



The Role of Brand Trust in Customer Retention through Value, Personalization, e-WOM, and Social Media

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Abstract

This study investigates the roles of perceived value, service personalization, electronic word of mouth (e-WOM), and social media marketing (SMM) in enhancing customer retention, with brand trust as an intervening variable, within the context of a private tutoring institution. The research is motivated by increasing competition in the education service sector and the growing importance of digital information in parental decision-making. A quantitative approach was employed using a survey of 200 parents whose children had enrolled in tutoring programs during 2023–2025. Data were analyzed using Structural Equation Modeling (SEM) with AMOS to test both the measurement and structural models. The results reveal that perceived value has a significant positive effect on customer retention and brand trust, indicating that parents are more likely to maintain long-term relationships when they perceive a fair balance between costs and benefits. Service personalization, e-WOM, and social media marketing were found to significantly strengthen brand trust. However, social media marketing does not directly influence customer retention, suggesting that its impact operates indirectly through brand trust. Furthermore, brand trust was confirmed as a significant determinant of customer retention, highlighting its central role in sustaining long-term relationships in education services. Overall, the findings demonstrate that customer retention in tutoring services is primarily driven by value-based and trust-based mechanisms rather than direct promotional efforts. This study contributes to the literature by clarifying the mediating role of brand trust and offers practical insights for education service providers seeking to enhance retention through meaningful value creation and relationship-building strategies.

Keywords:

Perceived Value;
Service Personalization;
Electronic Word of Mouth;
Social Media Marketing;
Brand Trust;
Customer Retention.

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INTRODUCTION

Indonesia continues to face persistent challenges in improving students' literacy and numeracy outcomes. Although Indonesia's relative position in the Programme for International Student Assessment (PISA) 2022 improved compared to 2018, average scores in reading, mathematics, and science declined. This indicates that improvements in ranking do not necessarily reflect gains in core competencies (Kemendikbudristek, 2023; OECD, 2023). These findings highlight the need to strengthen learning quality beyond content mastery toward higher-order cognitive

skills such as reasoning, interpretation, and contextual problem solving. In parallel, the national university entrance examination system (UTBK-SNBT) increasingly emphasizes literacy and numeracy reasoning, requiring students to comprehend complex texts, apply quantitative logic, and respond effectively to analytical tasks. As a result, many students require structured learning support that complements formal schooling.

Within this context, tutoring institutions (*bimbingan belajar*) have become increasingly relevant as non-formal education providers that offer additional academic support tailored to learners' needs. Tutoring can be understood as an educational assistance process that helps students pursue learning aligned with their abilities, interests, and needs, while identifying effective strategies to overcome learning difficulties (Anwar, 2021). Prior studies have shown that tutoring contributes to improved learning motivation and academic achievement, particularly in exam preparation contexts (Amanda, 2023; Priyasmika et al., 2022). However, in the post-pandemic digital era, competition among tutoring providers has intensified. This situation creates pressure not only to deliver academic outcomes but also to establish sustainable relationships with customers to ensure long-term continuity.

Customer retention has therefore emerged as a strategic priority in service industries. Retention reflects customers' intentions and commitment to continue using a service over time, prioritize the provider, and recommend it to others (Otiso, 2021). From a managerial perspective, retaining existing customers is often significantly more cost-effective than acquiring new ones, making retention a central objective of relationship marketing strategies (Rosário & Casaca, 2023). Research in relationship marketing further suggests that customer retention is influenced by psychological and relational factors, including switching costs and brand trust (Amanah et al., 2021). In tutoring services, where parents frequently act as primary decision-makers and perceive educational outcomes as high-stakes investments, trust in the service provider becomes particularly important.

