

Received: November 18, 2024

Revised: November 22, 2024

Accepted: January 31, 2025

*Corresponding author: Ima Vida Virgianti, Faculty of Economic and Business, University of Hayam Wuruk, Surabaya, Indonesia.

E-mail: imavida.virgianti@gmail.com

MARKETING | RESEARCH ARTICLE

The Influence of Words of Mouth, Company Credibility, and Price on the Decision to Purchase Ship Repair Services from Shipyard Companies

Ima Vida Virgianti ^{1*}, R. Ronny ²

^{1,2} Department of Management, Faculty of Economic and Business, University of Hayam Wuruk, Surabaya, Indonesia. Email: imavida.virgianti@gmail.com^{1*}, ronny@perbanas.co.id²

Abstract: Consumer decision-making varies depending on the types of purchasing decisions; more complex decisions may involve more participation and greater freedom to buy. The purpose of this study was to determine the effect of word of mouth on purchase intention, the effect of word of mouth on purchase decision mediated by purchase intention, the effect of price on purchase intention, the effect of price on purchase decision mediated by purchase intention, the effect of price on purchase decision, the effect of credibility on purchase intention, the effect of credibility on purchase decision mediated by purchase intention, the effect of credibility on purchase decision and the effect of purchase intention on purchase decision. This type of research is quantitative research. The sample in this study were companies or individuals who owned ships, shipping agents, or ship management who had carried out ship repairs at PT PAL Indonesia. As many as 100 respondents used purposive sampling techniques. The analysis technique in this study used Warp Partial Least Square (Warp PLS) analysis. The results of the analysis in this study are that there is a significant influence of word of mouth on purchase intention, there is no significant influence of word of mouth on purchasing decisions mediated by purchase intention, there is a significant influence of word of mouth on purchasing decisions, there is a significant influence of price on purchasing decisions mediated by purchase intention, there is a significant influence of price on purchasing decisions, there is a significant influence of credibility on purchasing intentions, there is no significant influence of credibility on purchasing decisions mediated by purchase intention, there is a significant influence of credibility on purchasing decisions, and there is a significant influence of purchasing intentions on purchasing decisions.

Keywords: Word of Mouth, Company Credibility, Price, Purchase Decision, Purchase Intention.

JEL Classification Code: M31, M37, D12, C83

1. INTRODUCTION

One factor that influences a shipyard company's success is the company's reputation and image in the eyes of potential customers, such as ship owners, operators, or shipping agents. One aspect that can significantly influence the reputation and image of a shipyard company is Word of Mouth (WOM). Word of Mouth in the context of this industry refers to the experiences and recommendations shared by customers or parties who have dealt with a shipyard company. This includes their views on the quality of ship repair work, reliability in meeting deadlines, competitive prices, facilities owned, and overall customer service. In the shipyard industry, the company's credibility is significant to win the trust of ship owners and agents. Strong credibility creates a positive image of the company as a reliable and competent partner in ship repair work. Although credibility is important, building a strong reputation in the shipyard industry is not always easy. Companies must strive to provide consistent, high-quality services to maintain credibility in this competitive



market. Credibility is also a key element in building long-term relationships with clients in the shipyard industry. Credible companies tend to be more successful in retaining existing customers and attracting new ones, which, in turn, can increase their business growth. Previous research, *The Effect of Exposure to Promotional Messages on WhatsApp and Company Credibility on Interest in Re-Service at AHASS Prima Jaya Hayu Pratiwi*, Sunarto, Joyo Nur Suryanto Gono (2023), showed that credibility has a direct impact on purchasing intentions and decisions. Prospective customers tend to be more interested in working with credible companies and are likelier to choose them to carry out ship repair work.

In addition to WoM, price is also an important consideration. The shipbuilding industry is highly competitive, where price is a significant factor influencing purchasing decisions. Competitive prices can be a determining factor in attracting the attention of potential buyers, including ship owners and shipping agents. Previous research by Dalila Komala Trisnowati and Hari Susanta Nugraha (2016) showed that price significantly positively affects purchasing decisions. In the context of increasingly fierce competition, a deep understanding of the factors influencing the decision to order and award ship repair work is fundamental for shipyard companies to maintain and increase market share. Therefore, this study aims to analyze the influence of Word of Mouth (WoM), the credibility of the shipyard company, and price on the intention and decision to award ship repair work to shipyard companies. In previous studies, there have been many studies on the variables of price, credibility, and Word of Mouth on purchasing decisions, such as in the study of M. Fadhli Nursal, Muhammad Richo Rianto, Heni Rohaeni, Farhan Saputra (2023), who concluded that electronic Word of Mouth has a positive and significant effect on purchasing decisions. Reynanta Masdaner and Poppy Ruliana (2021) concluded that there is a significant influence between eWOM and the intention to purchase premium services for the Spotify streaming music application. Through a better understanding of the role of WoM, company credibility, and price in decision-making, it is hoped that this study will make a significant contribution to our understanding of the factors that influence the decisions of companies or individual ship owners, agents or ship management in ordering ship repair work. In addition, the results of this study can also provide valuable insights regarding marketing strategies and decision-making in the shipyard sector, which can potentially improve operational efficiency and competitive advantage in this industry.

2. LITERATURE REVIEW

2.1. Word of Mouth

Suprapti (2014:274) stated that word-of-mouth communication is personal communication between customers or members of a group. Word of Mouth obtained by customers through trusted people such as experts, friends, and family tends to be accepted more quickly. In addition, Word of Mouth can also be used as a reference because service customers usually find it challenging to evaluate services that have not been purchased or experienced. According to Hasan (Qadhafi, 2017), Word of Mouth is a behavior carried out by consumers by providing information to other consumers about products, services, or brands. The definition of Word of Mouth (WOM), according to Harahap (2013), is interpreted as a form of conversation between one person and another about a product or service where when conveying the message is not realized by the information giver or recipient of the information and according to Joesyiana (2018) stated that Word of Mouth (WOM) is word of mouth communication regarding the assessment of a product or service that aims to provide information both individually and in groups. Word of Mouth (WOM) can build consumer trust in consumer decisions to use products or services. From several definitions of service, according to Hasan (2017), Harahap (2013), and Joesyiana (2018) above, it can be concluded that Word of Mouth (WOM) is communication between individuals or groups regarding the assessment of a product, service, or brand. Word of Mouth (WOM) can create trust in consumer decisions. From several definitions of service, according to Hasan (2017), Harahap (2013), and Joesyiana (2018) above, it can be concluded that Word of Mouth (WOM) is communication between individuals or groups regarding the assessment of a product, service, or brand. Word of Mouth (WOM) can create trust in consumer

decisions. According to Sutisna (Joesyiana, 2018), the factors that are used as the basis for consumer motivation to talk about a product are as follows:

- a. Individuals are involved with a product and talk about it so that the Word of Mouth (WOM) process occurs.
- b. Individuals who know about a product and inform others. Word of Mouth (WOM) is used to give an impression to others that shows that we have a specific knowledge of a product or service.
- c. Individuals who talk about something that is of concern. This may be due to the desire for others not to make a mistake in choosing a product or service to avoid wasting time looking for information about a product.
- d. Word of Mouth (WOM) is a way to minimize uncertainty. This is because information from friends, family, or relatives is more trustworthy.

