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# The Relationship between Word-of-Mouth, Satisfaction, Trust and Loyalty in Herbal Medicine Industry

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## Abstract

Favourable word-of-mouth, customer satisfaction and trust are essential elements for strengthening customer brand loyalty to gain a sustainable advantage in a competitive market. However, there is a relative scarcity of research on the impact of word-of-mouth and customer satisfaction on brand loyalty through the mediated role of brand trust in the herbal medicine market. Consequently, this research aimed to assess the impact of word-of-mouth and customer satisfaction on loyalty through the mediating role of trust in the herbal medicine market. A survey questionnaire was utilised to obtain empirical data from a sample of 265 customers through systematic sampling strategy. Covariance-based structural equation modelling was employed to examine the hypotheses formulated to achieve the aim of the study. The research established that positive word-of-mouth, satisfaction, and trust significantly impact loyalty in the herbal medicine market. More importantly, the research indicated that the customers' trust partially mediated the impact of word-of-mouth and customer satisfaction on loyalty in the herbal medicine market. Hence, this research contributes to advancing the extant brand management literature by establishing the intervening role of trust in the relationship between word-of-mouth, satisfaction and loyalty in the herbal medicine market. This research further provides a reference point to encourage the practitioners to develop and track the customers' word-of-mouth, satisfaction and brand trust to enhance loyalty in the industry.

**Keywords:** Word-of-Mouth, Satisfaction, Trust, Loyalty, Herbal Medicine

## 1. Introduction

The role of herbal medicines in health care delivery in recent years has gained considerable attention due to the growing demand to complement conventional therapies across the world. Herbal medicines "include herbal herbs,

herbal material, herbal preparations and finished herbal products, containing as active ingredients parts of plants, or other plant materials, or combinations thereof” (WHO, 2002, p.1).

WHO (2008) reported that about one-third of the developed world population had used complementary or alternative medicine (CAM) in their lifetime. It has also been estimated that roughly 70 to 95 percent of less developed countries' population depend on herbal medicines to combat ailments, deal with chronic diseases, and maintain fitness (WHO, 2011; Naresh & Reddy, 2016). Furthermore, more than half of Ghanaians depends on plant medicines to meet their health care needs (UNDP, 2007). In this regard, the Food and Drugs Authority (FDA) and the Traditional Medicine Practice Council (TMPC) have been mandated to regulate herbal medicinal products' production and retailing. Moreover, herbal medicines have been profiled as non-prescription medicines and are usually distributed in over-the-counter medicine shops, pharmacies, herbal stores and clinics (WHO, 2011; Essegbey, Awuni, Essegbey, Akuffobe, & Mica, 2014).

In the last few years, herbal medicine (HM) firms, especially those operating on a large scale have also adopted various forms of modern technologies to improve the quality of the products, ranging from the process to product innovations. This has given rise to manufacturing different well-designed packaged herbal medications such as pills, tablets, capsules, creams, and mixtures (Essegbey et al., 2014), sold in the local and international markets. Currently, HM firms are going through stiff competition resulting from new firms' entry and the proliferation of CAM and modern medicines. This might have resulted in abysmally low prices and, ultimately, lower profit margins in the industry. It has been asserted that favourable word-of-mouth behaviour (WOM), high level of satisfaction, and trust have a significant and positive effect on loyalty (Alhulail, Dick, & Abareshi, 2018; Akbar & Parvez, 2009; Vazifehdoost, Rahnama, & Mousavian, 2014). Greater loyalty is also linked to high market share, price premium, a barrier to entry of rival firms, resistance to rival activities, and long-term profitability (Aaker, 1991). This may ultimately support HM firms to grow and sustain themselves in the industry.