Brand trust refers to customers' confidence that a brand will consistently fulfill its promises and remain reliable under conditions of uncertainty or perceived risk (Dam, 2020). Trust plays a key role in reducing perceived risk, strengthening emotional bonds, and stabilizing customer preferences over time (Monfort et al., 2025). In service contexts, higher levels of brand trust are associated with stronger loyalty-related behaviors, including customer retention, as customers feel more secure in maintaining long-term relationships (Amanah et al., 2021). One of the most important antecedents of brand trust is perceived value, which reflects customers' evaluations of the benefits received relative to the costs or sacrifices incurred. When perceived benefits meet or exceed expectations, perceived value increases and strengthens customers' willingness to continue the relationship (Miao et al., 2022).

In addition to perceived value, service personalization has become an increasingly important competitive strategy in service industries. Service personalization refers to the design and delivery of services that accommodate individual customer needs and preferences, while encouraging customer involvement in shaping the service experience (Chandra et al., 2022). From a service design perspective, personalization involves adjusting service attributes to customer-specific preferences while maintaining operational efficiency, which can enhance perceived value (Zhou et al., 2022). However, prior research also indicates that customers differ in their preferences for personalized services and in their willingness to pay for them. This highlights the importance of segmentation and strategic alignment when implementing personalization strategies (Tomczyk et al., 2022). In tutoring services, personalization may include individualized learning plans, small-group or private instruction, progress monitoring, and consultation with parents, all of which can strengthen perceived value and brand trust.

Digital communication channels further shape trust formation and customer retention. Electronic word-of-mouth (e-WOM) refers to informal, internet-based communication among consumers regarding products or services, and it plays a critical role in information adoption and evaluation processes (Litvin et al., 2008). In digital environments, peer-generated recommendations are often perceived as more credible than traditional advertising, making e-WOM a powerful driver of trust (Addae et al., 2025; Le et al., 2024). Positive e-WOM has been shown to enhance brand trust and support loyalty-related outcomes, including retention, by reinforcing confidence in service

quality and reliability (Mahmud et al., 2024). Social media marketing (SMM) amplifies these dynamics by providing platforms for interaction, reputation management, and real-time feedback between firms and customers (Drummond et al., 2020; Olanrewaju et al., 2020). Prior studies suggest that effective SMM activities, particularly content posting, customer interaction, and monitoring, contribute to stronger brand-related outcomes and sustained customer relationships (Laradi et al., 2023; Yang et al., 2022).

Despite extensive research on perceived value, service personalization, e-WOM, and SMM, important gaps remain in understanding how these factors jointly influence customer retention in non-formal education services. Existing studies have largely focused on sectors such as hospitality, retail, banking, and e-commerce, where service quality and digital marketing activities are linked to retention outcomes (Cheraghalizadeh & Dědková, 2022). Research in education-related contexts has tended to emphasize brand equity, institutional image, or student interest rather than customer retention as a behavioral outcome, particularly in tutoring services (Perera et al., 2023; Sriyanto & Muttaqin, 2024). Moreover, few studies have explicitly positioned brand trust as a central mechanism that connects perceived value, service personalization, e-WOM, and SMM to customer retention within the tutoring industry.

Accordingly, this study addresses these gaps by proposing and empirically testing an integrated model of customer retention in the tutoring context, with brand trust positioned as a key mediating mechanism. The novelty of this study lies in its integration of perceived value, service personalization, e-WOM, and SMM within a single empirical framework applied to non-formal education services. Theoretically, the study extends relationship marketing and consumer behavior perspectives by demonstrating that perceived value in tutoring services derives not only from academic outcomes but also from personalized service design (Chandra et al., 2022; Miao et al., 2022; Zhou et al., 2022). Conceptually, it highlights the importance of digital relational mechanisms in trust formation, particularly in service contexts where credibility, parental confidence, and community reputation are critical (Drummond et al., 2020; Litvin et al., 2008; Olanrewaju et al., 2020).