2.2. Credibility

Corporate credibility is the company's responsibility towards its public and the level of public trust. Company credibility can be formed through the help of mass media, where later information from the company can be conveyed to consumers (Puji Hari Santoso (2018:7). According to Laferti et al. (2002:23), company credibility is part of the company's image that arises from the good impression that comes from the consumer's mind. Purchase intention is directly and indirectly influenced by company credibility. The indirect influence of company credibility on purchase intention is through attitudes toward advertising (attitude toward the ad) and attitudes toward brands/products (attitude toward the brand). Credibility, according to experts, is:

- a. Credibility is a state/condition that can be trusted and accounted for as it should be.
- b. Company credibility is the level of trust of a company in the eyes of clients, customers, business partners, and financial resources.
- c. Information credibility means that users of the information can trust the information, and if the information contains errors, there are not many errors. The source of the information can be legally accounted for.
- d. The communicator's credibility is the level of trust a person has in a speaker. The word credibility has been quite good and widely used in the online world, especially those involved in the business world. Credibility is a combination of a company's reputation and credit profile. If one or the other is lacking, the company can be labeled as having poor credibility. Credibility is often associated with something related to a company's good name, reputation, honor, and existence, which will be seen as a selling point that has a positive value and is always an added value (Ade Munaa, 2017).

2.3. Price

Price, according to Effendi M. Guntur (2010), is the only element of the marketing mix that provides income or revenue for the company. It is a flexible element of the marketing mix, meaning it can be changed quickly. According to Kotler and Armstrong (2012), price is the amount consumers must pay to get a product or service that is needed or desired. According to the experts' opinions above, it can be concluded that price is the amount of money needed to exchange it for a product or service that can meet consumer needs; it is also one of the marketing mixes that plays an important role in marketing. Price is the main factor in competing to sell industrial and consumer goods. Price plays a significant role in the decision-making process of buyers, namely (Tjiptono, 2011):

- a. Profit-oriented goals
Every company always chooses a price that can generate the highest profit. The goal is known as maximum profit. (Tjiptono, 2011)
- b. Volume-oriented goals

In addition to profit-oriented goals, some companies set prices based on goals oriented towards a particular volume to achieve the desired volume target. (Tjiptono, 2011)

c. Image-oriented objectives

A company's image can be formed through a pricing strategy. Companies can set high prices to form or maintain their prestigious image. (Tjiptono, 2011)

d. Price stabilization objectives

In a market where consumers are susceptible to price, a company lowers its prices, too. Stabilization objectives are carried out by setting prices to maintain a stable relationship between a company's price and the price of the industry leader. (Tjiptono, 2011).

2.4. Purchase Intention

One form of consumer behavior is the intention or desire to buy a product or service. The consumer form of purchase intention is a potential consumer who has not purchased at present and is likely to purchase in the future or is commonly called a prospective buyer. Purchase intention is obtained from the learning and thought processes that form a perception. The intention that arises in purchasing gives rise to motivation that continues to be recorded in his mind and becomes an extreme activity. Ultimately, when a consumer has to fulfill his needs, he will actualize what is in his mind. That way, the purchase intention will appear during the decision-making process. Kotler & Keller (2016:137) argue that purchase intention is one type of consumer behavior that occurs as a response that appears to an object that shows the consumer's desire to buy something. Purchase intention is part of the behavioral elements in consumer attitudes. Meanwhile, Schiffman and Kanuk (2015:228) argue that purchase intention explains a person's attitude toward an object that is very suitable for measuring the behavior of a particular product, service, or brand. If the perceived benefits of consuming a product are more significant than the sacrifice to obtain it, then the urge to buy it will be higher; conversely, if the benefits are smaller than the sacrifice, then buyers will usually refuse to buy and generally will switch to evaluating other similar products. In most people, consumer behavior is often initiated and influenced by the many stimuli from outside themselves, both in the form of marketing stimuli and stimuli from their environment. These stimuli are then processed within themselves according to their characteristics before making a purchase decision. The personal characteristics of consumers used to process these stimuli are very complex; one is the motivation to buy. The factors that shape purchase intentions, according to Kotler in Abzari et al. (2014), namely:

- a. The product quality factor is a product attribute.
- b. Brand factor is an attribute that provides non-material benefits, namely emotional satisfaction.
- c. Packaging factor, product attribute in the form of packaging for the main product.
- d. Price factors are tangible and material sacrifices consumers make to obtain or own a product.
- e. Availability factor is the extent to which consumers' attitudes towards the availability of existing products.
- f. Promotion factors are external influences that stimulate consumers to choose products.

2.5. Purchase Decision

Purchasing decisions are a process where consumers recognize their problems, seek information about a particular product or brand, and evaluate how well each alternative can solve their problems, which then leads to a purchasing decision, Tjiptono (2014: 21). Meanwhile according to Keller (2016: 227) the purchasing decision process is a process where consumers go through five stages, namely problem recognition, information search, evaluation, purchasing decisions, and post-purchase behavior, which begins long before the actual purchase is made and has a long-lasting impact after that. Consumer decision-making varies, depending on the types of purchasing decisions. More complex decisions may involve more participation and greater freedom to buy. According to Kotler and Keller (2016), a purchasing decision is an action consumers take to buy a particular product after receiving purchasing stimuli. According to Phillip Kotler, consumer purchasing behavior is influenced by four factors (Angga Nur Rahman, 2013), namely:

- a. Cultural factors Culture, subculture, and social class are essential for purchasing behavior. Culture is the most essential determinant of desires and behavior. Each subculture shows more specific identification and socialization for members, such as nationality, religion, group, race, and geographic region
- b. Social factors In addition to cultural factors, consumer purchasing behavior is also influenced by social factors, including:
 - 1) Reference groups in consumer purchasing behavior can be interpreted as groups directly or indirectly influencing a person's attitudes or behavior.
 - 2) Family In a consumer purchasing organization, families are divided into two parts. The first is a family known as an orientation family. This family consists of a person's parents and siblings who can provide religious, political, and economic orientation and personal ambition, self-esteem, and love. Second, a family consisting of a partner and the number of children a person has. This type of family is commonly known as a procreative family.
 - 3) Role and status The next social factor influencing a person's purchasing behavior is their role and status in society.
- c. personal characteristics, including age and life cycle stage, occupation, economic situation, lifestyle, and personality and self-concept of the buyer, can also influence Personal Purchasing decisions.
 - 1) Age and family life cycle People buy different goods and services throughout their lives, and each consumption activity is influenced by the family life cycle.
 - 2) Occupation and economic environment: A person's occupation and economic environment can influence their consumption patterns. For example, when someone gets a high salary and position, that person will buy clothes and food that are pretty expensive.
 - 3) Lifestyle can be interpreted as a person's lifestyle pattern expressed in their activities, intentions, and opinions formed through a social class and occupation. However, social class and occupation do not guarantee the emergence of the same lifestyle. Seeing this as an opportunity in terms of marketing, many marketers direct them to a person's lifestyle.
 - 4) Personality: People have various personality characteristics that can influence purchasing activities. Personality is a different psychological trait of humans that produces a relatively consistent and long-lasting response to environmental stimuli. Personality is usually described using innate traits such as self-confidence, dominance, sociability, self-defense, and adaptability. Personality can be a valid variable in analyzing consumer brand choices.
- d. Psychological Factors that can influence purchasing decisions are psychological factors. This factor is influenced by four main factors, including the following:
 - 1) Motivation: A person has many needs at certain times. Some of these needs arise from biological pressures such as hunger, thirst, and discomfort. Some other needs can be psychogenic, namely needs that come from psychological pressures such as the need for recognition, appreciation, or a sense of group membership. When someone observes a brand, he will react not only to the apparent capabilities seen in the brand but also to other subtle clues such as the shape, size, weight, material, color, and name of the brand that spur specific thoughts and emotions.
 - 2) Perception: A motivated person is ready to act immediately. His perception of a particular situation will influence how a motivated person acts. Perception can be interpreted as a process individuals use to select, organize, and interpret information input to create a picture. Perception depends on physical stimuli and stimuli related to the surrounding environment and the individual's circumstances.

- 3) Learning Learning involves changes in a person's behavior that arise from experience. Many marketers believe that learning results from drivers, stimuli, cues to action, responses, and reinforcement. Learning theory teaches marketers to build demand for a product by linking it to strong drivers, using motivating cues, and providing positive reinforcement because consumers generally generalize about a brand.
- 4) Belief and attitudes: People gain beliefs and attitudes through action and learning. Both then influence consumer purchasing behavior. Beliefs can be defined as images of something. People's beliefs about a product or brand will influence brand purchasing decisions. In addition to beliefs, attitudes are no less important. Attitudes are evaluations, emotional feelings, and tendencies to act that are favorable or unfavorable and last a long time in a person towards a particular object or idea.

2.6. Hypotheses Framework

2.6.1 Word of Mouth on Purchase Intention

Word of Mouth (WOM) significantly influences consumer purchase intention. When individuals receive positive recommendations from friends, family, or acquaintances about a product or brand, it often arouses their intention and increases awareness of the product. In addition, these recommendations shape positive perceptions about the brand, as consumers tend to view brands recommended by others more favorably than those not recommended. The trust and authority associated with the source of WOM, such as close friends or family members, also increase consumer confidence and their desire to try or purchase the recommended product. For that reason, the hypotheses of this research are:

H1: Word of mouth has a positive correlation with Purchase Intention

2.6.2 Word Of Mouth on Purchasing Decisions Is Mediated By Purchase Intentions

The influence of Word of Mouth (WOM) on purchasing decisions mediated by purchase intention illustrates how recommendations or reviews from others can influence a person's purchase intention for a product or service. In this context, purchase intention acts as a mediator between the influence of WOM and purchase decisions. When a person receives a positive recommendation or satisfactory review about a product through WOM, it can increase their purchase intention. High purchase intention can then strengthen or mediate the relationship between the influence of WOM and the final purchase decision. For that reason, the hypotheses of this research are:

H2: Word of Mouth positively correlates with Purchasing decisions mediated by Purchase Intention.

2.6.3 Word Of Mouth on Purchasing Decisions

Word-of-mouth communication is the act of consumers providing information to other consumers from one person to another (interpersonal) non-commercially, whether it is a brand, product, or service. Word of Mouth is the most influential media for communicating products or services to two or more consumers, and it can influence purchasing decisions. For that reason, the hypotheses of this research are:

H3: Word of mouth has a positive correlation with the Purchase Decision

2.6.4 Credibility on Purchase Intention

Credibility plays a significant role in influencing consumer purchase intention. When a source or information is perceived as credible by consumers, it can increase their trust in the brand or product being promoted. As a result, consumer purchase intention tends to increase. Consumers are more likely to purchase products or services from brands perceived as credible as they feel more confident that the product will meet their expectations or deliver the promised benefits. For that reason, the hypotheses of this research are:

H4: Credibility has a positive correlation with Purchase Intention

2.6.5 Credibility On Purchasing Decisions Is Mediated By Purchase Intentions

The influence of corporate credibility on purchase decisions, mediated by purchase intentions, reflects how consumers' perceptions of a brand or company's reliability, expertise, and integrity affect their purchase intentions, which in turn affect purchase decisions. Corporate credibility shapes consumers' perceptions of the products or services offered. For that reason, the hypotheses of this research are:

H5: Credibility has a positive correlation with Purchasing Decision Mediated by Purchase Intention

2.6.6 Credibility on Purchase Decision

Credibility is often associated with something related to the good name, reputation, honor, and existence of a company, where it will be seen as a selling point that has a positive value and always becomes an added value (Ade Munaa, 2017). Companies with high credibility can use it as a source of credibility that can influence consumer responses to their advertisements and will form a positive attitude towards the brand of the advertised product. Company credibility plays a somewhat important role in influencing attitudes and purchasing decisions. For that reason, the hypotheses of this research are:

H6: Credibility has a positive correlation with Purchasing Decision

2.6.7 Price on Purchase Intention

The influence of price on purchase intention is an important factor in consumer purchasing decisions. The price of a product or service is often one of the primary considerations for consumers before they decide to buy. Lower prices tend to increase consumer purchase intention, especially if the product or service is perceived to have a value by the price. On the other hand, prices that are too high can reduce purchase intention unless consumers believe that the product or service provides added value that is commensurate with the price they pay. For that reason, the hypotheses of this research are:

H7: Price has a positive correlation with Purchase Intention

2.6.8 Price On Purchasing Decisions Is Mediated By Purchase Intentions

The effect of price on purchase decisions, mediated by purchase intention, describes how the price of a product or service affects consumers' purchase intentions, which in turn affect purchase decisions. Price is a key factor influencing consumer behavior, as it is often the primary consideration before purchasing. For that reason, the hypotheses of this research are:

H8: Price has a positive correlation on Purchasing Decision Mediated by Purchase Intention

2.6.9 Price on Purchase Decision



Price has two leading roles in buyers' decision-making: allocation and information. The allocation role of price is the function of price in helping buyers decide how to obtain the highest expected benefits or utilities based on their purchasing power. Thus, price can help buyers decide how to allocate their purchasing power to various goods and services. For that reason, the hypotheses of this research are:

H9: Price has a positive correlation on Purchasing Decision

2.6.10 Purchase Intention on Purchase Decision

The influence of purchase intention on purchasing decisions is closely related to the context of consumer decision-making. Purchase intention, as an urge or desire to obtain a particular product or service, can be an important factor influencing employment or purchasing decisions. When someone has a high purchase intention for a product or service, it tends to influence their decision to employ the party offering it. For that reason, the hypotheses of this research are:

H10: Purchase intention has a positive correlation with Purchasing Decision

The framework for this research can be seen in Figure 1.

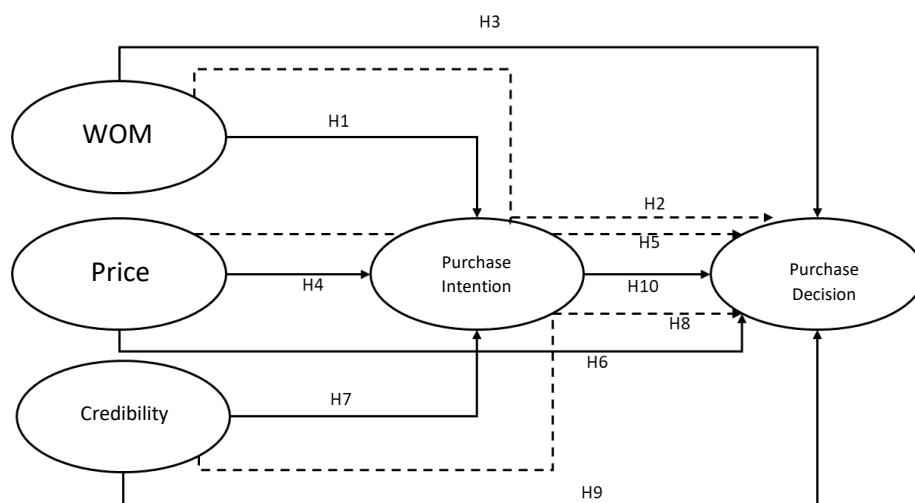


Figure 1. Research Model

3. RESEARCH METHOD AND MATERIALS

The data analysis method used in this study is a quantitative descriptive data analysis method. Researchers used WarpPLS version 7.0 for data processing with the PLS (Partial Least Square) analysis method. The processed data is then presented in tabular form to facilitate analysis and understanding of the data. Data processing in this study used WarpPLS 7.0 to test the research hypothesis. Where the hypothesis is analyzed to test the relationship between research variables. PLS (Partial Least Square) analysis is a variant-based SEM statistical method created to solve multiple regression if there are specific problems with the data, such as missing data (missing value), small research sample size, and multicollinearity (Hamid & Anwar, 2019). The PLS evaluation model is used to assess the outer and inner models. The measurement model (outer model) is used to test the validity and reliability of the model. In contrast, the structural (inner) model tests causality, predicting the relationship between latent variables. Testing on the outer model is as follows:

- a. Loading factor value ≥ 0.7 is ideal, meaning that the indicator validates the construct formed, while a loading factor value ≥ 0.5 is still acceptable. Some experts tolerate a value of 0.4, so a loading factor value ≤ 0.4 must be dropped from the model.
- b. Discriminant validity of the reflective model is evaluated through cross-loading, and then the AVE value is compared with the square of the correlation value between constructs. The cross-loading value helps compare the correlation of indicators with their constructions and other constructs. Another measure of discriminant validity is that the AVE root value must be higher than the correlation between constructs and other constructs.
- c. Composite reliability. High-reliability results have composite reliability data ≥ 0.7 . Structural Model Analysis (Inner Model) shows the strength of the estimation between latent variables or constructs. The purpose of conducting a structural model is to predict the relationship between latent variables by seeing how much variance can be explained and to determine the significance of the P-value.

Inner model evaluation includes several tests to measure the overall model fit, including:

- a. Model fit (model fit test)
This model fit test is used to determine whether a model has a fit to the data. There are three tests in the model fit test, namely Average Path Consistency (APC), Average R-square (ARS), and Average Variance Factors (AVIF); APC and ARS are accepted on condition that the P-value is less than 0.50, and AVIF is less than 5 (Ghozali, 2014). To validate the overall model, goodness of fit (GoF) is used. The GoF size of the PLS model is used to validate the PLS model, whose values range from 0-1 with interpretations of 0-0.25 (small GoF), 0.25-0.36 (moderate GoF), and above 0.36 (large GoF).
- b. Determination Coefficient (R^2)
The R-squares value explains the influence of certain exogenous latent variables on endogenous latent variables and whether they have a substantive influence. R-Square values of 0.75, 0.50, and 0.25, respectively, concluded that the model is strong, moderate, and weak (Hamid & Anwar, 2019). The greater this value indicates, the better the predictor model explains variance.
- c. Predictive Relevance (Q^2)
Predictive relevance has the function of validating the model. This measurement is suitable if the endogenous latent variable has a reflective measurement model. A Q^2 value > 0 means the model has predictive relevance; conversely, if the Q^2 value < 0 means the model lacks predictive relevance, or if the predictive relevance value $>$ then it proves that the exogenous latent variable is good or as an explanatory variable can predict the endogenous variable (Haryono, 2019).

4. RESULTS AND DISCUSSION

4.1. Outer Model

The following illustrates the SEM diagram used in this research, as demonstrated in Figure 2. Based on the results of statistical processing using the help of Warp PLS software version 8.0 to calculate the outer loading factor, the results are shown in Figure 1 above. The results of the outer loading factor, as shown in the figure above, can then be used to create a table of outer loading factor values. The following table illustrates the reflective value of the indicator for each variable.