The significance of satisfaction, WOM and trust in enhancing loyalty is well-documented in the marketing literature (Chaudhuri & Holbrook, 2001; Alhulail et al., 2018; Vazifehdoost et al., 2014; Hanaysha, 2016; Akbar & Parvez, 2009). However, there is little or no research on the impact of WOM and satisfaction on loyalty through the mediating role of trust, particularly in the HM market. A previous study considered the mediating role of trust, satisfaction and quality in the impact of brand experience on satisfaction and loyalty (Moreira, da Silva, & Moutinho, 2017). For this purpose, this paper seeks to examine the mediating role of brand trust in the relationship between WOM, satisfaction and loyalty in the HM market. Consequently, this paper extends the prior studies by considering the impact of WOM and satisfaction on loyalty mediated by brand trust in the HM market. This research also serves as a point of reference to encourage the HM practitioners to build and manage WOM, satisfaction and customers' trust in their brands to strengthen loyalty in the industry.

## **2. Literature Review and Research Hypotheses**

### *2.1 Brand Loyalty*

Growing, enriching, and maintaining loyalty has long been acknowledged as one of the essential goals of a company's marketing efforts because it serves as a foundation for achieving a competitive distinctiveness in the market. Loyalty relates to the association between customers' attitude and the re-patronage of a specific brand (Dick & Basu, 1994). According to Lovelock and Wright (2002), loyalty refers to customers' voluntary decision to do business with a company for an extended period by patronising its offerings regularly and on exclusive basis, and recommending the offerings to his friends and associates. Customers' attitudes and behaviours are considered critical dimensions of loyalty (Kardes, Cronley, & Cline, 2011). Attitudinal loyalty indicates customers' total feelings about a brand, whilst behavioural loyalty refers to customers' predisposition to make repeated purchases. A study also revealed that attitudinal and purchase loyalty exert a greater impact on market share and relative price for a brand, respectively (Chaudhuri & Holbrook, 2001). Alternatively, Oliver (1999, p. 34) explained loyalty as “deeply held commitment to rebuy or re-patronise a preferred product or service consistently in the future, thereby causing repetitive same-brand or same-brand set purchasing, despite situational influences and marketing efforts having the potential to cause switching behaviour.” The author identified four stages of loyalty development,

namely cognitive, affective, conative and action. Thus, consumers first become loyal in the cognitive sense, then in the affective, conative, and finally, action or behavioural sense. Cognitive loyalty focuses on the brand's preference due to its performance, while affective loyalty is concerned with the consumer's brand-likeability. Furthermore, conative loyalty emphasises repurchase intentions, whereas action loyalty reflects a dedication to repurchase action.

High customer brand loyalty can translate into a desire to pay a higher price, increase in market share and quantity of purchases, a barrier for new entities to enter the industry, repurchase intentions and positive WOM (Kotler & Keller, 2012; Dick & Basu, 1994; Aaker, 1991). Besides, greater brand loyalty plays a critical role in determining the value for a brand during its sale and purchase because a large loyal customer base is anticipated to provide a stable demand and profit to a firm (Aaker, 1991).

## 2.2 Word-of-Mouth

Word-of-mouth (WOM) communication has drawn academicians and practitioners' attention in the last few years because it plays a greater role in influencing consumer behavioural intentions. WOM has been defined as "informal, person-to-person communication between perceived non-commercial communicator and a receiver regarding a brand, a product, an organisation or a service" (Harrison-Walker, 2001, p. 63). Kardes et al. (2011) also explained WOM as product information conveyed by a consumer to another through face-to-face, phone, mail and/or the internet. In their view, WOM communication is credible and believable because consumers who engage in WOM are rarely involved in advertising or sales pitches. The fundamental assumption underlying WOM communication is that a friend, relative or co-worker who participates in WOM is known and can be trusted and that their views are honest and devoid of ulterior motives. Hence, WOM is believed to be seven times more influential than print media, twice as effective as broadcast media, and four times as effective as personal selling in influencing consumer switching behaviour (Hoyer & MacInnis, 2010). The authors also noted that WOM is more widespread, convincing, and vivid than written communication.