The aim of this study is to examine the role of brand trust in customer retention by analyzing the effects of perceived value, service personalization, e-WOM, and social media marketing as key antecedents. Specifically, the study evaluates the influence of perceived value on brand trust and continued service use, analyzes the impact of service personalization on brand trust, assesses the contribution of e-WOM to trust formation, and examines the effectiveness of social media marketing in strengthening brand trust and customer retention. The findings are expected to contribute theoretically by clarifying the mechanisms through which relational and digital factors drive retention in tutoring services, and practically by providing guidance for tutoring providers to design value-driven, personalized, and digitally supported strategies that foster long-term customer relationships (Chatterjee & Kar, 2020; Rosário & Casaca, 2023; Yang et al., 2022).

METHOD

Research Design and Setting

This study employed an explanatory quantitative design to examine causal relationships among perceived value, service personalization, electronic word-of-mouth (e-WOM), social media marketing (SMM), brand trust, and customer retention. A survey approach was used to collect cross-sectional data suitable for Structural Equation Modeling (SEM). The research was conducted at Konstanta Education, a tutoring provider located in Jakarta. The overall research process took place from June 2024 to December 2025, covering topic approval, proposal development, data collection and processing, and final reporting.

Population, Sampling Technique, and Sample Size

The population comprised 400 parents whose children had participated in at least one Konstanta Education program during 2023 to 2025. Purposive sampling was applied with two inclusion criteria: (1) parents who had

enrolled their child in at least one program at Konstanta Education, and (2) parents who acted as the key decision-maker regarding program selection.

Sample size was justified using two approaches. First, the “ten-times rule” for SEM recommends at least ten observations per maximum number of indicators within a construct. With 25 indicators, the minimum recommended sample size was 250 (Sarstedt et al., 2021). Second, a Slovin formula calculation with a 5 percent error tolerance produced a minimum sample size of 200 based on a population of 400 (Kuantitatif, 2016). In the implementation phase, data were collected from 200 respondents, consistent with the Slovin-based requirement and the study’s field constraints.

Data Collection Procedure

Primary data were collected through an online questionnaire administered via Google Forms. Respondents were approached based on the predefined purposive criteria. Participation was voluntary, and respondents were informed that their responses would be used only for research purposes. To reduce social desirability bias, the questionnaire emphasized anonymity and instructed respondents to answer based on their actual experiences with the tutoring services.

Measurement and Instrument Development

All constructs were measured using five indicators each, and responses were recorded on a five-point Likert scale ranging from 1 (strongly disagree) to 5 (strongly agree). The indicators were adapted from prior studies and operationalized to fit the tutoring context. The instrument included the following constructs: perceived value, service personalization, e-WOM, SMM, brand trust, and customer retention.

Table 1. Constructs, example indicators, and measurement sources

Construct	Example indicators (illustrative)	Key sources used for indicators
Perceived Value	value for money, usefulness, overall satisfaction, quality value, emotional value	(Feng et al., 2025; Iskandar et al., 2024)
Service Personalization	diagnostic test, customized learning strategy, learning analytics feedback, transparency and communication, data privacy and security	(Du Plooy et al., 2024)
e-WOM	convincing, review-seeking, recommendation adoption, believability, informativeness	(Ngo et al., 2024)
Social Media Marketing	trendiness, interactivity, customization, entertainment, community engagement	(Jiang et al., 2021; Malarvizhi et al., 2022)
Brand Trust	promise keeping, reliability, integrity, benevolence, dependability in reporting learning progress	(Amanah et al., 2021; Stribbell & Duangekanong, 2022)
Customer Retention	repeat purchase intention, multiple program interest, referral intention, willingness to continue, switching resistance	(Amanah et al., 2021; Sang, 2025)

Data Analysis Strategy

Data analysis was conducted using SPSS and AMOS. The analysis proceeded in three stages.

First, the measurement model was evaluated through Confirmatory Factor Analysis (CFA). Indicator validity was assessed using standardized factor loadings, with a minimum threshold of 0.50. Indicators below the threshold were subject to review to preserve measurement integrity.

Second, construct reliability was assessed using Composite Reliability (CR) and Variance Extracted (VE). A construct was considered reliable when CR and VE exceeded 0.70.

