The Effects of Familiarity and Positive Recommendation on Repurchase Intention: The Mediating Role of Trust

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Abstract

This study aims to analyze the effects of familiarity and positive word-of-mouth (PWOM) recommendation on repurchase intention in the mobile telecommunication sector. The role of trust was examined as a mediating variable in these relationships. A total of 268 valid questionnaires were completed by existing consumers in the Vietnam's mobile telecommunication market. Two mediation models were established to examine the mediating effect of trust and Structure Equation Model (SEM) was employed to test proposed hypotheses. The results show that trust plays a fully mediating role in the relationship between familiarity and repurchase intention, and trust partially mediates the effect of PWOM recommendation on repurchase intention. It suggests that the mobile phone network operators in Vietnam should find out any way to enhance consumer's trust by improving benefits for subscribers who perceive familiarly with current service, and fostering a long-lasting relationship with customers who volunteer to spread positive information about provider's services to others.

Keywords: Familiarity, Trust, PWOM recommendation, Repurchase intention, Mobile telecommunication, Vietnam.

Introduction

As of April 2017, the mobile telecommunication market in Vietnam consists of five service operators which are Viettel, Vinaphone, MobiFone, Vietnamobile, and Gtel (Gmobile). However, the market is dominated by Viettel, Vinaphone, and MobiFone with more than 95% market share. Although the market of mobile phone network in Vietnam is generally saturated in the number of subscribers, however, the competition is still very fierce in “a market structure with constantly fluctuating number of subscribers among service operators” (Tho, Lai, & Yan., 2017). Therefore, the cell phone service providers focus more on retaining existing subscribers through any loyalty program rather than looking for more new customers.

In recent years, some researchers paid attention to the role of trust to develop scientific literature in term of the influencing mechanism of word-of-mouth recommendation on consumer’s behavior (Hasan, Subhani & Osman, 2012; Salehnia, Saki, Eshaghi, & Salehnia, 2014). However, within the field of mobile telecommunication service, there seems to be an absence of remarkable studies which did examine the relationship between familiarity and positive recommendation on
repurchase intention, and consider the role of trust as a mediator variable in these relations. Therefore, this study aims at analyzing the effects of customer familiarity and positive word-of-mouth recommendation on repurchase intention in the Vietnam’s mobile telecommunication market.

The paper begins with literature review: some key concepts will be reviewed based on previous studies. Then, two conceptual models with the corresponding hypotheses will be proposed, and customer trust will be employed as a mediator variable in these models. In the next section, questionnaire and sampling will be clarified, and the method to test mediation will be also presented. Subsequently, the study’s findings will be indicated in detail, followed by discussion and conclusion. Finally, limitation will be also mentioned.

**Literature Review**

**Trust**

The concept of trust has achieved remarkable implication in the field of marketing, especially for promoting customer loyalty towards products or services (Kantsperger & Kunz, 2010). However, previous researches emphasized on different aspects of trust, this fact leads to significant inconsistencies among different studies (Janine & Jean, 2013), especially, it results in different perspectives in term of how to measure the concept of trust. Trust can be considered as a factor which creates long-term business relationship between suppliers/providers and customers (Belanche, Casalo, & Guinaliu, 2012), and it has been investigated repeatedly by marketing researchers in the literature (Morgan & Hunt, 1994). As Chowhury (2005) noted, the concept of trust can be approached from two principal approaches forms, cognition-based trust and affect-based trust. Cognition-based trust means that trust is rooted in a rational assessment of the relationship through individual thinking, and it based on “good reasons” as evidences of trustworthiness. Affect-based trust, on the other hand, depends on feelings toward the relationship but going beyond any rational assessment, and it is grounded in the emotional bonds between individuals involving mutual interaction or relationship.