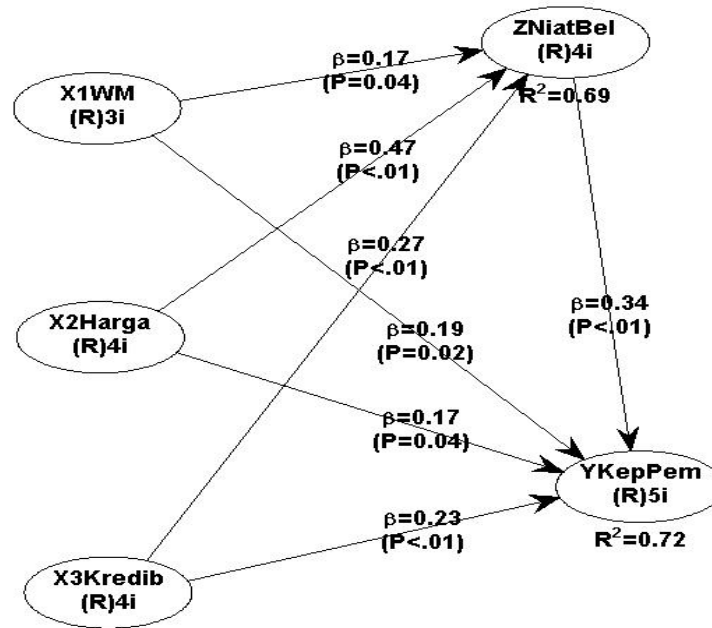


Figure 2. Full Model

Table 1. Results of Convergent Validity

Variable	Item	Outer Loading	Conclusion
Word of Mouth (X1)	X1.1	0,860	Valid
	X1.2	0,838	Valid
	X1.3	0,869	Valid
Price (X2)	X2.1	0,793	Valid
	X2.2	0,748	Valid
	X2.3	0,777	Valid
	X2.4	0,800	Valid
Credibility (X3)	X3.1	0,801	Valid
	X3.2	0,735	Valid
	X3.3	0,790	Valid
	X3.4	0,705	Valid
Purchase Intention (Z)	Z1	0,884	Valid
	Z2	0,851	Valid
	Z3	0,790	Valid
	Z4	0,839	Valid
Purchase Decision (Y)	Y1	0,798	Valid
	Y2	0,712	Valid
	Y3	0,809	Valid
	Y4	0,848	Valid
	Y5	0,769	Valid

All proxies have an outer loading factor value greater than 0.5. Thus, all indicators in this study meet the requirements of convergent validity because they have appropriate outer loading factor values, so they are suitable for use in the model. Discriminate validity is measured by comparing each construct's Average Variance Extracted (AVE) value with the correlation between constructs in the model. An AVE value > 0.5 indicates that the variable can explain more than 50% of the existing variance, which means that the construct is valid. This study's discriminant validity measurement results can be seen as follows.

Table 2. Average Variance Extracted Value and Reliability

Variable	Composite Reliability	Cronbach Alpha	AVE	Info
Word of Mouth	0.891	0.817	0.732	Valid and Reliable
Price	0.861	0.785	0.608	Valid and Reliable
Credibility	0.844	0.753	0.576	Valid and Reliable
Purchase Intention	0.906	0.862	0.708	Valid and Reliable
Purchase Decision	0.891	0.847	0.622	Valid and Reliable

Table 2 is related to the reliability test using the composite reliability results. Cronbach's alpha is known to have a value of more than 0.6, so it passes the reliability test. This means the instrument can be relied on to measure the existing variables.

4.2. Inner Model

This test is conducted to measure the overall relationship of variables in the study to determine the level of influence of the relationship between variables and the level of influence of the overall relationship of the variables built. This measurement tests the influence between variables using adjusted R Square, which is classified into a model. The influence between variables in the system built in the study is calculated using predictive relevance aimed at assessing adequate validity on independent variables with the following results:

Table 3. Average Variance Extracted Value and Reliability

Variable	Adjusted R-squared coefficients	Nilai Q-square(Q2)
Purchase Intention (Z)	0.684	0.692
Purchase Decision (Y)	0.712	0.727

Table 3 describes the R-Adjusted (Adjusted R²) purchase intention as 0.684 (68.4%). This shows that purchase intention can be predicted by the variables of word of mouth, price, and credibility by 68.4%. The purchase decision has an R-adjusted (Adjusted R²) value of 0.712 (71.2%). This shows that the purchase decision variable can be predicted by word of mouth, price, purchase intention, and 71.2%. In contrast, the rest can be predicted by other variables not used in this study. The assessment of the overall relationship of variables in the system built in this study obtained the adjusted Q2 value of a model that can be classified as moderate and high because the adjusted Q2 value of 0.692 and 0.727 is in the range of 0.3 < Q2 < 0.7 (moderate) and > 0.7 (high). Overall, the inner model test results show that the research model built can predict the influence of independent variables on dependent variables well, especially in the context of purchase intentions and service purchase decisions at PT PAL Indonesia.

4.3. Model Fit

The purpose of submitting a fit model is to find a model that fits the original data so that it can determine the quality of the model. This study uses model fit measures, including average path coefficient (APC), average R-squared (ARS), and average adjusted R-squared (AARS), with the following results:

Table 4. Model Fit

Criteria	Info	Value	Result
APC	0.264, P<0.001	P < 0,05	Fit Model
ARS	0.708, P<0.001	P < 0,05	Fit Model
AARS	0.698, P<0.001	P < 0,05	Fit Model
AFVIF	2.994	< 3,3	Fit Model
AVIF	3.292	< 3,3	Fit Model

The data processing results in the table show that the model in this study is declared fit. APC, ARS, and AARS have p-values of less than 0.05. The values of AFVIF and AVIF <5 are accepted. Ideally, <3.3 indicates that all model fit measures meet the specified criteria, indicating that this model explains the relationship between the variables studied.