Third, the structural model and hypotheses were tested using SEM. Model fit was evaluated using commonly reported indices including Chi-square (ideal $p > 0.05$), RMSEA (≤ 0.08), GFI (≥ 0.90), CFI (≥ 0.90 or ≥ 0.95 for very good fit), NFI (≥ 0.90), TLI (≥ 0.90), AGFI (≥ 0.90), and PNFI (≥ 0.60). Hypotheses were accepted when the Critical Ratio exceeded 1.96 and the probability value was below 0.05 (Sarstedt et al., 2021).

RESULT AND DISCUSSION

Sample Characteristics

This study analyzed data from 200 parents who had enrolled their children in at least one program at Konstanta Education during the period 2023–2025. Respondents were selected using purposive sampling based on predefined criteria.

The sample was predominantly female (86 percent), reflecting the central role of mothers in educational decision-making. Most respondents were over 40 years old (95.5 percent), indicating a mature group with stable and experience-based decision patterns. In terms of education, 83 percent of respondents held at least an undergraduate degree, suggesting adequate cognitive ability to evaluate service quality and marketing information. The largest occupational group was housewives (44 percent), followed by private-sector employees (28 percent). Monthly income was mainly concentrated in the middle-income category, with 67.5 percent earning between IDR 10,000,001 and IDR 20,000,000. Nearly all respondents were married (98.33 percent), indicating a socially stable family structure relevant to long-term educational service decisions.

A summary of respondent demographics is presented in Table 2.

Table 2. Respondent Characteristics (n = 200) / Demographics

Variable	Category	Frequency	Percentage (%)
Gender	Male	28	14.0
	Female	172	86.0
Age	36–40 years	9	4.5
	> 40 years	191	95.5
Education	High School or equivalent	19	9.5
	Diploma (D3)	15	7.5
	Undergraduate (D4/S1)	120	60.0
	Postgraduate	46	23.0
Occupation	Housewife	88	44.0
	Private sector employee	56	28.0
	Civil servant	19	9.5
	Entrepreneur	21	10.5
	Others	16	8.0
Monthly Income	IDR 10,000,001–20,000,000	135	67.5
	IDR 20,000,001–50,000,000	64	32.0
	> IDR 50,000,000	1	0.5
Marital Status	Married	177	98.33
	Widowed/Divorced	3	1.67

Descriptive Statistics

Descriptive statistics were used to examine respondents' overall perceptions of the studied constructs. Mean scores above the midpoint of the five-point Likert scale indicate generally positive evaluations.

Perceived Value recorded a mean score of 3.63, indicating that respondents perceived the benefits of the tutoring services to be commensurate with the costs incurred. Service Personalization showed a moderate mean value of 3.06, suggesting that personalization efforts were present but not yet optimal. Electronic Word of Mouth (e-WOM) obtained a mean score of 3.51, reflecting positive perceptions of online reviews and recommendations. Social Media Marketing achieved a mean score of 3.52, indicating that respondents generally perceived the institution's social media activities as effective. Brand Trust demonstrated a relatively strong mean value of 3.65, while Customer Retention showed a mean score of 3.45, suggesting a tendency toward continued usage, although not yet at a strong loyalty level.

Standard deviations across constructs were below 1.0, indicating relatively homogeneous responses among participants. A summary of descriptive statistics for all constructs is presented in Table 3.

Table 3. Descriptive Statistics of Research Constructs

Construct	Mean	Standard Deviation
Perceived Value	3.63	0.89
Service Personalization	3.06	0.99
Electronic Word of Mouth (e-WOM)	3.51	0.91
Social Media Marketing	3.52	0.82
Brand Trust	3.65	0.78
Customer Retention	3.45	0.95

Measurement Model Evaluation

1. Convergent Validity

Convergent validity was assessed using Confirmatory Factor Analysis (CFA) in AMOS. All indicators exhibited standardized factor loadings above the recommended threshold of 0.50, with values ranging from 0.538 to 0.944. These results confirm that each indicator adequately represented its respective latent construct.