It has also been emphasised that WOM communications drive more than half of all consumer buying decisions, which has a significant impact on business success (Mothersbaugh & Hawkins, 2016). Information from personal sources is more powerful, especially when consumers are not familiar with the product or are exposed to new and technologically complex products (Solomon, Bamossy, Askegaard, & Hogg, 2013). This is because positive WOM can potentially minimise the perception of risks associated with purchasing and using up the product (Harrison-Walker, 2001). Solomon et al. (2013) suggested that unfavourable WOM information can reduce a firm's advertising credibility and negatively affect customers' attitudes and repurchase intentions towards its products. Studies indicate that a favourable WOM message makes the recipient feel relieved, excited, confident, optimistic, and overall, improves his perception about the firm (Sweeney, Soutar, & Mazzarol, 2008). Besides, earlier studies reported that favourable WOM has a significant impact on customers' brand trust (Mikalef, Pappas, & Giannakos, 2017; Ha, 2004; Nikhashemi, Paim, & Khatibi, 2015) and loyalty (Hanaysha, 2016; Alhulail et al., 2018).

Hence, the following hypotheses are postulated:

*H1: Word-of-mouth has a significant and direct relationship with brand loyalty*

*H2: Word-of-mouth has a significant and direct relationship with brand trust*

## 2.3 Customer Satisfaction

Customer satisfaction plays a critical role in a business's success because it serves as a source of competitive advantage. Oliver (1999) described customer satisfaction as the extent to which a product offers a pleasurable consumption-related fulfilment. Kotler and Keller (2012) also viewed satisfaction as customers' feeling of pleasure or disappointment from judging a product's perceived outcomes to expectations. The satisfaction, which is customers' judgment of post-purchase responses, are based on the expectation-disconfirmation model. Per this

framework, if the product's perceived outcomes match the expectations, the expectations are confirmed, and the customer is satisfied.

Moreover, where the product's perceived outcomes are less than expectations, negative disconfirmation sets in, and the customer is dissatisfied. Lastly, if the perceived product's performance exceeds expectations, the customer is delighted (Hoffman & Bateson, 2011). Customer expectations stem from the previous product or service exposures, WOM referrals, marketing and rival firms' actions (Kotler & Keller, 2012).

Delighted customers remain loyal, provide WOM referrals, are less responsive to price hikes, increase purchases over time, and re-patronage the firm's products. Greater customer satisfaction is also associated with higher stock returns and minimal trading risks in the stock market (Kotler & Keller, 2012; Ferrell & Hartline, 2011). Wijaya and Astuti (2018) argued that satisfied customers are likely to establish trust for the company and its products and involve in re-patronage behaviour. Empirical studies also confirmed that customer satisfaction positively influences brand trust (Wijaya & Astuti, 2018; Zboja & Voorhees, 2006) and loyalty (Vazifehdoost et al., 2014; Moreira et al., 2017; Akbar & Parvez, 2009).

Consequently, the following hypotheses are proposed:

*H3: Customer satisfaction has a significant and direct relationship with brand trust*

*H4: Customer satisfaction has a significant and direct relationship with brand loyalty*

## 2.4 Brand Trust

The concept of trust has been studied in social psychology, sociology, management and marketing, resulting in a lack of a generally-accepted definition of the construct. However, Morgan and Hunt (1994) stated that trust relates to the confidence that a relational party in an exchange will not take advantage of the other party's vulnerability. The authors pointed out that confidence expectations and risk are critical aspects of trust. Thus, trust exists when a person has confidence in the current partners' reliability and integrity. In the authors' view, the trusting party's confidence results from the firm belief that a trustworthy party is reliable and has proven integrity. Consequently, it is believed that the trustworthy party would demonstrate some degree of consistency, competency, honesty, fairness, responsible, helpful and benevolence (*ibid*).

Chaudhuri and Holbrook (2001) also defined brand trust as customers' willingness to rely on the brand's ability to perform its intended purpose. The author further stated that trust is essential, particularly in an environment where customers feel more vulnerable because it decreases perceived risks. Hence, trusted brands are bought more often and usually induce a higher level of attitudinal commitment because they are reliable, safe and genuine. However, Yague-Guillen, Munuera-Alemán, and Delgado-Ballester (2003) viewed brand trust as confident expectations about its reliability and intentions in an environment that poses risks to the consumer. The authors supported the view that risk is a critical ingredient of trust and can induce choice and positive behaviour. Based on the authors' conceptualisation, two distinct dimensions of brand trust have been identified: reliability and intention. Brand reliability relates to its competence and is concerned with the perceptions that the brand can fulfil its intended purpose. The brand's reliability dimension is crucial since it creates a sense of certainty in that the brand can meet the individual customer's needs in a consistently positive way. Hence, this can engender favourable brand attitudes, which can provide the basis for repeated buying decisions in a customer-brand relationship (Morgan & Hunt, 1994).