Table 5. Path Coefficient Warp-PLS

HIP	Information	Original Sample (β)	P Value	Result
H1	Word of Mouth \rightarrow Purchase Intention	0.17	0.04	Accepted
H2	Word of Mouth \rightarrow Purchase Intention \rightarrow Purchase Decision	0.058	0.205	Not Accepted
H3	Word of Mouth \rightarrow Purchase Decision	0.19	0.02	Accepted
H4	Price \rightarrow Purchase Intention	0.47	<0.01	Accepted
H5	Price \rightarrow Purchase Intention \rightarrow Purchase Decision	0.159	0.010	Accepted
H6	Price \rightarrow Purchase Decision	0.17	0.04	Accepted
H7	Credibility \rightarrow Purchase Intention	0.27	<0.01	Accepted
H8	Credibility \rightarrow Purchase Intention \rightarrow Purchase Decision	0.093	0.090	Not Accepted
H9	Credibility \rightarrow Purchase Decision	0.23	<0.01	Accepted
H10	Purchase Intention \rightarrow Purchase Decision	0.34	<0.01	Accepted

The determination of the test used in this study is the level of significance p-value 0.05 (5%), and the beta coefficient is positive. The test results show that:

- a. Word of mouth significantly affects purchase intention because the p-value < 0.05 is 0.04. The direction of the original sample relationship between word of mouth and purchase intention is positive at 0.17. The higher the word of mouth, the higher the purchase intention.
- b. Word of mouth does not significantly affect purchasing decisions mediated by purchase intention because the p value > 0.05 is 0.205. The direction of the relationship between word of mouth and purchase decisions mediated by purchase intention is positive at 0.058.
- c. Word of mouth significantly affects purchasing decisions because the p-value < 0.05 is 0.02. The direction of the original sample relationship between word of mouth and purchase decisions is positive at 0.19. The higher the word of mouth, the higher the purchase decision.
- d. Price significantly affects purchase intention because p-value <0.05 is < 0.01. The direction of the original sample relationship between price and purchase intention is positive at 0.47. The more appropriate the price, the higher the purchase intention.
- e. Price significantly indirectly affects purchase decisions mediated by purchase intention because p-value <0.05 is 0.010. The direction of the relationship between price and purchase decision mediated by purchase intention is positive at 0.159. The more appropriate the price, the higher the purchase decision mediated by purchase intention.
- f. Price significantly affects purchase decision because the p-value < 0.05 is 0.04. The direction of the original sample relationship between price and purchase decision is positive at 0.17. The more appropriate the price, the higher the purchase decision.
- g. Credibility significantly affects purchase intention because p-value < 0.05 is < 0.01. The direction of the original sample relationship between credibility and purchase intention is positive at 0.27. The higher the credibility, the higher the purchase intention.
- h. Credibility does not significantly affect purchasing decisions mediated by purchase intention because the p-value > 0.05 is 0.090. The direction of the relationship between credibility and purchasing decisions mediated by purchase intention is positive at 0.093.

- i. Credibility significantly affects purchasing decisions because the p-value < 0.05 is < 0.01 . The direction of the original sample relationship between credibility and purchasing decisions is positive at 0.23. The higher the credibility, the higher the purchasing decision.
- j. Purchase intention significantly affects purchasing decisions because the p-value < 0.05 is < 0.01 . The direction of the original sample relationship between purchase intention and purchasing decisions is positive at 0.34. The higher the purchasing intention, the higher the purchasing decision.

4.4. Discussion

a. *The Influence of Word of Mouth on Purchase Intention*

Based on the results of the analysis, it is known that word of mouth influences purchase intention and has a positive direction of influence because the original sample value is 0.17 and the p-value is $0.04 < 0.05$, so the hypothesis that word of mouth has a significant effect on purchase intention is accepted. Word of Mouth (WOM) significantly influences consumer purchase intention. When individuals receive positive recommendations from friends, family, or acquaintances about a product or brand, it often raises their intentions and increases awareness of the item. In addition, these recommendations form a positive perception of the brand because consumers tend to view brands recommended by others better than those not recommended. The trust and authority associated with WOM sources, such as close friends or family members, also increase consumer confidence and desire to try or buy recommended products. The results of a study conducted by M. Fadhli Nursal, Muhammad Richo Rianto, Heni Rohaeni, and Farhan Saputra (2023) showed that Word of Mouth has a significant and positive effect on the intention to purchase online transportation services Maxim in the city of Bekasi. The study results by Abhishek Tandon, Aakash Aakash, and Anu G. Aggarwal (2020) concluded that the quality of information, in this case, Word of Mouth, has a positive relationship with purchasing decisions.

b. *The Influence of the World of Mouth on Purchasing Decisions Through Purchase Intentions*

Based on the results of the analysis, it is known that word of mouth does not have a direct effect on purchasing decisions mediated by purchase intentions because the p-value > 0.05 is 0.205. The influence of Word of Mouth (WOM) on purchasing decisions mediated by purchase intentions illustrates how recommendations or reviews from others can influence a person's purchase intention for a product or service. In this context, purchase intention intermediates WOM's influence and purchasing decisions. When someone receives a positive recommendation or satisfactory review about a product through WOM, it can increase their purchase intention. High purchase intention can then strengthen or mediate the relationship between the influence of WOM and the final purchase decision. Previous research by M. Fadhli Nursal, Muhammad Richo Rianto, Heni Rohaeni, and Farhan Saputra (2023) showed that electronic Word of Mouth influences purchasing decisions mediated by purchase intention. It can be interpreted that communication between users on online media can generate purchase intentions felt by users so that there is a desire to use the service so that users decide to use the transportation service.

c. *The Influence of World of Mouth on Purchasing Decisions*

Based on the results of the analysis, it is known that word of mouth influences purchasing decisions and has a positive direction of influence because the original sample value is 0.19 and the p-value is $0.02 < 0.05$. The hypothesis that word of mouth significantly affects purchasing decisions is accepted. Word-of-mouth communication is the act of consumers providing information to other consumers from one person to another (interpersonal) non-commercially, whether it is a brand, product, or service. Word of Mouth is the most influential media in communicating products or services to two or more consumers, and it can influence purchasing decisions—the results of research conducted by Moh. Erfan Arif (2019) showed that the more positive the eWoM from previous Citilink Indonesia customers, the higher the intention to repurchase. Moreover, the results of research by Reynanta Masdaner and Poppy Ruliana (2021) concluded that there was a significant influence

between eWOM and the intention to purchase premium services for the Spotify music streaming application.

d. The Effect of Price on Purchase Intention

Based on the analysis results, it is known that price affects purchase intention and has a positive direction of influence because the original sample value is 0.47 and the p-value is $0.01 < 0.05$, so the hypothesis that price has a significant effect on purchase intention is accepted. The influence of price on purchase intention is an important factor in consumer purchasing decisions. The price of a product or service is often one of the primary considerations for consumers before they decide to buy. Lower prices tend to increase consumer purchase intentions, especially if the product or service is considered to have a value that matches the price. On the other hand, prices that are too high can reduce purchase intentions unless consumers believe that the product or service provides added value that is commensurate with the price they pay. The results of a study by Baariq Ayumi and Agung Budiarmo (2021) concluded that the price does not positively and significantly affect purchase intention. This means that the better the price, the higher the consumer's purchase intention.