**Positive Recommendation and Trust**

Positive recommendation can be understood as a form of word-of-mouth advertising that customers are likely to recommend about products or services to others (friends, relatives, or colleagues). This is a volunteer activity because those who give recommendation do not intend to get any reward, and the providers are not directly involved (Tho et al., 2017). Due to the fact of distrusting in any type of advertisement given by business organization, customers therefore attempt to search for and trust on word-of-mouth recommendation from others (Allsop, Bassett, & Hoskin, 2007). Word-of-mouth recommendations from friends, family members, or colleagues are the most significant information sources since consumers trust their friends, they also trust on recommendations from them. In addition, as Maisam and Mahsa (2016) asserted, positive recommendation is the most significant influence on persuading people to buy a product or service rather than other advertisements because “people usually trust what they hear directly from others”. Furthermore, regarding to the service or product selection, people are more likely to trust in personal information sources rather than information gained from printed media (Khan, Ramzan, Shoabi, & Mohyuddin, 2015).

**Familiarity and Trust**

The concept of familiarity is employed in this study to consider how previous interactions or experiences with the services or products of providers have been accumulated to affect customers’ behavior. In the service sector, familiarity reflects not only the prior encounter with the same or other provider’s services, but also the recognition of reliable information about the provider’s services which the consumers may concern the most. In other word, familiarity can be accumulated by two fundamental factors which are frequency of use and knowledge of the service (Alba & Hutchison, 1987; Soderlund, 2002).

Usually, people have tendency to trust provider’s services when they are familiar with. Since familiarity is accumulated through frequent consumption, it may help leverage trust (Hsu, 2008), and it is a significant factor to develop trust between provider and customers (Gremler, Gwinner, & Brown, 2001). Familiarity also may have impact on trust as a facilitation to constitute a framework for future interactions (Gefen, 2000). These are the reasons why familiarity can be regarded as an antecedent to trust, or a precondition of trust (Dyke, Midha, & Nemati, 2007; Elliott & Yannopoulos, 2007; Ha & Perks, 2005). In addition, Gefen (2000) and Gefen & Straub (2003) found out that familiarity has a significant positive effect on trust.

**Trust and Repurchase Intention**

Previous studies have suggested that trust has a positive impact on customer’s loyalty (Harris & Goode, 2004; Kim & Prabhakar, 2000; Sichtmann, 2007). As Ndubisi (2007) noted, trust is a very crucial factor which creates customer loyalty, and there is a significant positive relationship between trust and loyalty. In other word, trust directly relates to consumer’s loyalty, and customer trust leads to an increase of customer loyalty (Guenzi, Johnson, & Castaldo, 2009). Morgan and Hunt (1994) asserted that trust leads to loyalty because of creating mutually exchangeable relationships that are highly valuable. Also, trust has been considered as an antecedent having an influence on building
and improving customer loyalty (Aydin & Ozer, 2005; Chen & Xie, 2007; Guenzi et al., 2009).

According to Tho et al. (2017), repurchase intention is one of two main signals of loyalty, and it seems almost the mobile phone service providers in Vietnam are “focusing more on retaining their existing subscribers rather than looking for more new customers”. Due to the fact that gaining a new customer is much more expensive than keeping an old one, any cell phone network operator therefore would like to become a trustworthy service provider to keep more intention of repurchasing from their customers. When customers trust the products or services of providers, they will possess positive buying intention (Vuuren, Lombard & Tonder, 2012), or will be more loyal to the business organization (Ribbink, Liljander, & Streukens, 2004; Sarwar, Abbazi & Pervaz, 2012). The higher levels of trust lead to the higher levels of customer retention, and, consequently, the higher organizational profitability (Morgan & Hunt, 1994).

Positive Recommendation and Repurchase Intention

Previous studies have shown the existence of direct as well as indirect effects of word-of-mouth recommendation on repurchase intention (Khan et al., 2015; Praharjo, Wilopo, & Kusumawati, 2016). According to Chaniotakis and Lymperopoulos (2009), word-of-mouth recommendations can give customers valuable suggestions to have the ability or skill for common decision making. That is because word-of-mouth recommendations from existing subscribers to potential customers are often the most trustworthy (Gremler et al., 2001). Also, recommendations from friends, relatives, or colleagues have a remarkable influence on consumers’ preferences to continue using providers’ products or services. Moreover, since customers rely on informal communication rather than on other types of advertising programs (Bansal & Voyer, 2000; Murray, 1991), it can be concluded that word-of-mouth recommendation has more emphatic influence on repurchase intention than other information sources. In the mobile telephony sector, Blery (2003) surveyed and pointed out that recommendations from family members and friends were very important and can influence subscribers to select or even switch to the network providers.

