	Y.4	Ordering services based on recommendations from others	
<i>Customer Trust</i>	Z.1	Integrity	(Wijayanthi & Goca, 2022)
	Z.2	Honesty	
	Z.3	Caring	
	Z.4	Sincerity	
	Z.5	Competence	

## Findings and Discussion

### Findings

The results are valid if the Critical Ratio (C.R.) is more significant than 1.96, with a probability value (P) less than 0.05. The asterisk (\*\*\*) indicates that the probability value (P) is less than 0.05. Based on these findings, the data in this study meet the requirements for construct validity, indicating that all indicators examined are valid. From the convergent validity test results, it can be observed that all obtained estimate values are more significant than 0.5. Therefore, the data in this research have passed the validity test criteria, confirming that all acquired data align with the indicators under investigation and are proven valid.

The results are said to meet the reliability criteria if the value on the Standardized Loading Estimate is > 0.6. Based on the test results, all estimate values obtained are > 0.6. Thus, the data in this study passed the reliability test requirements, indicating that all the data obtained from the questionnaires were appropriate and consistent.

Table 5 shows the results of data normality testing. In this study, normality evaluation was identified as both univariate and multivariate. Univariately, for the values in c.r skewness, all question items show values in the range of -2.58 to 2.58. Then, for the values of c.r kurtosis, all question items show value also in the range of -2.58 to 2.58. Thus, the data in this study are univariate and normally distributed.

**Table 2.** Characteristics of Respondents

Variable	Measurement	n	%
Gender	Male	59	42,1%
	Female	81	57,9%
Age (Years)	< 17 Years	0	0%
	17-30 Years	52	37,1%
	31-40 Years	67	47,9%
	> 40 Years	21	15,0%
Position	Student	13	9,3%
	Civil Servant/ Military/ Police	48	34,3%
	Employee/ Private Sector Worker	29	20,7%
	Entrepreneur	31	22,1%
	Housewife/ Unemployed	19	13,6%
Income Per Month	< Rp 2.000.000	27	19,3%
	Rp 2.000.000 to Rp 5.000.000	64	45,7%
	> Rp 5.000.000	49	35,0%

Source: Processed primary data (2024)

**Table 3.** Validity Test Results

			Estimate	S.E.	C.R.	P
TRK	<---	Word_Of_Mouth	1.000			
TKP	<---	Word_Of_Mouth	1.258	.192	6.537	***
TL	<---	Word_Of_Mouth	1.216	.190	6.400	***
TP	<---	Word_Of_Mouth	1.077	.173	6.215	***
TLK	<---	Word_Of_Mouth	1.100	.174	6.312	***
KJJ	<---	Customer_Trust	.967	.066	14.653	***
KPD	<---	Customer_Trust	.863	.062	13.841	***
KSG	<---	Customer_Trust	.885	.057	15.412	***
KMJ	<---	Decision to Use Service	1.000			
MMP	<---	Decision to Use Service	.876	.073	12.012	***
MJJK	<---	Decision to Use Service	.855	.072	11.805	***
MJRO	<---	Decision to Use Service	1.013	.076	13.293	***
INT	<---	Customer_Trust	1.000			
KMP	<---	Customer_Trust	.946	.063	14.975	***

Source: Data processed using AMOS 22 (2024)

**Table 4.** Reliability Test Result

			Estimate
TRK	<---	Word_Of_Mouth	.613
TKP	<---	Word_Of_Mouth	.716
TL	<---	Word_Of_Mouth	.702
TP	<---	Word_Of_Mouth	.676
TLK	<---	Word_Of_Mouth	.701
KJJ	<---	Customer_Trust	.856
KPD	<---	Customer_Trust	.832
KSG	<---	Customer_Trust	.876
KMJ	<---	Decision to Use Service	.893
MMP	<---	Decision to Use Service	.781
MJJK	<---	Decision to Use Service	.778
MJRO	<---	Decision to Use Service	.827
INT	<---	Customer_Trust	.898
KMP	<---	Customer_Trust	.863

Source: Data processed using AMOS 22 (2024)

The value listed in the lower right corner of Table 6 indicates that the data in this study is normally distributed multivariate with a final value of c.r kurtosis 13.056 > 7. The results of data testing in this study show standard data, both univariate and multivariate, so further analysis can be carried out.

Based on Table 6, there is no outlier data because there are no observations that have a Mahalanobis distance higher than the critical value in the chi-Square ( $\chi^2$ ) table, namely 36.12. This indicates that respondents' responses to the statements in the questionnaire are relatively consistent.