e. Influence of Price on Purchasing Decisions

Based on the results of the analysis, it is known that price influences purchasing decisions. It has a positive direction of influence because the original sample value is 0.17 and the p-value is $0.04 < 0.05$, so the hypothesis that price significantly affects purchasing decisions is accepted. Price has two leading roles in the buyer's decision-making process, namely, the allocation role and the information role. The allocation role of price is the function of price in helping buyers decide how to obtain the highest expected benefits or utilities based on their purchasing power. Thus, the price can help buyers decide how to allocate their purchasing power to various goods and services. The research results of Mada Faisal Akbar and Ugeng Budi Haryoko (2020) show that partial price negatively and significantly affects purchasing decisions at Alfamart. This means that if the price is high, the purchase decision is low, and if the price is low, the intention to buy is high.

f. The Influence of Credibility on Purchase Intention

Based on the results of the analysis, it is known that credibility influences purchase intention and has a positive direction of influence because the original sample value is 0.27 and the p-value is $0.01 < 0.05$. Hence, the credibility hypothesis significantly affects purchase intention and is accepted. Credibility plays an important role in influencing consumer purchase intention. When consumers consider a credible source of information, it can increase their trust in the promoted brand or product. As a result, consumer purchase intention tends to increase. Consumers tend to be more likely to choose to buy products or services from brands that are considered credible because they feel more confident that the product will meet their expectations or provide the promised benefits. The above are the research results by Muhammad Aqsa and M. Risal (2019), which show that company credibility influences purchase intention directly and indirectly through consumer attitudes and brand image.

g. The Influence of Credibility on Purchasing Decisions Through Purchase Intention

Based on the results of the analysis, it is known that credibility does not directly affect purchasing decisions mediated by purchase intention because the p-value > 0.05 is 0.090. The influence of company credibility on purchasing decisions, mediated by purchase intention, reflects how consumer perceptions of a brand's reliability, expertise, and integrity affect their purchase intention, which in turn affects purchasing decisions. Company credibility shapes consumer perceptions of the products or services offered. The research of Muhammad Aqsa and M. Risal (2019) shows that company credibility affects purchase intention, and the research of Hayu Pratiwi, Sunarto, and Joyo Nur Suryanto Gono (2023) shows that credibility affects interest in buying services.

h. The Influence of Credibility on Purchasing Decisions

Based on the results of the analysis, it is known that credibility affects purchasing decisions and has a positive direction of influence because the original sample value is 0.23 and the p-value is $0.01 < 0.05$; the credibility hypothesis has a significant effect on purchasing decisions, and is accepted. Credibility is often associated with something related to the good name, reputation, honor, and existence of a company, where it will be seen as a selling point that has a positive value and always becomes an added value (Ade Munaa, 2017). Companies with high credibility can use it as a source of credibility that can influence consumer responses to their advertisements and will form a positive attitude towards the brand of the advertised product. Company credibility plays a somewhat important role in influencing attitudes and purchasing decisions. The research results by Sonya Aprillia Savitri and Rezi Erdiansyah (2019) show that credibility influences purchasing decisions for Maybelline makeup.

i. Influence of Purchase Intention on Purchasing Decisions

Based on the analysis results, it is known that purchase intention influences purchasing decisions and has a positive direction of influence because the original sample value is 0.34 and the p-value is $0.01 < 0.05$, so the hypothesis that purchase intention has a significant effect on purchasing decisions is accepted. The influence of purchase intention on purchasing decisions is closely related to consumer decision-making. Purchase intention, as the urge or desire to acquire a particular product or service, can be an important factor influencing employment or purchasing decisions. When a person has a high purchase intention for a product or service, he/she will tend to influence their decision to give work to the party offering the product or service, according to the research of M. Fadhli Nursal, Muhammad Richo Rianto, Heni Rohaeni, Farhan Saputra (2023) which shows that purchase intention has a significant and positive effect on the decision to purchase Maxim online transportation services in Bekasi. In addition, research by Baariq Ayumi and Agung Budiatmo (2021) also concluded that purchase intention positively and significantly affects purchasing decisions.

5. CONCLUSION

Based on the analysis results obtained, the following conclusions can be drawn:

- a. Word of mouth significantly affects purchase intention because the p-value < 0.05 is 0.04. The direction of the original sample relationship between word of mouth and purchase intention is positive at 0.17. The higher the word of mouth, the higher the purchase intention.
- b. Word of mouth does not significantly affect purchasing decisions mediated by purchase intention because the p value > 0.05 is 0.205. The direction of the relationship between word of mouth and purchase decisions mediated by purchase intention is positive at 0.058.
- c. Word of mouth significantly affects purchasing decisions because the p-value < 0.05 is 0.02. The direction of the original sample relationship between word of mouth and purchase decisions is positive at 0.19. The higher the word of mouth, the higher the purchase decision.
- d. Price significantly affects purchase intention because the p-value < 0.05 is < 0.01 . The direction of the original sample relationship between price and purchase intention is positive at 0.47. The more appropriate the price, the higher the purchase intention.
- e. Price significantly indirectly affects purchasing decisions mediated by purchase intention because the p-value < 0.05 is 0.010. The direction of the relationship between price and purchasing decisions mediated by purchase intention is positive at 0.159. The more appropriate the price, the higher the purchase decision mediated by purchase intention.
- f. Price significantly affects purchasing decisions because the p-value < 0.05 is 0.04. The direction of the original sample relationship between price and purchasing decisions is positive at 0.17. The more appropriate the price, the higher the purchase decision.
- g. Credibility significantly affects purchasing intentions because the p-value < 0.05 is < 0.01 . The direction of the original sample relationship between credibility and purchase intention is positive at 0.27. The higher the credibility, the higher the purchase intention.

- h. Credibility does not significantly affect purchasing decisions mediated by purchase intention because the p value > 0.05 is 0.090. The direction of the relationship between credibility and purchasing decisions mediated by purchase intention is positive at 0.093.
- i. Credibility significantly affects purchasing decisions because the p -value < 0.05 is < 0.01 . The direction of the original sample relationship between credibility and purchasing decisions is positive at 0.23. The higher the credibility, the higher the purchasing decision.
- j. Purchase intention significantly affects purchasing decisions because the p -value < 0.05 is < 0.01 . The direction of the original sample relationship between purchase intention and purchasing decisions is positive at 0.34. The higher the purchasing intention, the higher the purchasing decision.