Conversely, brand intentions measure the belief that the brand would gain the buyer's interest when unexpected future problems arise regarding its consumption. In other words, the brand's intentions relate to the belief that its behaviour will be motivated by positive and good intentions towards the consumer's welfare and interests in the course of unanticipated future problems of the brand's consumption (Yague-Guillen et al., 2003). Thus, brand intentions are manifested in such aspects as altruism, benevolence, honesty, dependability and fairness. Studies also show that brand trust significantly and positively affects loyalty (Chaudhuri & Holbrook, 2001; Akbar &

Parvez, 2009; Moreira et al., 2017; Ha, 2004; Vazifehdoost et al., 2014), and is positively affected by WOM (Mikalef et al., 2017; Ha, 2004) and satisfaction (Wijaya & Astuti, 2018; Zboja & Voorhees, 2006).

Based on this, the following hypotheses are formulated:

*H5: Brand trust has a significant and direct relationship with brand loyalty*

*H6: Brand trust mediates the relationship between word-of-mouth and loyalty*

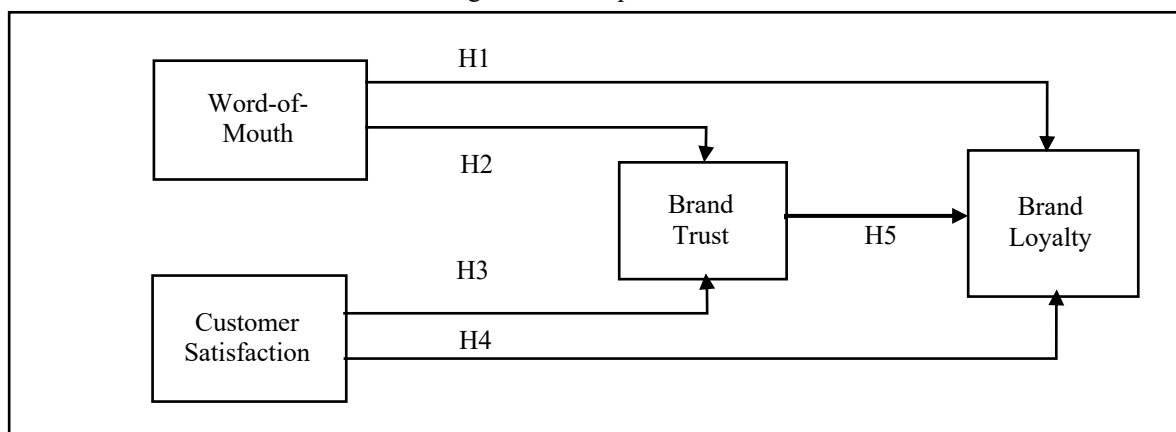
*H7: Brand trust mediates the relationship between satisfaction and loyalty*

### 3. Conceptual Model

The conceptual framework exhibits the graphical and narrative illustrations of the critical factors and how they relate to each other in this paper (Miles, Huberman, & Saldaña, 2014). In this research, WOM and satisfaction are predictor variables, and brand trust is an intervening variable, whilst loyalty is an outcome variable.

The framework in Figure 1 suggests that WOM and satisfaction are positively related to brand trust, which directly influences loyalty. In this paper, satisfaction indicates a customer's feeling of pleasure or disappointment, resulting from judging a product's perceived outcomes to expectations (Kotler & Keller, 2012). Similarly, brand trust measures the customers' confident expectations about a brand's reliability and intentions in an environment surrounded by risks (Yague-Guillen et al., 2003). WOM is also an informal, face-to-face communication between one person and another relating to a firm and its products or services (Harrison-Walker, 2001). Finally, brand loyalty reflects customers' voluntary decision to do business with a company for an extended period by patronising its offerings regularly and on exclusive basis, and recommending the offerings to his friends and associates (Lovelock & Wright, 2002).

