From Online Talk to Repeat Use: Examining E-Word of Mouth, E-Service Quality, Brand Image, and Repurchase Intention in Digital Banks

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Abstract. This study aims to analyze and describe the effect of E-word of mouth (E-WoM) and E-service quality on repurchase intention, with brand image as a mediating variable in digital banking. The research method employs a questionnaire distributed to 100 respondents who are digital banking users in Semarang City, using purposive sampling. The data from the questionnaire were analyzed using Partial Least Squares with the SmartPLS 4.0 software application. The findings indicate that both E-word of mouth and E-service quality positively and significantly affect Brand Image and repurchase intention. Brand Image also positively and significantly influences Repurchase Intention. Moreover, E-word of mouth negatively and significantly affects Repurchase Intention through Brand Image as an intervening variable, whereas E-service quality positively and significantly affects

Keywords: E-Word Of Mouth, E-Service Quality, Repurchase Intention, Brand Image

1 INTRODUCTION

Technological advances are currently developing rapidly and have almost an impact on all aspects of Indonesian people's lives, especially in the digitalization era of industry 4.0 and the increasingly growing development of online media. One aspect of the development of digitalization occurs in the banking sector, where banks that initially operated conventionally are now turning into digital banks. This transformation produces digital banks which are digital versions of conventional banks.Digital banks are financial institutions that provide banking services online or via the internet. The uniqueness of digital banks is that they do not have physical branches like banks in general, have lower costs, easy access, 24/7 service and focus more on developing technology to provide banking services to their users. Driven by the rapid progress of information technology, especially the digitalization of the banking industry 4.0, Indonesia is moving towards the digital banking era. This era will be marked by the shift of banking services to the online realm, so that physical branch offices will no longer be a primary requirement (Galazova & Magomaeva, 2019).

The emergence of financial companies with new models or financial technology (Fintech) has forced the banking and insurance industries to use new competitive methods. Fintech's advantages in terms of speed and ease of customer service encourage optimal fulfillment of customer expectations and needs (Anna Omarini, 2017). This spurs banking institutions to immediately carry out a digital revolution so as not to be left behind. The phenomenon of the industrial revolution 4.0 can change people's habitual patterns and this will continue. Digital transformation really pampers its users with all the available features very easily. Digital transformation is a fundamental shift process triggered by the use of technology to replace the role of humans in various activities. This gives rise to a general picture of how digital technology has revolutionized various aspects of people's lives. (Maulana Achmadi, 2021).

Repurchase interest arises after consumer purchase, driven by previous positive experiences with the product or service, thus triggering the desire to buy it again Prastyaningsih et al. (2014), Customers who have the desire to repurchase products that have been tried before with factors of good quality, right price, high satisfaction, etc. This can be interpreted as increasing repurchase interest. Current marketing can take the form of social media called Electronic Word of Mouth (e-WOM), this marketing model can encourage consumers to share information about products and services with others. E-WOM is product reviews and information from users which can be a very effective promotional tool for brands and potential consumers in the purchasing process. According to Wang et al. in Jenita and Sunaryo (2021), e-WOM has also been proven to be an effective advertising strategy, especially for digital companies, utilizing digital content to reach a wider market.

E-service quality is an evaluation made by customers of the services provided by digital service providers, including aspects such as reliability, speed, security, empathy and overall satisfaction (Santos 2003 and Santosa 2013). The main focus of corporate relations programs is customer satisfaction, which is implemented by implementing various forms of services via internet platforms (Rust & Lemon, 2001). By

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improving the quality of electronic services, companies can improve customer satisfaction and achieve better business performance. Brand Image is the impression left in the minds of consumers. This image influence arises through various activities such as advertising, public relations, word of mouth recommendations, and direct experience with products or services (Setiawan et al., 2019). According to Kotler & Keller (2012), brand image is consumers' perception of a particular brand, which influences their decisions in choosing products from that brand. Keller (in Tjiptono, 2011) and Apriliani (2019) define a brand as a product that provides unique added value, differentiating it from similar products in meeting consumer needs.

2 LITERATURE REVIEW AND HYPOTHESIS DEVELOPMENT

Electronic Word of Mouth

According to Rahmani Qurrota Aynie et al. (2021), Electronic Word of Mouth (E-WOM) is an opinion or review given by consumers regarding a product or company, whether positive or negative. This information can be accessed by individuals or institutions via internet social media. E-WOM is considered effective as a promotional strategy that is more convincing for potential consumers than formal promotions, because it allows the exchange of customer experiences about products and services (Rofiah, 2020).