Table 5. Data Normality Test Results

Variable	min	max	skew	c.r.	kurtosis	c.r.
MJRO	4.000	10.000	-.445	-2.150	-.218	-.526
MJKK	4.000	10.000	-.498	-2.406	.180	.435
MMP	4.000	10.000	-.303	-1.462	-.371	-.896
KMJ	4.000	10.000	-.046	-.225	-.316	-.763
KMP	4.000	10.000	-.305	-1.476	-.464	-1.122
KSG	4.000	10.000	-.148	-.717	-.129	-.312
KPD	4.000	10.000	-.248	-1.196	-.388	-.937
KJJ	3.000	10.000	-.340	-1.641	-.018	-.044
INT	4.000	10.000	-.170	-.822	-.451	-1.089
TLK	4.000	10.000	.000	.000	-.463	-1.118
TP	4.000	10.000	.035	.170	-.338	-.817
TL	4.000	10.000	.216	1.045	-.588	-1.420
TKP	4.000	10.000	.019	.090	-.713	-1.721
TRK	5.000	10.000	.176	.850	-.689	-1.665
Multivariate					46.709	13.056

Source: Data processed using AMOS 22 (2024)

Table 6. Mahalanobis Distance of Research Data

Observation number	Mahalanobis d-squared	p1	p2
57	34.109	.002	.243
26	33.896	.002	.037
52	32.604	.003	.011
58	30.360	.007	.016
-	-	-	-
-	-	-	-
95	7.338	.921	1.000

Source: Data processed using AMOS 22 (2024)

### Goodness-of-Fit Model Analysis

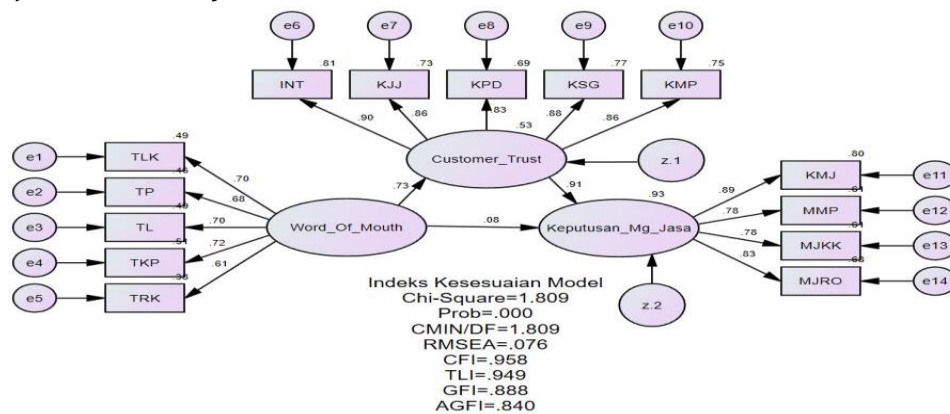


Figure 2. Structural Equation Modeling (SEM) Equation

Source: Data processed using AMOS 22 (2024)

### Chi-Square

Chi-square ( $\chi^2$ ) is the most basic measure that shows the overall model fit value. The chi-square value in this study is  $1.809 < 2$  and the probability of  $0.000 < 0.05$ . Thus, the results of the model fixity test obtained a chi-square value in a good category and a probability that is also categorized as good.

### Chi-Square/Degree of Freedom

Chi-Square/Degree of Freedom (CMIN/DF) is the value obtained from the chi-square value divided by the degree of freedom. The CMIN / DF value required to determine the validity of the model is  $\leq 2$ . The CMIN / DF value in this study is  $1.809 < 2$  so it can be said that the CMIN / DF value is categorized as good.

#### Root Mean Square Error of Approximation

Root Mean Square Error of Approximation (RMSEA) is a measure that tries to correct the tendency of the chi-square statistic to reject models with large sample sizes. An RMSEA value of less than 0.08 is an acceptable measure. The RMSEA value in this study is 0.076 < 0.08 so that the model fixity test based on the RMSEA value is categorized as good.

#### Comperative Fit Index

The Comperative Fit Index (CFI) is an index that compares the tested model with the full model. The magnitude of this index value ranges from 0 to 1 and a value close to 1 indicates that the model has a good level of model accuracy. The recommended acceptance value is  $CFI \geq 0.95$ . In this study, the CFI value was 0.958 > 0.95, so the model accuracy test based on the CFI value was categorized as good.

#### Tucker Lewis Index

Tucker Lewis Index (TLI) is a model fixity assessment that compares a model being tested against a baseline model. This value is very close to 1 or greater than 0.95 indicating a good fit. The Tucker Lewis Index (TLI) value generated in this study is 0.949 > 0.95, so the model fixity test based on the TLI value is categorized as good.