Figure 1: Conceptual Model



Source: Developed by the Researchersust

### 3. Research Methodology

The methodology used to achieve the study's purpose is discussed below.

#### 3.1 Population and Sample

The study's population involves locally-produced herbal medicines, 26 herbal stores, and 854 customers who patronise herbal drugs from the metropolis's retail stores. The herbal retail stores are required by law to sell only plant medicines in the country. The data about the number of herbal stores was obtained from the TMPC in Cape

Coast, while that of the customers was from herbal stores' daily sales. Following Krejcie and Morgan's (1970) guide of calculating sample size, 265 samples of customers participated in the study.

### *3.2 Scale Items Development and Data Collection Method*

Multiple test items with five-point responses ranging from 1 = strongly disagree to 5 = strongly agree were adopted to capture the customers' perceptions of satisfaction, WOM, trust and loyalty. The researcher utilised this type of questionnaire since it generates data that can be analysed statistically and is much easier to interpret the results (Creswell, 2014). The multiple scale items were also obtained from earlier studies. The scale items used to measure customers' satisfaction were from He, Li, and Harris (2012) and Delgado-Ballester and Munuera-Alemán (2005), WOM from Zeithaml, Berry, and Parasuraman (1996), loyalty from Chaudhuri and Holbrook (2001) and Zeithaml et al. (1996), and brand trust from Chaudhuri and Holbrook (2001).

A systematic sampling method was employed to self-administer the survey questionnaires to the customers. The first respondent was selected at random, and then one out of every third customer was invited to participate in the survey. This sampling approach allowed the researchers to recruit the respondents without prior information about them (Malhotra, Nunan, & Birks, 2017). Although two hundred sixty-five (265) questionnaires were distributed to the sampled customers, only 208 were used in the analysis.

## **4. Data Analysis and Results**

Exploratory factor analysis (EFA) and structural equation modelling (SEM) were the statistical procedures used to analyse the hypotheses using SPSS Amos 20.

### *4.1 Sample Demographic Characteristics*

The findings of the study's sample demographic structure show most were male, between the age of 26 and 35, and had completed senior high school. The results reveal that 104 (50.7%) were male, 81(39.1%) were between the age of 26 and 35, and 74 (36.5%) had senior high school education.

### *4.2 Exploratory Factor Analysis*

The purpose of conducting the EFA was to determine the multiple items' correlation with their stated constructs. The EFA was conducted with 15 test items, and the factors were extracted through the principal axis factoring using the promax rotation method. Table 1 below presents the EFA results, which show that Kaiser-Meyer-Olkin (KMO) Measure of Sampling Adequacy of 0.84 is greater than the lower limit of 0.60, indicating a sufficient sample size for the EFA (Pallant, 2013). More so, the Bartlett's Test of Sphericity ( $X = 1572.534$ ;  $df = 105$ ;  $p = .000$ ) is significant at  $p < .05$ , validating the EFA (Hair, Black, Babin, & Anderson, 2014).

Besides, the results of the pattern matrix reported a four-factor structure. Variable 1 denotes brand trust, 2 is satisfaction, 3 is loyalty, and 4 is WOM. Fourteen (14) multiple-scale items were maintained because one test item cross-loaded with another variable and, therefore, was rejected (*ibid*). Thus, four items loaded on trust, four on satisfaction, four on loyalty and two on WOM. Again, the four variables had eigenvalues greater than 1.0 and explained 67.83% of the analysis' overall variance. After the EFA, the scale items' reliability was examined through the coefficient alpha to eliminate those with lower inter-item correlations. The findings in Table 1 reveal that all the variables had values higher than .70, ranging between .807 and .851, confirming internal consistency reliability (Tavakol & Dennick, 2011).

### *4.3 Structural Equation Modelling*

The SEM was carried out through a two-stage procedure, as proposed by Byrne (2016), to test the research hypotheses. That is, the measurement model was analysed first and, afterwards the structural model.

#### 4.3.1 Measurement Model

The measurement model was carried out through the confirmatory factor analysis (CFA) using a maximum likelihood to confirm the EFA results. The CFA was also conducted to investigate the construct validity and composite measure of the constructs' reliability in the measurement model. Table 1 reports the CFA summary results, which indicate that 12 test items loaded on the four variables and all the estimates were statistically significant. Two test items were excluded from the analysis to check convergent validity because their standardised regression weights were below .50 (Hair et al., 2014).