E-service quality

Service quality involves service providers consistently meeting consumer expectations, which can be achieved by understanding consumer desires. E-service quality refers to the ability to meet consumer expectations in services provided online without direct interaction. This means human interaction is not a necessity in service provision. E-service quality also assesses the extent to which a website functions in facilitating the selection, purchase and delivery of products effectively and efficiently (Pearson et al., 2012; RB Chase et al., 2013).
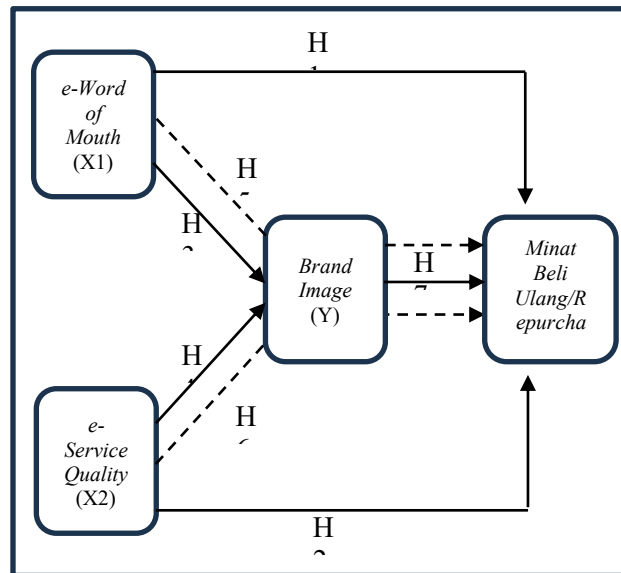
Repurchase Intention

Repurchase intention is the consumer's desire to gather information about a product, consider purchasing, be interested in trying, and have the desire to own the product Schiffman (2008). According to Kotler (2001), this intention arises after someone is exposed to a product and feels like they want to own the product. Assessment of a person's intention to use can be done by measuring the desire to buy, interest in looking for references, efforts to find information, and future purchase plans (Darmawan et al., 2022).

Brand Image

According to Keller (2012), Brand Image is a perception or view about a brand which is also depicted through brand associations in consumer memory. Brand image is also the public perception of brand identity. Rutha et al., (2019). Brand Image is also often called brand memory, which is based on the target market's interpretation of product attributes/characteristics, usage situations, marketing characteristics and product benefits Hafilah & Chaer, Vira Princess (2019).

Figure 1 Conceptual Framework

H1: E-word of mouth has a positive and significant effect on repurchase intention.

H2: E-service quality has a positive and significant effect on Repurchase Intention.

H3: E-word of mouth has a positive and significant effect on Brand Image.

H4: E-service quality has a positive and significant effect on Brand Image.

H5: E-word of mouth has a positive and significant effect on repurchase intention mediated by brand image.

H6: E-service quality has a positive and significant effect on repurchase intention through Brand Image.