#### Goodness of Fit Index

Goodness of Fit Index (GFI) is a non-statistical measure that reflects the level of model accuracy obtained from the quadratic residuals of the predicted model compared to the actual data. A model can be said to be good if the GFI value is  $\geq 0.90$ . The Goodness of Fit Index (GFI) value in this study is 0.888 < 0.90 so that the model fixity test based on the GFI value is categorized as good.

**Table 8.** Goodness of Fit Index Model Results

<i>Goodness of Fit Index</i>	<i>Cut off Value</i>	<i>Result</i>	<i>Model Evaluation</i>
Chi-Square	Expectedly small	1,809	Good
Probability level (p)	$\leq 0,05$	0,000	Good
CMIN/DF	$\leq 2,0$	1,809	Good
RMSEA	$\leq 0,08$	0,076	Good
CFI	$\geq 0,95$	0,958	Good
TLI	$\geq 0,95$	0,949	Good
GFI	$\geq 0,90$	0,888	Less Good
AGFI	$\geq 0,90$	0,840	Less Good

Source: Data processed using AMOS 22 (2024)

#### Adjusted Goodness of Fit Index

Adjusted Goodness of Fit Index (AGFI) is a development of GFI which is adjusted to the degree of freedom value for the proposed model with the degree of freedom for the full hypothesis. The recommended value is  $\geq 0.90$ . The AGFI value in this study is 0.840 < 0.90 so that the AGFI value in this study is categorized as poor.

#### Hypothesis Testing

The statistical test results of the first hypothesis shown in Table 9 show that the estimated value is 1.162, and the critical ratio (C.R) value is 6.294. The probability value (P) is marked \*\*\*, which means less than the probability of 0.05, indicating a positive and partially significant effect between the independent variables and the intervening variables in this study. Thus, based on this explanation, the first hypothesis, namely that word of mouth affects customer trust, is accepted with positive and significant results. The statistical test results of the second hypothesis shown in Table 9 show that the estimated value is 0.855, and the critical ratio (C.R) value is 10.473. The probability value (P) is marked \*\*\*, which means less than the probability of 0.05, indicating a positive and partially significant effect between the intervening variables on the dependent variable in this study. Thus, based on this explanation, the second hypothesis is accepted with the result that customer trust positively and significantly affects decisions to use services. The statistical test results of the third hypothesis shown in Table 9 show that the estimated value is 0.122, the critical ratio (C.R) value is



1.079, and the probability value (P) is 0.281 > probability 0.05, indicating that there is no significant effect partially between the independent variable and the dependent variable in this study. Thus, it was rejected, with the results of word of mouth having no effect and insignificant on the decision to use services directly. In this fourth hypothesis, the researcher draws conclusions from the relationship between each variable, which is that the relationship between word of mouth and customer trust has a positive and significant effect. Then, the relationship between customer trust and the decision to use services has a positive and significant effect. However, when viewed in terms of the direct effect, word of mouth on the decision to use services does not directly affect the decision.

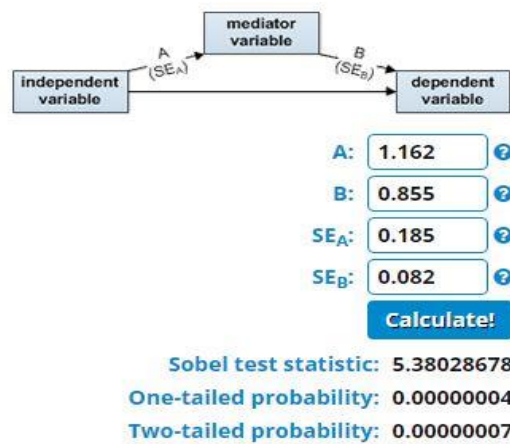
**Table 9.** Regression Weight

			Estimate	S.E.	C.R.	P	Labels
Customer Trust	<---	Word of Mouth	1.162	.185	6.294	***	par_11
Service M. Decision	<---	Customer Trust	.855	.082	10.473	***	par_12
Service M. Decision	<---	Word of Mouth	.122	.113	1.079	.281	par_13

Source: Data diolah menggunakan AMOS 22 (2024)

Based on the results of the Indirect Effect Analysis, it can be explained that the amount of indirect effect of the independent variable on the dependent variable, namely Word Of Mouth on the Decision to Use Services, is 0.659, so it can be concluded that Word Of Mouth affects the Decision to Use Services indirectly through Customer Trust in the fourth hypothesis is accepted. The value of the indirect effect evidence is greater than the value of the direct effect.