Familiarity and Repurchase Intention

A number of previous studies have shown that familiarity influences consumers’ decision-making process (Bettman & Park, 1980; Park & Lessig, 1981; Tam, 2008). According to Soderlund (2002), when customer’s familiarity increases, customer’s knowledge about services/products is likely to increase. In addition, increasing familiarity with products or services leads to a more “elaborated cognitive structure” with them (Alba & Hutchinson, 1987; Fiske, Kinder, & Larter, 1983; Mitchell & Dacin, 1996). As a result, customers are more likely to repurchase the same products or continue to use the same services that they have experienced. However, in a competitive market, consumers generally do not continue to purchase products or services of the same provider if they perceive negative evaluations (Johnson & Fornell, 1991). In contrast, if customers continue to make repeating purchases, it may indicate that they have some positive evaluations for the brand (Tam, 2008). In addition, some other previous researchers have also confirmed that a high level of familiarity with provider’s services is associated with greater positive responses from customers in terms of repurchase intention (Soderlund, 2002).

Conceptual Model And Hypothesis

Based on literature review mentioned before, two following conceptual models with the corresponding hypotheses are proposed which customer trust is employed as a mediating variable.

Hypothesis 1: Trust mediates the relationship between familiarity and repurchase intention

![Diagram](Fig1. Mediating Model 1)
Methodology

Questionnaire And Sampling

A self-administered questionnaire, in Vietnamese, was designed for survey. The construct of familiarity was measured by four new items proposed in this study, the authors also created four new questions to evaluate the construct of positive recommendation, and another three novel items were created to measure the construct of trust (see table 1). In order to measure the concept of repurchase intention, three questions were selected and synthesized from previous studies (Eshghi, Roy, & Ganguli, 2008; Hassan, Hassan, Nawaz, & Aksel, 2013; Kim, Park, & Jeong, 2004; Nasir & Mushtaq, 2014).

The questionnaire was first pretested with a group of 30 lecturers at Nghe An University of Economics (located in Vietnam) to ensure its wording, phrase and sequencing are appropriate and relevant. The respondents’ comments from pilot study resulted in minimal modifications to the instrument in terms of phrasing and simplicity of the questions. Then, the final questionnaire was administered to collect data through online survey. This online questionnaire was designed and posted in some Facebook-based groups as well as sent by email. After over two months, a total of 268 valid questionnaires were collected for the analysis in this paper. The typical respondents are the subscribers of Viettel (39.6%), Vinaphone (32.1%), MobiFone (26.1%), and other operators (2.2%).

Method to test mediation

In order to test mediation effect, the method was recommended by Baron and Kenny (1986) will be applied. Accordingly, two required condition for mediation must be satisfied: (1) the independent variable must affect the dependent variable (in this case familiarity and PWOM must affect repurchase intention); (2) the independent variable must affect the mediating variable (in this study, familiarity and PWOM must affect trust). The procedure of Baron and Kenny’s (1986) method to test mediating effect are summarized as below (Diagram 1 & Diagram 2):
Diagram 2. The procedure for mediational testing based on Baron and Kenny's (1986) method

(Source: Yan, 2016)

Data Analysis And Result

Measurement Validation

In the first step, reliability and convergent validity of measurement will be checked. The reliability of research measurement was checked by using Cronbach’s alpha and composite reliability (CR) value. Cronbach’s alpha was used to measure how well a set of observed variables measures a single undimension construct. According to Malhotra (2004), the value of coefficient alpha falls below 0.6 is considered weak in reliability, whereas the range of 0.6-0.8 is recognized as moderate strong, and 0.8-1.0 is acknowledged very strong in reliability. Composite reliability (CR) was employed to assess the overall reliability of a collection of heterogeneous but similar items (Roca, Garcia, & Vega, 2009), and the value of CRare above the threshold of 0.7 which are considered for good construct reliability (Hair, Anderson, Taham, & Black., 1998).