2. Reliability

Construct reliability was evaluated using Construct Reliability (CR) and Variance Extracted (VE). All constructs met the recommended criteria, with CR values ranging from 0.880 to 0.954 and VE values ranging from 0.594 to 0.805. These results indicate strong internal consistency and reliable measurement across all constructs.

A summary of standardized loading ranges, construct reliability (CR), and variance extracted (VE) for each construct is presented in Table 4.

Table 4. Measurement Model Assessment: Validity and Reliability

Construct	Loading Range	CR	VE (AVE)
Perceived Value	0.810–0.872	0.920	0.698
Service Personalization	0.805–0.944	0.954	0.805
Electronic Word of Mouth (e-WOM)	0.813–0.920	0.930	0.728
Social Media Marketing	0.754–0.916	0.917	0.689
Brand Trust	0.740–0.799	0.880	0.594
Customer Retention	0.538–0.890	0.893	0.630

Structural Model Fit

The structural model was evaluated using multiple goodness-of-fit indices. The chi-square value was 428.773 with a probability value of 0.097, indicating an acceptable fit between the model and the empirical data. The RMSEA value of 0.022 demonstrated excellent model fit. Incremental fit indices also showed strong results, with CFI = 0.992, TLI = 0.991, and NFI = 0.914. Although GFI (0.881) and AGFI (0.859) were slightly below the ideal threshold, they remained acceptable given the complexity of the model.

Overall, the goodness-of-fit indices confirm that the proposed structural model fits the data well. A summary of model fit statistics is presented in Table 5, and the final structural model with standardized estimates is illustrated in Figure 1.

Table 5. Goodness of Fit Indices

Fit Index	Cut-off Value	Model Result	Assessment
Chi-square	< 439.165	428.773	Fit
Probability	≥ 0.05	0.097	Fit
RMSEA	≤ 0.08	0.022	Fit
CMIN/DF	≤ 2.00	1.094	Fit
CFI	≥ 0.90	0.992	Fit
TLI	≥ 0.90	0.991	Fit
NFI	≥ 0.90	0.914	Fit
GFI	≥ 0.90	0.881	Marginal
AGFI	≥ 0.90	0.859	Marginal
PNFI	≥ 0.60	0.824	Fit