Moreover, apart from the chi-square test ( $X = 73.926$ ;  $df = 48$ ;  $p = .010$ ), the other fit indices validated the model. The Normed chi-square statistic ( $CMIN/DF = 1.540$ ); Goodness-of-Fit Index ( $GFI = .948$ ); Adjusted Goodness of Fit ( $AGFI = .915$ ); Root Mean Residual ( $RMR = .032$ ); Standardised Root Mean Square Residual ( $SRMR = .043$ ); Root Mean Square of Error of Approximation ( $RMSEA = .049$ ); Comparative Fit Index ( $CFI = .977$ ); Tucker-Lewis Index ( $TLI = .969$ ); Incremental Fit Index ( $IFI = .978$ ); Normed Fit Index ( $NFI = .939$ ); and Relative Fit Index ( $RFI = .916$ ). All these outcomes demonstrate a better fit of the model (Hu & Bentler, 1999; Kline, 2015; Hair et al., 2014).

The composite reliability was adopted to evaluate the constructs' reliability in the measurement model. According to Hair, Sarstedt, Hopkins, and Kuppelwieser (2014), composite reliability is regarded as a more acceptable measure of internal consistency than coefficient alpha. This is because the latter is more sensitive to the number of test items measuring a particular variable. The results in Table 1 show that all the coefficients are greater than .70, indicating adequate construct reliability (Fornell & Larcker, 1981; Bagozzi & Yi, 1988).

Table 1: Results of Measurement Model

Latent Variables and Test Items		Standardised Estimate	t-values
Brand Trust ( $\alpha = .851$ ; CR = .852)			
BT1	I trust X	.763	— a
BT2	I rely on X to solve my problems	.825	12.045
BT3	X is safe	.728	10.653
BT4	X an honest brand	.755	11.059
Brand Loyalty ( $\alpha = .820$ ; CR = .778)			
BL1	I would consider X as my first choice when buying herbal medicine	.820	— a
BL2	I intend to keep buying more of X in the future	.756	9.971
BL3	I would be willing to continue to buy more of X even if its price increases somewhat	.618	8.510
Customer Satisfaction ( $\alpha = .807$ ; CR = .813)			
CS1	I am completely satisfied with X	.751	— a
CS2	I am very pleased with X	.809	10.366
CS3	I am very delighted with X	.746	9.974
Word-of-Mouth ( $\alpha = .820$ ; CR = .826)			
WOM3	I would encourage my friends and relatives to buy X	.841	— a
WOM2	I would recommend X to someone who asks for my advice	.837	10.147

**Notes:** X= Focal brand;  $\alpha$  = Cronbach alpha; CR = Composite Reliability; a = path parameter was set to 1; therefore, no t-values were estimated; all standardised estimates are significant at  $p = 0.001$  level.

#### 4.3.2 Construct Validity Analysis



The constructs' validity was checked by examining convergent validity and discriminant validity. The Fornell and Lacker (1981) criterion and average variance extracted (AVE) were adopted to determine convergent validity and discriminant validity. The findings in Table 2 point out that all the AVEs are above the lower limit of .50, supporting convergent validity (Bagozzi & Yi, 1988; Hair et al., 2014). Again, all the squared correlation estimates between a variable and another are less than the square root of the variables' AVEs, showing discriminant validity (Fornell & Lacker, 1981).