Table 1. Reliability

<table>
<thead>
<tr>
<th>Scale/items</th>
<th>Loadings</th>
<th>Cronbach’s Alpha (α)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Familiarity (CR = 0.78; AVE = 0.51)</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>FM1: The current network provider I use is very common in my area/region</td>
<td>0.67</td>
<td>0.73</td>
</tr>
<tr>
<td>FM2: I have a great deal of experience and knowledge about this mobile phone network</td>
<td>0.69</td>
<td>0.72</td>
</tr>
<tr>
<td>FM3: Keeping current phone number helps me easily to connect with ex-friends and ex-colleagues (if I change service provider, it is impossible for me to keep the same phone number in my country)</td>
<td>0.74</td>
<td>0.70</td>
</tr>
<tr>
<td>FM4: My friends and colleagues are very familiar with this mobile phone network</td>
<td>0.63</td>
<td>0.75</td>
</tr>
<tr>
<td><strong>Positive WOM (CR= 0.89; AVE = 0.67)</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>RC1: My friend, colleague, family member introduced me to use this mobile phone network</td>
<td>0.85</td>
<td>0.85</td>
</tr>
<tr>
<td>RC2: It said that the signal quality of this network is very good</td>
<td>0.87</td>
<td>0.86</td>
</tr>
<tr>
<td>RC3: It said that the service price of this network is reasonable</td>
<td>0.75</td>
<td>0.87</td>
</tr>
<tr>
<td>RC4: It said that customer service of this network is satisfied</td>
<td>0.79</td>
<td>0.86</td>
</tr>
<tr>
<td><strong>Trust (Cronbach α = 0.88; CR= 0.90; AVE = 0.73)</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>TR1: I trust on recommendation given by my friend, colleague, or family member</td>
<td>0.74</td>
<td>0.86</td>
</tr>
<tr>
<td>TR2: Based on my experiences and knowledge, I trust this provider’s network</td>
<td>0.92</td>
<td>0.78</td>
</tr>
<tr>
<td>TR3: The recommendation from others are very important when I chose this network</td>
<td>0.88</td>
<td>0.82</td>
</tr>
<tr>
<td><strong>Repurchase Intention (CR= 0.91; AVE = 0.76)</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>RP1: I intend to continue using current network in the long run.</td>
<td>0.87</td>
<td>0.86</td>
</tr>
<tr>
<td>RP2: This mobile phone network is my best option</td>
<td>0.93</td>
<td>0.82</td>
</tr>
<tr>
<td>RP3: If I were to choose a mobile phone provider today, I would choose my present service provider again</td>
<td>0.80</td>
<td>0.89</td>
</tr>
</tbody>
</table>
Table 1 shows that all of the composite or construct reliability (CR) of the measurement constructs are above 0.7. Item loadings range from 0.63 to 0.74 for familiarity, 0.75 to 0.87 for positive recommendation, 0.74 to 0.92 for trust, and 0.80 to 0.93 for repurchase intention. In addition, Cronbach’s alpha values of all items are greater than the threshold value of 0.70, and the AVE value of all the constructs exceed the threshold value of 0.50. Therefore, it can be said that reliability and convergent validity of any above measurement constructs are satisfied.

In the next step, discriminant validity test was used to evaluate the degree to which measures of different constructs are distinct. The AVE method (average variance extracted method) is used to test discriminant validity, accordingly, if the average variances extracted (AVE) by the correlated latent variables is greater than the square of the correlation (CORR^2) between the latent variables then discriminant validity was satisfied (Fornell and Larcker, 1981).

