CHAPTER I
PRELIMINARY

1.1 Background

Indonesia, a diverse archipelago in Southeast Asia, is experiencing a significant transformation in its educational landscape, particularly in the realm of technology. In recent years, the country has been making strides in integrating educational technology (EdTech) into its learning environments. This shift has been largely catalyzed by the increased availability of internet connectivity and the growing accessibility of digital devices, such as smartphones and tablets, across the country. As a result, there has been a surge in the development and utilization of educational technology platforms.

Indonesia, with a population exceeding 270 million, is one of the largest and most dynamic education markets in the world. Despite its size, the country faces significant challenges in providing quality education uniformly across its diverse regions. The traditional education system is struggling to accommodate the needs of such a large and geographically dispersed population. However, recent advancements in technology have paved the way for innovative solutions, leading to the rise of educational technology company like RevoU.

Educational technology companies in Indonesia have seen remarkable growth in recent years. These companies are capitalizing on the growing internet penetration and the increasing affordability of smartphones. RevoU, like many other educational technology companies, offers a wide range of educational

products and services. The company's success is deeply intertwined with the evolving educational landscape in Indonesia.

The use of digital technologies in the educational process is commonly defined as EdTech. EdTech can also be defined as new digital devices for teaching and testing learners' knowledge. Initially, EdTech was formed through the creation of informative websites and e-learning. In 2002, the first Open Educational Resources (OER) were created, followed by Learning Management Systems (LMS). In 2012, Massive Open Online Courses (MOOCs) became widespread. But EdTech got a major boost in 2020, when learners around the world were forced to switch to distance learning. It was the Covid-19 pandemic that led to institutions and learners turning to EdTech tools. Thus, all EdTech related tools have seen a rapid evolution. The main goal of EdTech is to optimise learning opportunities, to make the educational process more engaging, personalised and tailored to each learner. EdTech is one of the most promising sectors of the economy, as it is actively developing, primarily due to the use of digital technologies, which contribute to the emergence of innovative pedagogical methods, new ways of presenting educational content and new communications in education (Shustova et al., 2023).

RevoU offers a Mini Course as a free trial for those interested in exploring their programs. This two-week course gives people a taste of the RevoU learning experience without any costs. It covers foundational theory and includes practical simulations, case studies, and tips for starting a career in fields like Digital Marketing, Data Analytics, Product Management, and Software Engineering. This

trial is a condensed version of their full programs, allowing people to get experience of their program and to decide if the full course is the right fit before committing financially. The experience includes live sessions with industry experts and hands-on exercises designed to replicate real-world challenges.

The high demand for digital skills and the rise of educational technology platforms face the challenge of low consumer interest in purchasing online paid courses. In the World Bank report titled "Edtech in Indonesia: Ready to Take Off" in 2020, it was revealed that only around 5% of Indonesians are willing to continue learning through paid programs. Indonesian people tends to leave platforms once their free trial period expires. This trend is also supported by the fact that parents are more flexible with online learning if it comes from formal educational institutions such as universities or schools (Adila, 2023). Initially, potential users may have been deterred by the idea of online learning. Many traditional learners preferred face-to-face interaction and were skeptical about the efficiency of online education.
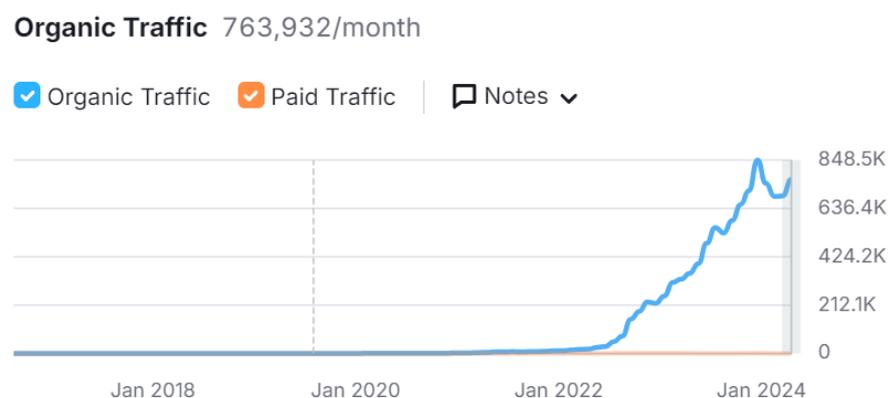
Organic Traffic 763,932/month