Table 2: Results of Construct Validity Analysis

Variables	AVE	Brand Trust	Brand Loyalty	Satisfaction	Word-of-Mouth
Brand Trust	.591	.769**			
Brand Loyalty	.542	.300	.736**		
Customer Satisfaction	.592	.268	.180	.769**	
Word-of-Mouth	.704	.342	.317	.161	.839**

Notes: \*\* = Square root of AVEs; off-diagonal estimates measure the squared inter-construct correlations

#### 4.3.3 Structural Model

The proposed hypotheses were tested by using the structural model. In this paper, customer satisfaction and WOM are independent variables, while brand trust is an intervening variable, and brand loyalty is a dependent variable. Given the Chi-square test (CMIN = 99.611, df = 49, p = .000), the CMIN/DF = 2.033; GFI = .935; NFI = .918; TLI = .940; IFI = .956; CFI = .956; RMSEA = .068, confirm the model. Table 3 provides the structural model's summary results, demonstrating that all the path estimates are a statistically significant at a probability level of .05 or .001. The results indicate that WOM is significant and directly related to loyalty ( $\beta = .366$ ,  $t = 3.861$ ) and trust ( $\beta = .489$ ,  $t = 6.114$ ) at  $p < .001$ , supporting *H1* and *H2* respectively. Again, the findings of the analysis revealed that satisfaction has a significant and positive effect on trust ( $\beta = .378$ ,  $t = 4.938$ ) and loyalty ( $\beta = .174$ ,  $t = 2.046$ ) at  $p < .05$ , confirming *H3* and *H4* respectively. Lastly, the analysis shows that trust ( $\beta = .264$ ,  $t = 2.608$ ) is significant and directly related to loyalty at  $p < .05$ , supporting *H5*.

Table 3: Summary Results of Structural Model

Table 3: Summary Results of Structural Model						
Hypotheses		Structural Relations		Standardised Estimate	C.R.	p-value
H1	Brand Loyalty	<-----	Word-of-Mouth	.366	3.861	.000
H2	Brand Trust	<-----	Word-of-Mouth	.489	6.114	.000
H3	Brand Trust	<-----	Satisfaction	.378	4.938	.000
H4	Brand Loyalty	<-----	Satisfaction	.174	2.046	.041
H5	Brand Loyalty	<-----	Brand Trust	.264	2.608	.009

#### 4.3.4 Mediation Model

The study also aimed to explore brand trust's mediational role in the relationship between WOM and loyalty (*H6*) and satisfaction and loyalty (*H7*). Relying on Baron and Kenny's (1986) mediational model, which consists of; (1) regressing the mediator on the independent variable; (2) the dependent variable on the independent variable; and (3) the dependent variable on both the independent variable and the mediator. Hence, the mediational model was analysed through a bootstrap re-sampling approach.

The results of the analysis in Table 4 shows that WOM ( $\beta = .366$ ,  $p = .005$ ) has direct effect on loyalty at  $p < .05$  level. The analysis further indicates that the mediated relationship between WOM ( $\beta = .129$ ,  $p = .007$ ) and loyalty is statistically significant at  $p < .05$ . The outcomes show that trust acts as a partial mediator in the relationship between WOM and loyalty. Furthermore, the analysis indicates that satisfaction ( $\beta = .174$ ,  $p = .038$ ) has a direct influence on loyalty at  $p < .05$  level. The analysis further shows that satisfaction ( $\beta = .100$ ,  $p = .004$ ) has indirect effect on loyalty at significance level of  $p < .05$ . These findings reveal that trust partially mediates the relationship between satisfaction and loyalty.

Table 4: Results of the Mediation Model

Hypotheses	Structural Relations					Direct without Mediator	Direct with Mediator	Indirect Effect
H6	Loyalty	<----	Trust	<---	WOM	.366 (.005)**	.489 (.001)**	.129 (.007)**
H7	Loyalty	<----	Trust	<---	Satisfaction	.174 (.038)**	.378 (.001)**	.100 (.004)**

Notes: \*\* = Statistically significant at  $p < .05$

## 5. Discussion and Implications

The study aimed to explore the impact of WOM and satisfaction on loyalty mediated by brand trust in the HM industry. The study found that WOM has a significant positive effect on loyalty in the HM market. This outcome is consistent with earlier studies (Hanaysha, 2016; Alhulail et al., 2018) which established that positive WOM strengthens loyalty. This outcome of the study also differs from the previous studies (Markovic, Iglesias, Singh, & Sierra, 2018; Niyomsart & Khamwom, 2016), which considered WOM as a consequence of loyalty. Thus, the WOM recommendations provided by customers' friends and relatives positively affect their commitment to the HM market's brands.