The results (see table 2) indicate that all pair of constructs (familiarity & PWOM; familiarity & trust; familiarity & repurchase intention, PWOM & trust; PWOM & repurchase intention; trust & repurchase intention) satisfy with the discriminant validity. Also, there are evidences that the model provides good fit (Chi-square = 129.024; Degrees of freedom = 71; \( \chi^2/df = 1.817 \); GFI = 0.937; AGFI = 0.907; CFI = 0.973; NFI = 0.943; RMSEA = 0.055). Thus, it can be asserted that discriminant validity was approved.

<table>
<thead>
<tr>
<th>AVE/CORR^2</th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Familiarity</td>
<td>0.51</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2. Positive recommendation</td>
<td>0.16</td>
<td>0.67</td>
<td></td>
<td></td>
</tr>
<tr>
<td>3. Trust</td>
<td>0.30</td>
<td>0.17</td>
<td>0.73</td>
<td></td>
</tr>
<tr>
<td>4. Repurchase intention</td>
<td>0.13</td>
<td>0.12</td>
<td>0.28</td>
<td>0.76</td>
</tr>
</tbody>
</table>

Model fit indices: Chi-square = 129.024; Df = 71; \( \chi^2/df = 1.817 \); p-value = 0.000 GFI = 0.937; AGFI = 0.907; CFI = 0.973; NFI = 0.943; RMSEA = 0.055

Note: The values in diagonal row are AVE

**Total Effect**

The condition to test mediating effect was checked and the results (see in table 3) show that both independent constructs (familiarity in model 1 and positive recommendation in model 2) have a positive significant impact on the dependent construct (repurchase intention in two distinct models). Then, it is possible to move to the next step to test mediational hypotheses.

**Table 3. Total effect result**

<table>
<thead>
<tr>
<th>Direct path</th>
<th>Standardized Coefficient</th>
<th>t-value</th>
<th>p-value</th>
<th>Result</th>
</tr>
</thead>
<tbody>
<tr>
<td>Familiarity -&gt; Repurchase Intention</td>
<td>( c_1 = 0.36 )</td>
<td>4.744</td>
<td>***</td>
<td>Significant</td>
</tr>
<tr>
<td>PWOM -&gt; Repurchase Intention</td>
<td>( c_2 = 0.41 )</td>
<td>6.213</td>
<td>***</td>
<td>Significant</td>
</tr>
</tbody>
</table>

Note: *** Significant at 1% level

**Testing Mediation**

![Fig.3. Standardized result of structure modeling analysis](image-url)
Discussion And Conclusion

As shown in the results of model 1 (see table 4), both relationship between familiarity and trust as well as between trust and repurchase intention are positively significant at 1% level (path coefficients: a1 = 0.55, and b1 = 0.48, respectively). However, the relationship between familiarity and repurchase intention was not significant (c1’ = 0.10, ns) in the model 1. In addition, all goodness-fit-indices of model are satisfied (Chi-square = 50.07; Degrees of freedom = 32; χ²/df = 1.565; GFI = 0.965; AGFI = 0.94; CFI = 0.988; NFI = 0.966; RMSEA = 0.046). Therefore, it can be concluded that trust plays fully mediating role in this model.

The finding from total effect of familiarity on repurchase intention in this study is significant. It is consistent with Soderlund (2002) who stated that when customer familiarity increase, customers will possess a higher level of behavioral intention. However, when trust was involved in the model (model 1), the relationship between familiarity and repurchase intention is not significant. In addition, as mentioned above, both relationship between familiarity and trust as well as between trust and repurchase intention are positively significant. Thus, it can be concluded that trust fully mediates this model. The impact of familiarity on perception of trust was found out by the research conducted by Gremler et al. (2001)in different industry, and it is also consistent with a number of previous studies(Dyke et al., 2007; Elliott & Yannopoulos, 2007; Ha & Perks, 2005; Hsu, 2008; Yao & Li, 2008) which have asserted that familiarity is a preconditional or antecedent factor of trust. The implication of the results from model 1 is that when customers are familiar with provider’s services and their trust based on their experiences increases, they are more likely to keep sticking to the mobile phone network over the long term. Therefore, in order to enhance trust - based on customer’s familiarity, it suggest that service providers in the Vietnam’s mobile telecommunication market need find out any way to provide for existing subscribers distinguished services.