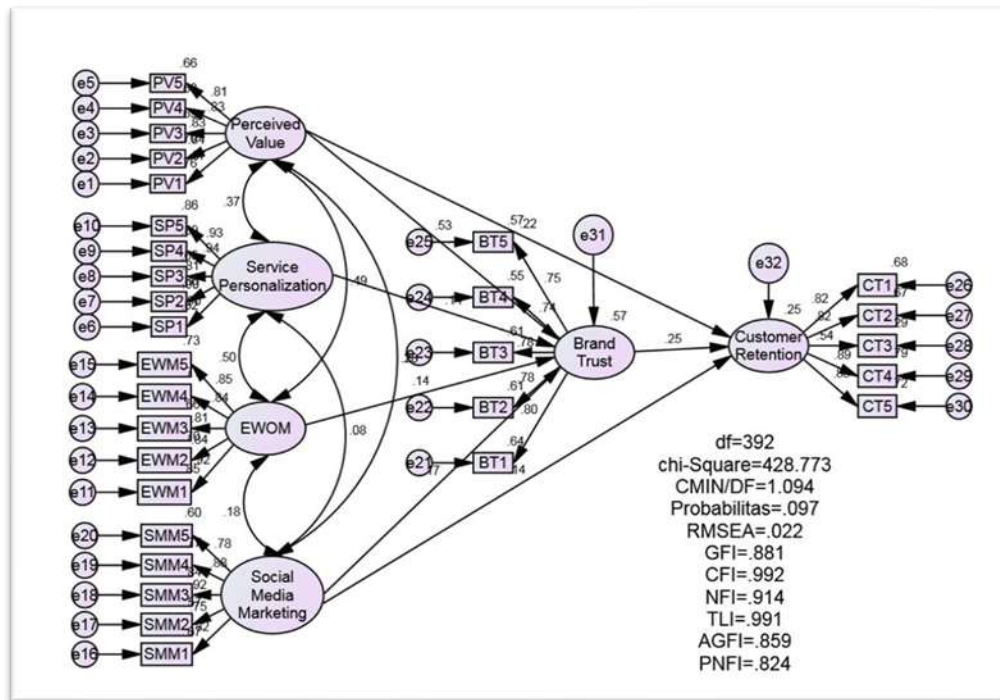


Figure 1. Final Structural Model with Standardized Path Coefficients

Hypothesis Testing

Hypothesis testing was conducted using standardized regression weights, Critical Ratio (C.R.), and p-values. A path was considered significant if C.R. exceeded 1.96 and p-values were below 0.05.

The results indicate that Perceived Value had a significant positive effect on Customer Retention and Brand Trust. Service Personalization, e-WOM, and Social Media Marketing significantly influenced Brand Trust. Social Media Marketing did not have a significant direct effect on Customer Retention. Brand Trust significantly influenced Customer Retention.

A summary of hypothesis testing results is presented in Table 6.

Table 6. Hypothesis Testing Results

Hypothesis	Structural Path	Estimate	C.R.	p-value	Decision
H1	Perceived Value → Customer Retention	0.218	2.074	0.038	Supported
H2	Perceived Value → Brand Trust	0.427	6.900	0.000	Supported
H3	Service Personalization → Brand Trust	0.104	2.138	0.033	Supported
H4	e-WOM → Brand Trust	0.110	1.976	0.048	Supported
H5	Social Media Marketing → Brand Trust	0.155	2.827	0.005	Supported
H6	Social Media Marketing → Customer Retention	0.153	1.838	0.066	Not Supported
H7	Brand Trust → Customer Retention	0.304	2.182	0.029	Supported

Summary of Key Findings

Overall, the results demonstrate that Brand Trust plays a central role in the proposed model, acting as a key mechanism through which Perceived Value, Service Personalization, e-WOM, and Social Media Marketing influence Customer Retention. Direct effects from marketing-related variables to retention were limited, highlighting the importance of trust-based relationships in the educational service context.

Discussion

The findings provide a coherent story about how parents decide to stay with a private tutoring provider in an increasingly digital, review-driven education market. In today's environment, parents face high uncertainty because learning outcomes are difficult to evaluate before committing time and money, while competing tutoring brands actively promote similar promises across social platforms. In this context, the model shows that perceived value directly strengthens customer retention and also builds brand trust, which then further supports retention. This pattern is consistent with the view that customers remain loyal when they believe the benefits they receive are worth the sacrifices they make, including money, time, and effort. The result aligns with prior evidence that perceived value is a key antecedent of loyalty-related outcomes and repurchase intentions in service settings (Addae et al., 2025; Miao et al., 2022; Otiso, 2021). Conceptually, this can be explained using equity theory, where customers assess fairness between inputs (fees, effort, opportunity cost) and outputs (quality, outcomes, emotional reassurance). When parents perceive "fair exchange," they are more willing to continue the relationship (Adams, 1963). From the author's perspective, this is especially relevant for tutoring services because the "output" includes not only academic progress but also reduced parental anxiety and clearer learning direction, which amplifies the role of perceived value beyond purely functional benefits.