#### Sobel Test



**Figure 3.** Sobel Test Results

Source: Data processed using AMOS 22 (2024)

The results of the soil test calculation above get a statistical value of 5.38; this value is greater than the critical value of Z, which is 1.98, and the probability value of 0.00 is smaller than the probability level of 0.05. Thus, these results prove that Customer Trust (Z) can mediate the relationship between Word Of Mouth (X) and the Decision to Use Services (Y). Thus, the fourth hypothesis is rejected, with the results of Customer Trust mediating the relationship between Word Of Mouth and the Decision to Use Services.

#### Discussion

##### The Effect of Word of Mouth on Customer Trust

Based on the results of the analysis, it is found that the Word of Mouth (WOM) variable (X) has a positive and significant effect on the Customer Trust variable (Z). This finding indicates that as WOM increases, Customer Trust among Queen Decoration service customers also increases. Customers who have used Queen Decoration services tend to engage in WOM practices, sharing their positive experiences with others and increasing trust among existing and potential customers. This result aligns with the findings of Nur & Octavia (2022) and Naharuddin et al. (2023), who found that WOM

significantly affects Customer Trust. Therefore, WOM emerged as a critical factor influencing trust among Queen Decoration's customer base. This finding supports the research hypothesis that WOM positively affects Customer Trust. The data confirmed this hypothesis, which showed that the more customers engaged in sharing their positive experiences, the greater the trust they built in the brand. This relationship underscores the critical role played by WOM in shaping customer perceptions and fostering trust. From a theoretical perspective, these results are consistent with trust formation through social influence, where interpersonal communication, such as WOM, serves as a powerful driver of trust in both products and services. This is supported by social learning theory, which suggests that individuals rely on information shared by others, especially peers, to form judgments and make decisions. As Chen and Dhillon (2003) emphasized, trust is crucial in service industries, where personal experiences and recommendations significantly impact decision-making. Compared to previous studies, the results align with existing literature that underscores the importance of WOM in influencing trust. Studies by Dyego and Oktavianti (2020) similarly highlight the strong impact of WOM on customer trust, particularly in service-based industries. The current study's findings further strengthen the argument that WOM is a critical mechanism in trust-building, particularly in contexts where trust can lead to long-term customer loyalty.

#### *The Effect of Customer Trust on the Decision to Use Services*

The analysis reveals that Customer Trust (Z) positively and significantly impacts the Decision to Use Services (Y). This finding suggests that when Customer Trust increases, the likelihood of customers deciding to use the services of Queen Decoration also rises. Customers who have used Queen Decoration services exhibit a high level of trust in the quality of service and the competence of the workers. This trust leads many of them to make repeat orders and recommend the services to others, further reinforcing the decision-making process for potential clients. The data supports that trust is a critical determinant in customers' decisions to engage with service providers. These results align with the research hypothesis which posits that Customer Trust positively influences the Decision to Use Services. The findings support this hypothesis, demonstrating that customers who have developed trust in Queen Decoration are more likely to continue using the service and influence others to do the same. This relationship highlights the importance of trust in service industries, where the intangible nature of offerings makes customer perception crucial in decision-making processes. From a theoretical standpoint, the findings are consistent with previous studies that emphasize the role of trust in consumer behavior. According to social exchange theory, trust is a central element in building relationships between service providers and customers, as it reduces perceived risk and fosters loyalty. This is especially true for service-based businesses where customers rely heavily on trust to assess the quality and reliability of the service Putra et al. (2022) Nur & Octavia (2022). Compared to prior research, the results align with studies by Naharuddin et al. (2023), which found that Customer Trust significantly influences the decision to use services. These findings reinforce trust drives customer behavior and ensures repeat business. The practical implications of these results are significant. For businesses like Queen Decoration, building and maintaining customer trust is essential to driving service usage and customer loyalty. By consistently delivering high-quality service and maintaining transparent communication, companies can strengthen customer trust, positively impacting decision-making and fostering long-term customer relationships.

#### *The Effect of Word of Mouth on the Decision to Use Services*

The analysis shows that the Word of Mouth (WOM) variable (X) does not have a significant impact on the Decision to Use Services (Y). This result indicates that changes in WOM, whether positive or negative, do not directly influence the decision-making process for customers of Queen Decoration services. The findings suggest that WOM, in this context, cannot significantly alter customers' decisions when choosing or continuing to use the services offered by Queen Decoration. The statistical analysis did not show a direct effect, demonstrating that the relationship between WOM and the decision to use services was insignificant. This outcome supports the hypothesis that WOM may not directly affect service decisions. While WOM is often considered a powerful tool for influencing consumer behavior, this study reveals that in the case of Queen Decoration, it does not play a significant role in directly