The results from model 2 (in table 4) indicate that all relationships (PWOM -> trust; PWOM -> repurchase intention, and trust -> repurchase intention) were positive significance (path coefficients: a2 = 0.41, c2’ = 0.23, b2 = 0.43, respectively). Also, there are evidences that the model provides good fit (Chi-square = 73.504; Degrees of freedom = 32; χ²/df = 2.297; GFI = 0.948; AGFI = 0.91; CFI = 0.977; NFI = 0.960; RMSEA = 0.070). Thus, it can be said that trust plays partially mediating role in the relationship between positive recommendation and repurchase intention.

The result of this research is consistent with previous researches (Khan et al., 2015; Praharjo et al., 2016), which have shown that positive recommendation has a positive impact on repurchase intention. Just like what the previous researchers indicated, the finding of this study still supports to literature that positive recommendation influence on decision making process of consumers. However, the findings from model 2 of this study indicate that positive recommendation not only has a direct impact, but also has an indirect effect on repurchase intention. In this case, trust plays a significant role as a mediating variable in the relationship between positive recommendation and repurchase intention.

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<table>
<thead>
<tr>
<th>Model</th>
<th>Standardized coefficient</th>
<th>t-value</th>
<th>p-value</th>
<th>Result</th>
</tr>
</thead>
<tbody>
<tr>
<td>Model 1</td>
<td>Model fit indices: Chi -square = 50.07 4; Df =32; Chi -square/Df = 1.565; P-value = 0.022; GFI = 0.965 ; AGFI = 0.94 0; CFI = 0.988; NFI =0.966; RMSEA=0.046</td>
<td>a1= 0.55</td>
<td>6.480</td>
<td>*** Significant</td>
</tr>
<tr>
<td>Familiarity -&gt; Trust</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Familiarity -&gt; Repurchase Intention</td>
<td>c1’ = 0.10</td>
<td>1.196</td>
<td>0.232</td>
<td>ns</td>
</tr>
<tr>
<td>Trust -&gt; Repurchase Intention</td>
<td>b2 = 0.48</td>
<td>5.974</td>
<td>*** Significant</td>
<td></td>
</tr>
</tbody>
</table>

**Conclusion 1**: Trust plays fully mediating role in the relationship between familiarity and repurchase intention.

**Conclusion 2**: Trust partially mediates the effect of positive recommendation on repurchase intention.

Note: *** is significant at 1% level; ns is not significant

**Table 4. Hypotheses testing result**

<table>
<thead>
<tr>
<th>Model</th>
<th>Model fit indices: Chi -square = 73.50 4; Df =32; Chi -square/Df = 2.297; P-value = 0.000 ; GFI = 0.948; AGFI = 0.91 0; CFI = 0.977; NFI =0.960; RMSEA=0.070</th>
<th>a2 = 0.41</th>
<th>5.982</th>
<th>*** Significant</th>
</tr>
</thead>
<tbody>
<tr>
<td>PWOM -&gt; Trust</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>PWOM -&gt; Repurchase Intention</td>
<td>c2’ = 0.23</td>
<td>3.607</td>
<td>*** Significant</td>
<td></td>
</tr>
<tr>
<td>Trust -&gt; Repurchase Intention</td>
<td>b2 = 0.43</td>
<td>6.271</td>
<td>*** Significant</td>
<td></td>
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</tbody>
</table>