H7: Brand Image has a positive and significant effect on repurchase intention.
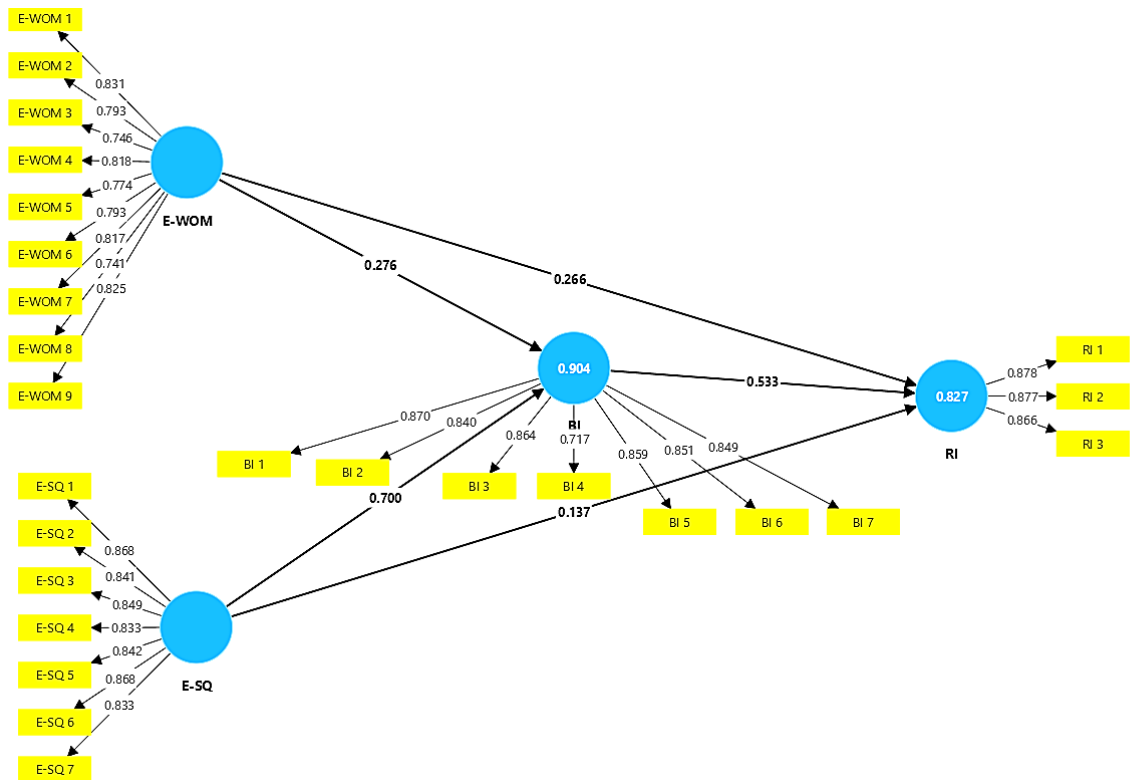
3 RESEARCH METHODS

This research uses a quantitative descriptive approach. To collect data in this research, namely by distributing questionnaires to digital bank users in Semarang City. Kuncoro et al., (2008). The data that has been collected is then analyzed so that conclusions can be made. The research variables are divided into three categories: independent, dependent and intervening, namely E-Word of Mouth and E-Service Quality as independent variables, Repurchase Intention as the dependent variable and Brand Image as the intervening variable. The measuring tool in this research uses the Likert Scale in the Suryani and Hendryani (2015) questionnaire.

The population in this research are digital bank users in the city of Semarang. From the entire population, the sampling method was non-probability sampling using purposive sampling technique Sugiyono (2019). To determine the sample size that can represent the population, use the Cochran formula because the population size in this study is not known with certainty.

Data were analyzed using the Structural Equation Model with Partial Least Square (SEM-PLS) method using SmartPLS 4.0 software. This method allows testing complex models with many latent variables and indicators, as well as confirming the theoretical framework and explaining the relationships between variables without applying strict distribution assumptions Abdillah & Jogiyanto (2021).

4 RESULTS AND DISCUSSION

Figure 3 Final Model Analysis

Tabel 2 Outer Loading (Loading Factor)

Code	Konstruk	Loading factor	Keterangan
E-WOM 1		0.831	Valid
E-WOM 2		0.793	Valid
E-WOM 3		0.746	Valid
E-WOM 4		0.818	Valid
E-WOM 5	E-word of mouth (X1)	0.774	Valid
E-WOM 6		0.793	Valid
E-WOM 7		0.817	Valid
E-WOM 8		0.741	Valid
E-WOM 9		0.825	Valid
E-SQ 1		0.868	Valid
E-SQ 2		0.841	Valid
E-SQ 3		0.849	Valid
E-SQ 4	E-service quality (X2)	0.833	Valid
E-SQ 5		0.842	Valid
E-SQ 6		0.868	Valid
E-SQ 7		0.833	Valid
BI 1		0.870	Valid
BI 2		0.840	Valid
BI 3		0.864	Valid
BI 4	Brand Image (Y)	0.717	Valid
BI 5		0.859	Valid
BI 6		0.851	Valid
BI 7		0.849	Valid
RI 1		0.878	Valid
RI 2	Repurchase Intention (Z)	0.877	Valid
RI 3		0.866	Valid

Source : Primary data processed by SmartPLS, 2024

The results of the SmartPLS 4.0 analysis are presented in Table 1. The results of the variable outer loading values have met the convergence validity criteria as indicated by the indicators having a validity value above 0.7, which shows that no indicators have been removed from the model (Abdillah & Jogiyanto, 2021).