affecting whether customers decide to use their services. This finding contradicts the assumption that WOM has a universal impact across all service industries. Instead, it suggests that other factors, such as trust or customer satisfaction, might strongly influence customer decisions in this context. The results align with previous research by Larasati and Chasanah (2022), which found that WOM did not significantly influence service decisions. This reinforces the idea that WOM, while valuable for spreading awareness, may sometimes translate into actionable decisions to use a service. In service industries where trust and experience play a more significant role, WOM may function more as a supplementary factor than a primary decision-making driver. Theoretically, this finding contrasts with traditional WOM theories that emphasize the persuasive power of interpersonal communication. However, it aligns with more nuanced perspectives, suggesting that WOM's effectiveness depends heavily on the industry and the service's nature. In service industries where personal experience and trust are critical, WOM alone may not convince customers to act. Regarding practical implications, businesses like Queen Decoration should not rely solely on WOM to influence customer decisions. While WOM can generate interest and awareness, it may not be sufficient to drive actual service usage. Instead, businesses should focus on building trust and providing high-quality service experience that can directly influence customer decisions. By improving these areas, companies can create a more robust strategy for retaining customers and encouraging service use, regardless of the level of WOM.

#### *The Effect of Word of Mouth on Decisions to Use Services Through Customer Trust as Mediation*

The analysis reveals that Customer Trust (Z) successfully mediates the relationship between Word of Mouth (WOM) (X) and the Decision to Use Services (Y). This finding indicates that while WOM may not directly affect the decision to use services, its influence becomes significant when mediated by Customer Trust. As WOM increases, so does its positive impact on service usage decisions. However, this impact is most effectively realized when customers firmly trust the service provider, as in the case of Queen Decoration. The result demonstrates that Customer Trust plays a crucial role in enhancing the effect of WOM on service decisions. This supports the research hypothesis that customer trust mediates the relationship between WOM and service decisions. The data validate this hypothesis, showing that WOM can only drive service decisions when customers trust the business. Without the mediating role of trust, WOM alone may not be enough to trigger significant changes in consumer behavior. This highlights the importance of cultivating trust complementary to WOM in service industries. This finding aligns with social exchange theory, which suggests that trust is critical in facilitating exchanges between individuals or businesses. WOM can introduce potential customers to a service, but trust must be present for them to act on the recommendation. This idea is supported by prior research from Nur & Octavia (2022) and Naharuddin et al. (2023), which also demonstrated that Customer Trust significantly mediates the effect of WOM on service decisions. Compared to earlier studies, these findings are consistent with existing literature emphasizing trust's importance in service contexts. Previous research has shown that WOM alone may not be sufficient to drive decision-making in industries where trust is critical. This study extends these findings by confirming that WOM can have a significant positive impact when paired with trust. From a practical perspective, these results suggest that businesses like Queen Decoration should focus on building customer trust alongside encouraging WOM. By fostering a trustworthy reputation, companies can amplify the positive effects of WOM and improve customer acquisition and retention. In this way, trust becomes a key driver in transforming recommendations into actual service usage, providing a clear strategic direction for businesses seeking to leverage WOM effectively.

## Conclusion

Based on the research findings, Word of Mouth positively and significantly affects Customer Trust. Customer Trust, in turn, positively and significantly influences the Decision to Use Services. However, Word of Mouth has a minor effect on the Decision to Use Services. Nevertheless, Customer Trust effectively mediates the relationship between Word of Mouth and the Decision to Use Services.

For the management of Queen Decoration services, it is crucial to focus on enhancing both Word of Mouth and Customer Trust as strategies to increase the customer base and revenue. Understanding and addressing customers' needs and desires will further solidify trust and encourage positive WOM,

leading to long-term customer loyalty. Future researchers should explore additional factors that may influence service usage decisions, such as service quality, pricing, and service availability, to provide a more comprehensive understanding of customer behavior in this sector.

This study has limitations. One fundamental area for improvement is its focus on a narrow range of variables, namely Word of Mouth and Customer Trust, without considering other important factors that could affect the Decision to Use Services, such as service quality, pricing, and customer satisfaction. Additionally, the study's context was limited to Queen Decoration services, which may affect the generalizability of the results to other service industries. Future research should address these limitations by including a broader set of variables that can provide a more holistic understanding of the factors driving service usage decisions. Moreover, conducting similar studies in different industries or service sectors could offer comparative insights and enhance the generalizability of findings. Expanding the scope of future research to include longitudinal data could also provide deeper insights into how Word of Mouth and Customer Trust evolve and influence customer decisions in a more dynamic context.

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