The strong positive effect of perceived value on brand trust suggests that trust in tutoring services is not built primarily through claims or branding alone, but through repeated confirmation that the service delivers meaningful benefits. This mirrors findings that value perceptions help customers form confidence in a brand's

reliability and intentions, particularly when services involve risk and long-term commitments (Dam, 2020; Monfort et al., 2025). In education services, parents often view the provider as an extension of their child's learning ecosystem; therefore, consistent value delivery becomes a trust-building signal that reduces perceived risk and supports continued patronage (Hao et al., 2025). The author's interpretation is that this mechanism is intensified by current competitive pressure in the tutoring industry: when parents can easily compare alternatives online, trust becomes fragile unless value is continuously demonstrated in tangible ways (progress reports, responsive support, credible teaching quality).

The significant effect of service personalization on brand trust reflects a broader market reality: education customers increasingly expect services to adapt to the learner's needs, not merely deliver standardized content. The literature suggests that personalization strengthens trust when it improves relevance, usefulness, and perceived care, making customers feel recognized rather than treated as "one of many" (An & Ngo, 2025; Maghembe & Magasi, 2024). This is consistent with personalization research emphasizing that tailored experiences can increase perceived fit and strengthen relational outcomes (Chandra et al., 2022; Du Plooy et al., 2024). However, current digital practices also raise privacy sensitivity. Recent work highlights a personalization-privacy tension, where personalization can "backfire" if customers feel their data is used intrusively or without transparency (Cloarec et al., 2024; Kim & Han, 2025). The author's view is that tutoring providers should treat personalization as a trust contract: personalization must be visible in learning benefits and communication, while data handling must be explicit, minimal, and ethically managed so parents feel safe rather than monitored.

The positive relationship between e-WOM and brand trust reinforces how strongly parental decision-making is shaped by online narratives today. When consumers face difficulty verifying service quality in advance, they rely on other users' experiences as a trust proxy. This finding is consistent with classic and contemporary e-WOM research showing that online reviews reduce uncertainty, shape expectations, and help form trust toward brands (Le et al., 2024; Litvin et al., 2008; Mahmud et al., 2024). In practice, parents often read Google Reviews, social media comments, and community recommendations before enrolling or renewing tutoring programs. The author's comment is that e-WOM credibility is becoming a strategic asset: tutoring brands that actively encourage authentic testimonials, respond to concerns, and maintain consistent service quality are more likely to turn online talk into durable trust. At the same time, the risk of misinformation and "noisy" content on social media makes trust-building even more dependent on consistent real-world performance rather than promotional messaging alone (Chen & Cheng, 2020).

Similarly, social media marketing (SMM) significantly increases brand trust, suggesting that social platforms act as a credibility and transparency channel for education services. Prior studies note that active social media marketing can enhance brand credibility and brand-related outcomes, especially in service contexts where customers seek signals of professionalism, responsiveness, and social proof (Perera et al., 2023; Puspaningrum, 2020). From a Stimulus–Organism–Response logic, social media activity serves as the stimulus, trust is the internal state (organism), and retention is the response (Svotwa et al., 2020). The author's perspective is that in tutoring services, SMM works best when it demonstrates competence and care (teacher profiles, learning tips, student progress stories, open Q&A sessions), not just promotional content. This type of content provides reassurance and helps parents evaluate "fit" without needing to fully experience the service first.

A key insight is that SMM does not directly predict customer retention, even though it predicts brand trust. This non-significant direct path is meaningful in current digital markets: social media may attract attention and shape perceptions, but retention depends more on lived experience and relational mechanisms. This result is consistent with evidence that the impact of social media marketing on retention often becomes indirect when relational variables such as trust or engagement are included (Arevin et al., 2024; Oktaviani & Gunarto, 2023). The author's interpretation is that parents may continue following a tutoring brand's content while still switching providers if the

core value proposition (learning outcomes, teacher quality, personal support) does not meet expectations. In other words, social media can keep a brand “top of mind,” but it cannot substitute for the perceived value that parents experience during the program.