Besides, the findings show that WOM is the best predictor of loyalty compared to satisfaction and trust in the HM market. This result is contrary to past research (Moreira et al., 2017), which pointed out that satisfaction has a dominant influence on loyalty compared to trust, quality and brand experience in a telecommunication multiple-play service market. Again, the research reveals that the customers' trust is positively affected by WOM in the HM market. This outcome is in line with past studies (Mikalef et al., 2017; Ha, 2004; Nikhashemi et al., 2015), suggesting that WOM contributes positively to strengthening a customer's trust in a brand. The HM market is flooded with counterfeit medicines, and customers are nervous about herbal medicines' perceived side effect. Building and managing customers' WOM referrals by the HM practitioners will engender trust in the brands and ultimately strengthen their loyalty.

Moreover, the results indicate that customer satisfaction directly affects brand trust in the HM market. This outcome concurs with prior empirical studies (Wijaya & Astuti, 2018; Zboja & Voorhees, 2006), which show that WOM significantly influences customers' brand trust. This outcome also suggests that a customer who is satisfied with using a brand considers the brand reliable and hence, develops confidence in it. However, this result is contrary to past studies (Liao, Chung, Hung, & Widowati, 2010; Putri, Wahab, & Shihab, 2018), which established that brand trust directly impacts customers' satisfaction. The study also indicates that customer satisfaction has a significant and positive impact on loyalty in the HM market. This outcome is consistent with earlier authors' investigations (Vazifehdoost et al., 2014; Moreira et al., 2017), highlighting that loyalty is positively affected by customer satisfaction. Creating and sustaining customer brand loyalty is one of the strategic thrusts of marketing. Therefore, providing products that delight customers to fortify their trust should be the priority of HM practitioners. A customer who is satisfied with his product experiences develops confidence in the product, considers it as his first choice, and intends to buy more in the future even if its price increases.

Consistent with earlier studies (Chaudhuri & Holbrook, 2001; Akbar & Parvez, 2009; Moreira et al., 2017; Ha, 2004), this study also shows that brand trust significantly impacts loyalty in the HM market. Trust is well-recognised as an essential element in any successful exchange relationship, and therefore, creating solid customers' trust in the HM markets' brands will culminate into greater loyalty. Finally, the study's results also reveals that the impact of WOM and satisfaction on loyalty is partially mediated by brand trust. This outcome implies that the effect of WOM and satisfaction on customers' loyalty in the HM market's brands is partly due to trust. As a result, enhancing WOM and customer satisfaction to reinforce loyalty will be partly achieved by developing customers' trust in the HM market's brands. Hence, practitioners need to consider brand trust alongside positive WOM and customer satisfaction to build and maintain loyalty in the HM industry.

## 6. Conclusion

This research aimed to assess the impact of WOM and satisfaction on loyalty through the mediating role of brand trust in the HM market. The study established that WOM contributes significantly to enhance brand trust and loyalty in the HM market. The study further indicated that customer satisfaction positively impacts brand trust and loyalty in the HM market. More importantly, among the variables, WOM was shown to have the most significant effect on loyalty in the HM market. The study, therefore, confirms that WOM and customer satisfaction are important ingredients for building and managing customers' brand trust and loyalty in the Cape Coast HM industry. Furthermore, the study found that in the HM market, the role of WOM and customer satisfaction in enhancing loyalty was partly mediated by trust. Accordingly, this research concludes that positive WOM referrals, customer satisfaction, and brand trust are critical dimensions of brand loyalty in the HM industry.

### 6.1 Limitations and Future Research

This paper has some limitations that need to be attended to in future research. The primary data the study was sourced from the customers in-store market. The HM market entails an in-store and marketplace environment. Future research should capture the customers' perceptions of WOM, satisfaction, trust, and loyalty in the online and in-store market environments to obtain the customers' holistic view. Furthermore, this paper relied on only locally-made herbal medicines to determine customers' views on WOM, satisfaction, trust and loyalty in the HM market. Future research needs to consider foreign-manufactured herbal drugs sold in the HM market to enrich its generalisation. The study also adopted a quantitative methodology to test the hypothesised relationships to achieve its purpose. Future research should use mixed methods to generate in-depth information about variables of interest.

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