✅ Organic Traffic   ✅ Paid Traffic   🏳 Notes ⌄

Figure 1.1 Traffic Analytics RevoU

Source: Semrush.com, 2024

Initially RevoU gains massive interest and momentum because of the pandemic that limit people mobility to study conventionally. There is a strong upward trend in traffic from around 2021, with significant growth continuing into 2023. However, by early 2024, there's a noticeable decline in traffic after peaking near 848.500 visitors per month. This drop suggests a potential issue in the intention of people towards RevoU. Although traffic remains high, the decline in early 2024 might indicate a need for strategic adjustments to regain momentum.
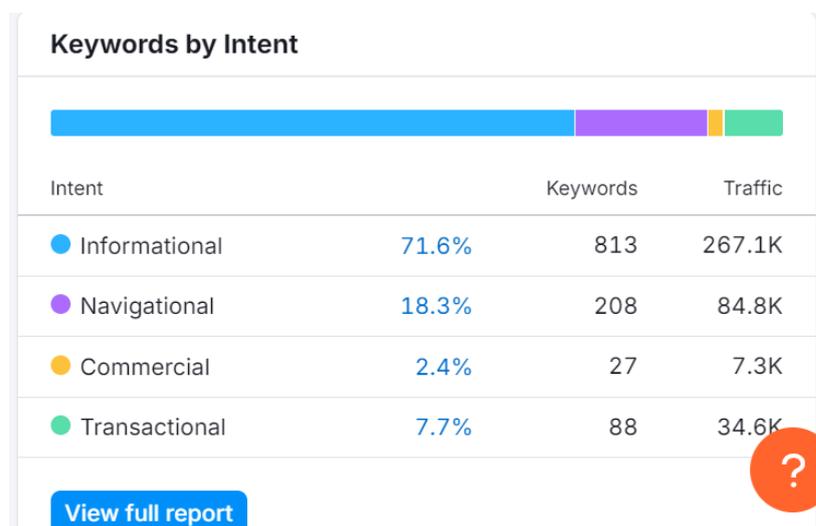

Figure 1.2 People Intention Towards RevoU

Source: Semrush.com, 2024

People intention towards RevoU can be differentiate into 4 types. The first is informational, people are searching for information or answers to specific questions. They are not looking to buy anything but are instead seeking knowledge. The second is navigational, people are searching for a specific website or brand. They already know where they want to go but use a search engine to find the correct site. The third is commercial, people are in research mode for a potential purchase, comparing products, services, or brands. While they aren't ready to buy yet, they

are gathering information for future decisions. The forth is transactional, people have intention to make a purchase or complete a specific action like signing up for a service. They have the intention and ready to make a decision (Broder, 2002). Transactional intent represents the behavior or actions that follow purchase intention. Users with purchase intention are considering or are ready to buy, and those with transactional intent are performing the actions necessary to complete that purchase

The majority of people searching for RevoU are looking for information, with 71.6% of searches being informational. Only 7.7% of searches are transactional, indicating low purchase intention. Additionally, 18.3% of searches are navigational, while 2.4% are commercial in nature. This suggests that most users are interested in learning rather than the intending to make a purchase.

Semrush is a well-known platform that applies approach to determine visitor traffic from search engines. Semrush uses Google Analytics data to examine paid advertisement strategies, keyword grouping and management, price-per-click effectiveness, and search engine optimization of websites hosted around the world. Many recent studies have used website traffic and ranking data on Semrush to conduct research on different topics (Sha, 2020).

Furthermore, the pricing strategy could have been a significant factor affecting purchase intention. Potential users might have perceived the courses as overpriced, leading to reluctance in making a purchase. ssThese reviews below show there is an initial concern about the price of RevoU.

Andrew Cokro Putra   Feb 16, 2021

Ex-Architect Now Performance Marketer • Graduate • Full-Stack Digital Marketing
• Online

Verified by LinkedIn

| Overall Experience | ★★★★★ | Instructors | ★★★★★ |
| Curriculum | ★★★★★ | Job Assistance | ★★★★★ |

The Best School I've ever been to

At first, I don't have huge expectations and worry about the price, I just want to learn Digital Marketing seriously with high quality (I guess it is since the price are high and qualified instructors).
But, RevoU gave me more than that! It changes how I learn, work, and live now.