Finally, the finding that brand trust significantly increases customer retention highlights trust as a practical “bridge” between marketing stimuli and long-term customer behavior. This aligns with the idea that trust reduces perceived risk, increases confidence in repeated decisions, and strengthens relational commitment in services (Amanah et al., 2021; Atulkar, 2020; Ricadonna et al., 2021). In the author’s view, this is particularly important for tutoring services because parents are not only purchasing a service; they are investing in their child’s future and managing emotional risk. Trust therefore becomes a retention anchor: when parents believe the provider is reliable and aligned with student development, they are more willing to renew, try additional programs, and recommend the service.

Overall, the discussion suggests a clear managerial implication: retention in tutoring services is value-led and trust-mediated. In today’s education marketplace, brands should prioritize consistent value delivery and transparent personalization, while leveraging e-WOM and social media primarily as trust-building tools rather than assuming they will directly “lock in” customers.

CONCLUSION

This study examined the roles of perceived value, service personalization, electronic word of mouth (e-WOM), and social media marketing (SMM) in enhancing customer retention, with brand trust acting as an intervening variable, within the context of a private tutoring institution. Using a Structural Equation Modeling (SEM) approach, the findings provide empirical evidence that customer retention in educational services is primarily driven by value-based and trust-based mechanisms rather than direct promotional activities.

The results demonstrate that perceived value has a direct and significant effect on customer retention, indicating that parents are more likely to maintain long-term relationships with tutoring providers when they perceive a fair balance between the costs incurred and the benefits received. Beyond its direct influence, perceived value also plays a critical role in building brand trust. This suggests that parents’ trust in a tutoring institution emerges not merely from marketing communication but from consistent delivery of academic and non-academic benefits that meet or exceed expectations. In educational services, where outcomes are uncertain and long-term in nature, perceived value becomes a foundational element in both trust formation and retention decisions.

Service personalization was also found to have a positive and significant effect on brand trust. Personalized learning programs, diagnostic assessments, continuous progress monitoring, and transparent communication with parents strengthen confidence in the institution’s competence and commitment. This finding underscores that personalization functions as a relational signal, conveying care, relevance, and responsiveness, which are essential for trust-building in services involving children’s development.

Similarly, e-WOM significantly enhances brand trust. Digital reviews, recommendations, and shared experiences serve as credible external information sources for parents when evaluating tutoring services. In an environment where service quality is difficult to assess prior to consumption, e-WOM reduces perceived risk and supports trust formation. The findings indicate that authentic and consistent user-generated content can meaningfully influence parental confidence in educational brands.

Social media marketing was also shown to positively influence brand trust, confirming that informative, interactive, and consistent social media activities help shape favorable brand perceptions. However, SMM did not have a significant direct effect on customer retention. This result suggests that while social media is effective in

attracting attention and fostering trust, it does not independently secure long-term customer commitment. Retention decisions appear to depend more strongly on relational outcomes, particularly trust developed through actual service experiences. In this sense, brand trust fully or partially mediates the influence of SMM on retention.

Finally, brand trust was confirmed as a key determinant of customer retention. Parents who trust a tutoring institution are more likely to continue using its services, repurchase programs, and maintain long-term relationships. Trust reduces perceived risk, increases emotional assurance, and reinforces commitment, all of which are particularly salient in education services where parents make high-stakes decisions regarding their children's future.

Overall, this study highlights that customer retention in private tutoring services is not driven by isolated marketing tactics, but by an integrated process in which perceived value and personalized experiences build trust, and trust, in turn, sustains long-term relationships.

Recommendations for Future Research

Several directions for future research emerge from this study. First, future studies may incorporate additional variables such as customer satisfaction, service quality, switching costs, or emotional attachment to provide a more comprehensive understanding of customer retention in educational services. Second, expanding the research context to include multiple tutoring institutions, different educational levels, or broader geographic areas would enhance the generalizability of the findings. Third, future research may benefit from adopting longitudinal designs to capture changes in trust and retention over time, particularly as parents' expectations and students' learning needs evolve. Finally, mixed-method approaches combining quantitative modeling with qualitative insights could offer deeper understanding of the underlying motivations, experiences, and relational dynamics that shape trust and loyalty in the education service sector.

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