Table 3 Average Variance Extracted (AVE) Value

Variable	AVE	Keterangan
E-word of mouth (X1)	0.630	Valid
E-service quality (X2)	0.719	Valid
Brand Image (Y)	0.701	Valid
Repurchase Intention (Z)	0.763	Valid

Source : Primary data processed by SmartPLS, 2024

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According to (Abdillah & Jogiyanto, 2021) the minimum acceptable value for AVE indicates convergent quality. Expected AVE value > 0.5. Based on table 2, the variables E-word of mouth, E-service quality, Brand Image, Repurchase Intention have met convergent quality, namely >0.5.

Table 4 Composite Reability and Cronbach's Alfa Results

Variable	Composite Reliability	Cronbach's Alpha	Keterangan
E-word of mouth (X1)	0.934	0.926	Reliabel
E-service quality (X2)	0.935	0.935	Reliabel
Brand Image (Y)	0.931	0.928	Reliabel
Repurchase Intention (Z)	0.846	0.845	Reliabel

Source : Primary data processed by SmartPLS, 2024

The results of Composite Reliability and Cronbach's Alpha on E-word of mouth, E-service quality, Brand Image and Repurchase Intention have achieved good values because they are >0.7 which is supported by theory (Ghozali & Latan, 2020). So it can be concluded that this research obtained good Composite Reability and Cronbach's Alpha values.

Structural Model Evaluation (Inner Model)

Table 5 R-Square and Q^2 Predictive Relevance Values

Variable	R Square	Q^2	R Square Adjusted
Brand Image (Y)	0.904	0.903	0.902
Repurchase Intention (Z)	0.827	0.790	0.822

Source : Primary data processed by SmartPLS, 2024

The R Square results with a criteria value of more than 0.67 are good, 0.33 are moderate and 0.19 are weak (Abdillah & Jogiyanto, 2021). R^2 for brand image is 0.904 and R^2 for repurchase intention is 0.827. So the R square value is appropriate and declared good (Abdillah & Jogiyanto, 2021).

A Q^2 value > 0 indicates that the model has deep predictive relevance (Ghozali & Latan, 2020). Q^2 relevance value 0.02 (weak), 0.15 (moderate), 0.35 (strong). The brand image variable is (0.903) and Repurchase Intention (0.790) so the relevance value of Q^2 is strong.

Table 6 Coeffecient Path Results

Source :

	Original sample (O)	Sample mean (M)	Standard deviation (STDEV)	T statistics (|O/STDEV|)	P values
BI -> RI	0.533	0.519	0.218	2.443	0.015
E-SQ -> BI	0.700	0.697	0.079	8.899	0.000
E-SQ -> RI	0.510	0.484	0.145	3.520	0.000
E-WOM -> BI	0.276	0.278	0.080	3.464	0.001
E-WOM -> RI	0.413	0.439	0.136	3.035	0.002

Primary data processed by SmartPLS, 2024

Hypothesis testing is based on path coefficients which aim to determine whether the variables in the model are significant or not. The hypothesis is accepted if the t-statistic value for each variable is greater than >1.96. The probability value of P-values alpha 5% is <0.05 (Ghozali & Latan, 2020). Based on the results of table 5, the

influence of each t-statistic variable is >1.96 and the P-value is >0.05, so the effect is positive and significant.

Table 7 Indirect Effect Results

	Original sample (O)	Sample mean (M)	Standard deviation (STDEV)	T statistics (|O/STDEV|)	P values
E-SQ -> BI -> RI	0.373	0.361	0.155	2.403	0.016
E-WOM -> BI -> RI	0.147	0.146	0.078	1.875	0.061

Source : Primary data processed by SmartPLS, 2024

Based on the results of table 4.6, it shows that E-service quality has a t-statistic value of 2,403 > 1.96 and a p-value of 0.016 < 0.05, so it can be concluded that E-service quality has a significant effect on repurchase intention through brand image as an intervening variable. . And E-word of mouth has a t-statistic value of 1,875 > 1.96 and a p-value of 0.061 < 0.05, so it can be concluded that E-word of mouth has no significant effect on repurchase intention through brand image as an intervening variable.

SmartPLS 4.0 which was described in the previous chapter, the following conclusions can be drawn from the research results:

1. E-word of mouth has a positive and significant effect on repurchase intention. These results show that positive comments or testimonials can influence potential users to use digital banking applications again.