I am not a good self-learner, I like to join a course to learn new skills and they taught me just what I expected.
In RevoU, I learn Digital Marketing a lot! The skills, the tools, and even the attitude of digital workers. After graduate from the intensive 3 months course, I join the community and it continuously shares many good insights that really helpful until now.

You may think this is too much and it is!
So, if you are looking for something worthed to Invest, this is the best investment.

Figure 1.3 RevoU Review 1

Source: Coursereport.com, 2024

Giska Adilah   Feb 17, 2021

Digital Marketing Specialist • Graduate • Full-Stack Digital Marketing • Online

Verified by LinkedIn

| Overall Experience | ★★★★★ | Instructors | ★★★★★ |
| Curriculum | ★★★★☆ | Job Assistance | ★★★★★ |

PENGALAMAN CROSS CARRIER ke DIGITAL MARKETING

waktu itu geregetan banget pingin dapet kerjaaa, scroll2 nemu iklan revou beberapa kali sampe akhirnya nyoba baca bacaa

dan pas lihat harga kaget:15juta mahaal bangeet! (untuk ukuran saya yang belum dapet kerja saat itu butuh duit) but Revou guarantee the job and will refund 100 tuition fee. berbekal kata refund duit , akhirnya nyoba ngulik2 testi dari alumni Radinda

jawabannya program ini worth it banget! okay saya pun ijin pinjam duit ortu dulu.

pas join program nya, langsung mikir "4 tahun gw kuliah ngapain aja ya? kenapa ga langsung ikut course ini aja? mo cry 😭 "

jujur aja kurikulumnya keupdate mulu sampe sekarang, praktek lgs dapet client dari SG, plus bisa jdi portfolio kerja pertama.

Figure 1.4 RevoU Review 2

Source: Coursereport.com, 2024

Rosmita Dwijayanti
Performance Marketing Specialist • Graduate
✓ Verified by LinkedIn

Feb 26, 2021

| Overall Experience | ★★★★★ | Instructors | ★★★★★ |
| Curriculum | ★★★★★ | Job Assistance | ★★★★★ |

Performance Marketing Specialist

RevoU is worth my every penny.

Awalnya aku membandingkan setiap online tech-course karna emang aku uda pengen switch career. Dan ternyata aku menemukan iklan RevoU yang benefitnya lebih dengan harga setengahnya, online lagi (dulu masih hype banget bootcamp yang hrs offline bikin ga flexible) 😊.

Ternyata bener, beyond my expectation, selain aku bisa tanya langsung sama guru-gurunya dari Top Tech Company, ada teaching assistantnya, coursenya after working hours, lalu aku juga dapet career coach yang sangat mengubah hidupku sampai sekarang (beneran ilmunya nancep banget).

Figure 1.5 RevoU Review 3

Source: Coursereport.com, 2024

MARIA FRANCISCA AYU WULANDARI
Data Analyst • Graduate • Full Stack Data Analytics • Online
✓ Verified by LinkedIn

Apr 20, 2023

| Overall Experience | ★★★★★ | Instructors | ★★★★☆ |
| Curriculum | ★★★★★ | Job Assistance | ★★★☆☆ |

Unforgettable 13-weeks Journey

I'm so glad I stumble into RevoU ads in social media, and without a doubt (except for the tuition) I sign up for the full program. I took Data Analytics program. The curriculum is great, learning module are extensive, but sometimes felt too dense, and instructor quality could've been better. I'm a little bit left behind on first module, which is the most important part of the industry: "Understanding Business Problem", because the instructor can't explain it well. It's not just me, but even my team lead encourage us to put it in feedback form. Meanwhile, on other section (class), they have no problem with their instructor throughout the course.

So, I think RevoU should choose instructor that not only good on their jobs technically, but also have communication skill to share it to students, and apply it for the entire section group for each module.

Another pros are RevoU assignments quality. Its really challenging and close to real world problem. Even though I think RevoU could do better on spreading learning module to entire week. My close IT-person circle said it's almost impossible to master Python in just 3 weeks. Yet, we did it, with blood sweat and tears.