REFERENCES

- Afsar, B., & Umrani, W. A. (2020). Corporate social responsibility and pro-environmental behavior at the workplace; the role of moral reflectiveness, coworker advocacy, and environmental commitment. *Corporate Social Responsibility and Environmental Management*, 27(5), 2246-2256.
- Ahmad Ali, Patricia Dhiana Paramita, Aziz Fathoni (2016). Analisis Faktor-Faktor Yang Mempengaruhi Kepuasan Pelanggan Di Perusahaan Galangan Kapal (Studi Kasus Pada PT. Janata Marina Indah Semarang). *Journal Of Management*, Volume 2 No. 2 Maret 2016.
- Ahmadi, A. (2018). Thai Airways: Key influencing factors on customers' Word of Mouth, www.emeraldinsight.com/0265-671X.htm, Agustus 2018
- Akbar, M. F., & Haryoko, U. B. (2020). Pengaruh Promosi Dan Harga Terhadap Keputusan Pembelian Dan Dampaknya Terhadap Kepuasan Pelanggan Pada Alfamart Cabang Cikokol Tangerang. *Jurnal Ekonomi Efektif*, 2(2), Februari 2020
- Arif, M. E. (2019). The Influence of Electronic Word of Mouth (eWOM), Brand Image, and Price On Repurchase Intention of Airline Customers. *Journal of Applied Management (JAM)*, 17(2), Juni 2019.
- Chen, K., Luo, P. & Wang, H. (2017). An influence framework on product word-of-mouth (WoM) measurement. *Information & Management*, 54, 228-240.
- Chen, Y., & Lu, Y. (2020). The impact of perceived value on customer purchase intention in online shopping: Evidence from China. *Journal of Retailing and Consumer Services*, 55, 102093.
- Dwivedi, A., & Johnson, L. W. (2020). Trust and WOM: Investigating the role of credibility and source of information. *Journal of Marketing Communications*, 26(3), 292-308.
- Godey, B., Manthiou, A., Pederzoli, D., Rokka, J., Aiello, G., Donvito, R., & Singh, R. (2020). Social media marketing efforts of luxury brands: Influence on brand equity and consumer behavior. *Journal of Business Research*, 69(12), 5833-5841.
- Inayati, T., Efendi, M. J., & Dewi, A. S. (2022). Pengaruh Digital Marketing, Electronic Word of Mouth, dan Lifestyle terhadap Keputusan Pembelian pada Marketplace Shopee Indonesia. *Jurnal Teknologi dan Manajemen Industri Terapan (JTMIT)*, 1(3), September 2022, 202-209.
- Jin, Y., Geng, Z., & Zhang, S. (2020). The effect of price competitiveness on pricing strategies of service enterprises. *Journal of Service Research*, 23(2), 168-180.
- Kim, S., & Choe, Y. (2020). Negative and positive word of mouth impact a brand's sales performance—*Journal of Retailing and Consumer Services*, 54, 102011.
- Kotler, Philip & Keller, (2016). *Marketing Management* 15th edition, United States, Pearson.
- Lafuente, E., Szerb, L., & Vaillant, Y. (2020). The contribution of small business performance to industry credibility and innovation. *Small Business Economics*, 55(4), 859-875.
- Lee, S., & Trim, P. R. J. (2020). Reliability and credibility are key drivers of trust in data protection. *Journal of Business Research*, 109, 287-295.
- Lin, C. H., Wu, P. H., & Hsu, M. K. (2022). Exploring the relationships between perceived innovation attributes, perceived value, and purchase intention for smart home products. *Technological Forecasting and Social Change*, 174, 121155.
- Maria, S., Pusriadi, T., Hakim, Y. P., & Darma, D. C. (2019). The Effect of Social Media Marketing, Word of Mouth, and Effectiveness of Advertising on Brand Awareness and Intention to Buy. *Jurnal Manajemen Indonesia*, 19(2), Agustus 2019, 107-122.
- Mohamad, B., Ab Rahman, A., & Ab Ghani, N. I. (2020). Exploring the influence of price affordability and service quality on consumer purchase intention. *Journal of Marketing Research and Case Studies*, 2020, 1-10.
- Ngoma, M., & Ntale, P. (2019). Word of Mouth communication: A mediator of relationship marketing and customer loyalty. *Cogent Business & Management*, 6(1), 1580123. <https://doi.org/10.1080/23311975.2019.1580123>

- Ochieng, F. O., & Wanjiru, R. M. (2021). The impact of price transparency on customer satisfaction and loyalty in the banking sector. *International Journal of Business and Social Science*, 12(2), 17-26.
- Park, E., & Lee, S. (2019). The role of involvement in the effect of word-of-mouth communication on purchase intention: Online versus offline. *Journal of Business Research*, 99, 411-419.
- Qadhafi, Naufal El. (2017). "Pengaruh WOM (Word of Mouth), Harga, Dan Label Halal Terhadap Keputusan Pembelian Pada Produk Air Mineral Dzakya". Skripsi. Institut Agama Islam Negeri Surakarta.
- Rani Nurwanti, Ir. Triwilaswandio Wuruk Pribadi, M.Sc (2016). Analisa Peningkatan Kualitas Layanan Jasa Reparasi Kapal Di Galangan Kapal Jawa Timur. *Jurnal Teknik ITS* Vol. 5, No 1.
- Rahman, M. K., & Mannan, M. (2021). Consumer buying intention toward online food delivery services: An empirical study in Bangladesh. *Journal of Marketing and Logistics*, 34(5), 1261–1283.
- Reynanta Masdaner, Poppy Ruliana. (2021). Electronic Word of Mouth Dan Brand Image Dalam Niat Beli Layanan Aplikasi Musik Spotify. *Jurnal Ilmu Sosial dan Humaniora* Vol. 4 No. 2
- Rezaei, S., & Amin, M. (2019). Consumer's intention to purchase halal products in the Malaysian retail sector: An extension of the theory of planned behavior. *Journal of Islamic Marketing*, 10(3), 907-927.
- Savitri, S. A., & Erdiansyah, R. (2019). Pengaruh Citra, Kredibilitas dan Kemampuan Komunikasi Beauty Vlogger Terhadap Keputusan Pembelian Produk Make-Up Maybelline (Studi Kasus Tasya Farasya). *Prologia*, 3(1), Juli 2019, 267–273.
- Soleimani, A. G., & Einolahzadeh, H. (2018). The influence of service quality on revisit intention: The mediating role of WOM and satisfaction (Case study: Guilan travel agencies). *Cogent Social Sciences*, 4(1), 1560651.
- Tjiptono, Fandy, 2000, Strategi Pemasaran, Penerbit Andi, Yogyakarta.
- Yang, Z., & Mattila, A. S. (2020). The role of customer participation and price fairness in the service recovery process. *International Journal of Hospitality Management*, 84, 102328
- Yang Zhao, Lin Wang, Huijie Tang, Yaming Zhang (2020). Electronic word-of-mouth and consumer purchase intentions in social e-commerce, *Electronic Commerce Research and Applications* www.elsevier.com/locate/elerap, April 2020