The finding from total effect of familiarity on repurchase intention in this study is significant. It is consistent with Soderlund (2002) who stated that when customer familiarity increase, customers will possess a higher level of behavioral intention. However, when trust was involved in the model (model 1), the relationship between familiarity and repurchase intention is not significant. In addition, as mentioned above, both relationship between familiarity and trust as well as between trust and repurchase intention are positively significant. Thus, it can be concluded that trust fully mediates this model. The impact of familiarity on perception of trust was found out by the research conducted by Gremler et al. (2001)in different industry, and it is also consistent with a number of previous studies(Dyke et al., 2007; Elliott & Yannopoulos, 2007; Ha & Perks, 2005; Hsu, 2008; Yao & Li, 2008) which have asserted that familiarity is a preconditional or antecedent factor of trust. The implication of the results from model 1 is that when customers are familiar with provider’s services and their trust based on their experiences increases, they are more likely to keep sticking to the mobile phone network over the long term. Therefore, in order to enhance trust - based on customer's familiarity, it suggests that service providers in the Vietnam's mobile telecommunication market need find out any way to provide for existing subscribers distinguished services.

The results from model 2 (in table 4) indicate that all relationships (PWOM -> trust; PWOM -> repurchase intention, and trust -> repurchase intention) were positive significance (path coefficients: a2 = 0.41, c2' = 0.23, b2 = 0.43, respectively). Also, there are evidences that the model provides good fit (Chi-square = 73.504; Degrees of freedom = 32; χ²/df = 2.297; GFI = 0.948; AGFI = 0.91; CFI = 0.977; NFI = 0.960; RMSEA = 0.070). Thus, it can be said that trust plays partially mediating role in the relationship between positive recommendation and repurchase intention.

The result of this research is consistent with previous researches (Khan et al., 2015; Praharjo et al., 2016), which have shown that positive recommendation has a positive impact on repurchase intention. Just like what the previous researchers indicated, the finding of this study still supports to literature that positive recommendation influence on decision making process of consumers. However, the findings from model 2 of this study indicate that positive recommendation not only has a direct impact, but also has an indirect effect on repurchase intention. In this case, trust plays a significant role as a mediating variable in the relationship between positive recommendation and repurchase intention.

The result of this research is consistent with previous researches (Khan et al., 2015; Praharjo et al., 2016), which have shown that positive recommendation has a positive impact on repurchase intention. Just like what the previous researchers indicated, the finding of this study still supports to literature that positive recommendation influence on decision making process of consumers. However, the findings from model 2 of this study indicate that positive recommendation not only has a direct impact, but also has an indirect effect on repurchase intention. In this case, trust plays a significant role as a mediating variable in the relationship between positive recommendation and repurchase intention. This finding implies that building trust among consumers’ recommendation is very important, and it is very useful for the service provider to build effective positive word-of-mouth marketing programs. When
customers trust the recommendations from other subscribers about provider’s services, it can bring competitive advantage to network service providers. As a result, they not only could keep existing consumers but also could attract more new ones.

In conclusion, the purpose of this study is to examine the effects of familiarity and positive recommendation on customer repurchase intention and examine the mediating effect of customer trust in the field of mobile telecommunication market of Vietnam. To do this, two mediating modeling frameworks were built with two proposed hypotheses. The method suggested by Baron & Kenny (1986) was applied to test mediating role of trust in the models. The findings show that trust plays a fully mediating role in the relationship between familiarity and repurchase intention, but it partially mediates the relationship between positive recommendation and repurchase intention. The findings in this study contribute to both for theoretical as well as practical aspects. It suggests that the mobile phone network service providers in Vietnam should find out their way to enhance consumers’ trust by improving benefits for subscribers who perceive familiarly with current service, and fostering a long-lasting relationship with customers who volunteer to spread positive information about provider’s services to others.

Limitation

There are several limitations in this study. First, in order to focus on consumer’s trust-based on their perceived familiarity and positive recommendation from others, this study did not take into account some antecedents or dimensions of service quality that may impact more on repurchase intention. Therefore future research should take into account more factors to gain more complete findings and greater practical signification. Second, this study conducted in Vietnam where the market structure of mobile telecommunication service is not stable yet and a legal framework for the market has been inefficient until now. Thus, the models need to be tested in other markets or countries. In addition, future research should extend sample size, also both online and traditional survey should be combined to increase the heterogeneity of the sample and enhance samples’ representative for population.

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