Figure 1.6 RevoU Review 4

Source: Coursereport.com, 2024

The collective reviews highlight the significant positive impact of RevoU Indonesia on users' careers and personal growth. This is despite initial concerns about the program's high cost. Many users found the investment worthwhile after experiencing the benefits. The user also gives valuable insight about the perception of RevoU.

Andrew, a former architect turned performance marketer, was initially worried about the price but found the investment worthwhile due to the high-quality instruction, comprehensive curriculum, and robust job assistance. He credits RevoU with transforming his approach to learning, work, and life, providing more value than expected and validating the expense through the significant skills and community support he received.

Giska, who was desperately seeking employment, initially found the 15 million IDR fee daunting but was encouraged by the program's job guarantee and positive alumni testimonials. She borrowed money to join and found the continuously updated curriculum, practical client projects, and strong community support invaluable. Giska secured job offers immediately after graduation, underscoring the program's effectiveness in enhancing employability and justifying the cost.

Rosmita, seeking a career switch, compared various online tech courses and found RevoU benefits superior at a lower price. The program exceeded her expectations with top-notch instruction, teaching assistants, career coaching, and practical experience. RevoU shifted her mindset from problem-focused to solution-

oriented and provided continuous learning and networking opportunities, leading her to achieve her dream job. Her experience affirmed that the investment was worth every penny.

Maria's review adds to the collective evidence showcasing RevoU Indonesia's significant positive impact on career and personal growth despite initial cost concerns. She acknowledges the program's high tuition but highlights the transformative experience she underwent, emphasizing the invaluable skills and community support received. Maria's journey underscores the program's ability to exceed expectations, validate the investment, and provide a solid foundation for future career endeavors, ultimately affirming the program's worthiness despite its initial expense.

The collective reviews provide compelling evidence that while RevoU Indonesia may have benefits like comprehensive curriculum, top-tier instructors, practical experience opportunities, and strong job placement support, there is an initial cost concerns by the customer. There is an issue on how the customer perceive the programs offered by RevoU in the beginning.

This is the reason RevoU created the mini course, so people can get a hands-on experience about what is like to be a RevoU student and create a perception of quality and value. The way value is communicated and how quality is perceived plays a crucial role in attracting and retaining customers. By offering a mini-course, RevoU can educate its users on key strategies and tactics to enhance these perceptions, such as branding, marketing, and customer experience optimization.

Perceived is an individual's assessment of the quality or superiority of goods or services based on their expectations. Emphasizing that perceived quality is shaped not just by the actual quality of a product or service but by how consumers perceive that quality (Aaker, 1991).

Perceive value is a customer's evaluation of a product based on their preferences, expectations, and experiences, considering product attributes, performance, and usage outcomes. Customers assess how well a product helps them achieve personal goals and meet needs. This model highlights that perceived customer value is dynamic, evolving over time as customers gain new experiences and adjust their perceptions, ultimately influencing their purchasing decisions (Woodruff, 1997).

The research gap for this study is the limited understanding of how these factors interact specifically within the context of educational technology in Indonesia. While extensive research exists on perceived quality, perceived value, and purchase intention in various industries, there is a scarcity of studies focusing on online education services in emerging markets like Indonesia. Moreover, several previous research have various result regarding perceived quality and perceived value influence on purchase intention. Girish (2018) found insignificant influence of quality on purchase intention. Calvo-Porral and Lévy-Mangin (2017) found insignificant influence of perceived value on purchase intention. On the other hand, Mathur and Gangwani (2022) found positive and significant influence for both perceived quality and value on purchase intention.

The research novelty for the effect of perceived quality on purchase intention with mediation of perceived value at RevoU Indonesia presents a novel opportunity to explore how these factors specifically impact consumer decisions in the online education sector. This study is unique as it applies these established concepts to the context of a educational technology platform in Indonesia, a region with its own cultural and education nuances. By analyzing how RevoU perceived quality and value influence purchase intentions, the research can reveal sector-specific insights and potential gaps in existing literature, offering new perspectives on consumer behavior in online education.