2. E-service quality has a positive and significant effect on repurchase intention. These results show that the better the service quality felt by the user, the better the brand image created. The higher the quality of e-service quality, the greater the possibility that consumers will intend to reuse the product or service.

3. E-word of mouth has a positive and significant effect on brand image. These results show that positive e-word of mouth can build a positive brand image in the minds of digital bank customers.

4. E-service quality has a positive and significant effect on brand image. These results show that the better the service quality felt by the user, the better the brand image created.

5. E-word of mouth has a negative and significant effect on repurchase intention through brand image as an intervening variable. These results show that although E-word of mouth can influence brand image, its influence is not significantly impacted in increasing consumers' intention to reuse the company's products or services..

6. E-service quality has a positive and significant effect on repurchase intention through brand image as an intervening variable. These results show that e-service quality plays an important role in shaping the brand image of digital banks.

Brand image has a positive and significant effect on repurchase intention. These results show that a good brand image means customers are more likely to be interested in repurchasing in the future

Conclusion

The test results in the research show that e-word of mouth has a positive and significant effect on repurchase intention, with a coefficient of 0.413, a T-statistic of 3.035 > 1.96, and a p-value of 0.002 < 0.05. This effect occurs because comments or testimonials from other users can influence potential customers' intentions to reuse digital banking applications. Other research also supports these findings. Ginting, Y., et al. (2023). And Prahiawan et al. (2021) say that there is a positive influence on e-word of mouth on repurchase intention. These findings strengthen the importance of e-word of mouth in user experience for repurchase intention.

The test results in the research show that e-service quality has a positive and significant effect on repurchase intention. This effect occurs because the e-service quality felt by users creates a desire to repurchase intention at certain digital banks. Other research also supports these findings. Saodin, Suharyono et al. (2019) found that e-service quality has a positive and significant effect on repurchase intention. Prasetiadi, M. R. P., & Oktafani, F. (2023) found that e-service quality has a positive and significant effect on e-repurchase intention. These findings strengthen the importance of e-service quality on repurchase intention.

The test results in the research show that e-word of mouth has a positive and significant effect on brand image. This effect occurs because users who are satisfied with digital banking services tend to provide positive comments or testimonials on social media. Other research also supports these findings. Kadarisman, H., & Ariyani, N. (2018) e-word of mouth has a positive and significant effect on brand image. Fuad and Heida (2024) state that e-word of mouth has a significant positive effect on brand image. These findings reinforce the importance of e-word of mouth in building brand image. The test results in the research show that e-service quality has a positive and significant effect on brand image. This effect occurs because digital banks are considered capable of providing

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fairly good services to users. This research supports other findings. Kang, K., & Chung, K. H. (2017). found that e-service quality has a positive and significant effect on brand image. Dewi Puspita et al., (2022) also found that e-service quality has a positive and significant effect on brand image. These findings reinforce the importance of e-service quality in building a brand image in digital banks.

The test results in the research show that e-word of mouth has a negative and significant effect on repurchase intention through brand image as an intervening variable. This effect occurs because potential Digital Bank customers still do not fully consider e-word of mouth in reusing digital banks. Previous research conducted by Hamidun & Sanawiri (2018) stated that e-word of mouth had a negative and significant effect on repurchase intention through brand image. Rasyida Alya W (2023) also found that e-word of mouth has a negative and significant influence on repurchase intention through brand image. These results support the findings of this research that e-word of mouth does not play an important role in strengthening repurchase intention through brand image.

The test results in the research show that e-service quality has a positive and significant effect on repurchase intention through brand image as an intervening variable. This effect occurs because good e-service quality can increase consumers' intentions to reuse the company's products or services and brand image acts as a mediator of this variable. Previous research conducted by Suherman et al., (2021) stated that e-service quality has a positive and significant effect on repurchase intention through brand image. Rasyida Alya W (2023) also stated that e-service quality has a significant positive influence on repurchase intention through brand image. These results support the findings of this research that brand image plays an important role in strengthening e-service quality on repurchase intention.

The test results in the research show that brand image has a positive and significant effect on repurchase. This effect occurs because the brand image created by a digital bank is positive so that customers have the desire to use the digital bank application again. Other research also supports these findings. Dwitama (2021) states that brand image has a positive and significant effect on repurchase intention. Prayogo, Munir et.al (2024) also show that brand image has a positive and significant effect on repurchase intention. These findings strengthen the importance of brand image on repurchase intention.

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