Based on the issue that have been presented, clarifying that the factors of perceived quality and value are suspected to influence purchase intention at RevoU, the researcher is interested in conducting a study titled **The Effect of Perceived Quality on Purchase Intention with Mediation of Perceived Value at RevoU Indonesia.**

1.2 Problems Formulation

The problem centers around the high demand for digital skills and the rise of educational technology platforms, which are challenged by low consumer intention in purchasing online paid courses. According to a World Bank report in 2020, only around 5% of Indonesians are willing to continue learning through paid programs, with most users abandoning platforms after free trials. This trend is reinforced by parents' preference for online learning only when associated with formal institutions like universities or schools (Adila, 2023).

RevoU, an online education platform, saw significant growth in from 2021, peaking at 854,900 visitors per month by 2023 due to pandemic-driven demand. However, a decline in early 2024 suggests declining user interest, requiring strategic adjustments. Furthermore, the data reveal that 86.8% of searches for RevoU are informational, with only 5.7% transactional, indicating low purchase intention. Most users are seeking information rather than having the intention to make purchases. Based on the description above, the problem formulation is identified as follows:

1. Does Perceived Quality have significant effect on Purchase Intention in RevoU?

2. Does Perceived Quality have significant effect on Perceived Value in RevoU?

3. Does Perceived Value have significant effect on Purchase Intention in RevoU?

4. Does Perceived Quality have significant effect on Purchase Intention with mediation by Perceived Value in RevoU?

1.3 Aims of Research

This study aims to acquire knowledge in order to solve the formulation above, including:

1. Identifying perceived quality that influences purchase intention in RevoU.

2. Identifying perceived quality that influences perceived value in RevoU.

3. Identifying perceived value that influences purchase intention in RevoU.

4. Identifying perceived quality that influences purchase intention with mediation of perceived value in RevoU.

1.4 Benefits of Research

This research is useful for:

1. For Researcher

   The results of this study can be beneficial for the researcher as it provides knowledge about an ongoing issue, enabling the researcher to skillfully address issues regarding purchasing intention in the RevoU influenced by perceived quality and value in Indonesia. It is hoped that the knowledge gained can be utilized in the workplace when dealing with cases similar to those studied before.

2. For Company

   The findings of this study can benefit RevoU as a reference while dealing with consumer purchasing intention with the influence of perceived quality and value. The company is also expected to gain insights into consumer behavior and expectations regarding online learning purchase decisions. With this information, the company can determine appropriate strategies to increase consumer purchasing intention, resulting in an increase in registrations.

3. For Other Parties

   It can benefit other parties researching purchasing intention in RevoU, making this study a reference material for them. With references available, it can certainly facilitate other parties in completing their similar research.

1.5 Theoretical Framework

1.5.1 Consumer Behavior

In the field of marketing studies, the concept of consumer behavior plays a crucial role in understanding the reasons related to the decisions consumers make when purchasing a product or service. Kotler and Keller (2008) state that consumer behavior is a study that discusses the individual, group of individuals, or organizations in making choices, usage, and how a product, service, idea, and experience can provide satisfaction, needs, or desires. Each individual's purchasing behavior varies, as each person has different buying motives. When making a purchase, individuals are influenced by their own motivations, so understanding consumer behavior is necessary to understand these purchasing motives.

Schiffman and Kanuk (2008) state that consumer behavior studies examine how the decision-making process utilizes available resources. These resources can include energy, time, or money. Understanding this process is crucial for comprehending consumer behavior.

Engel, Blackwell, and Miniard (1982) create a comprehensive framework named the Consumer Decision-Making Model to understand the stages consumers go through when deciding to purchase a product or service. The model consists of six key stages: need recognition, information search, evaluation of alternatives, purchase decision, purchase, and post-purchase behavior.
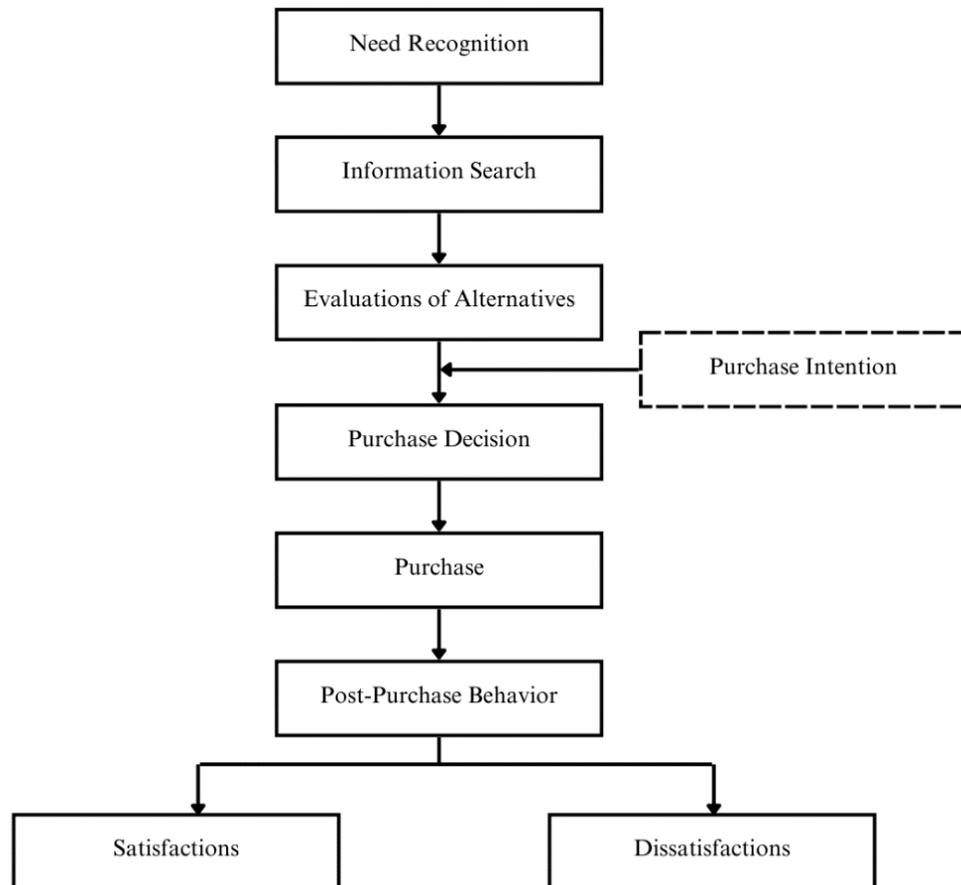
Figure 1.7 EBM Consumer Decision-Making Model

The process begins with need recognition, where the consumer becomes aware of a gap between their current and desired state, such as realizing the need for a new product. This triggers the second stage, information search, where the consumer seeks out relevant data, either from their memory or from external sources like advertisements, reviews, or recommendations. As the consumer gathers information, they enter the evaluation of alternatives stage, where they compare different products or brands based on various criteria like price, quality, or personal preferences.

Once the alternatives are evaluated, the consumer forms a purchase intention, which leads to the purchase decision. However, factors such as situational constraints or the influence of others can intervene and alter the final choice. If the consumer goes through with the purchase, they move to the next stage, which is purchase, where the transaction is made.

Finally, after making the purchase, the consumer enters the post-purchase behavior stage, where they assess their satisfaction with the product. If the product meets or exceeds expectations, the consumer experiences satisfaction, leading to repeat purchases or positive recommendations. On the other hand, dissatisfaction can result in negative feedback or product returns. The model includes a feedback loop, meaning the consumer's post-purchase experience will influence their future decisions and behavior. Throughout this entire process, various external and internal factors, such as social influences, cultural norms, economic conditions, and psychological factors (like motivation or attitudes), shape consumer behavior.

1.5.2 Education Technology (Edtech)

The Association for Educational Communications and Technology (AECT) defines educational technology as the study and ethical practice of facilitating learning and improving performance by creating, using, and managing appropriate technological processes and resources. This definition emphasizes that educational technology involves not only the development and use of technological tools but also a systematic and ethical approach to enhancing learning experiences and outcomes. It highlights the importance of integrating various technologies to

support and improve teaching and learning, ensuring that these technologies are used effectively and responsibly in educational settings (AECT, 2004).

1.5.3 Perceived Quality

Aaker (1991) stated that perceived quality is the perspective perceived by an individual regarding the quality or superiority of the goods or services provided based on expectations. With the consumer's perspective on quality, it adds brand value that can give consumers a reason to choose that brand over others. With the emphasize of its role in shaping consumer perceptions and preferences. He articulated that perceived quality is not solely determined by the actual quality of a product or service but rather by the consumer's perception of that quality.

Kotler (1993) defines perceived quality as a crucial component of brand equity and a significant driver of consumer behavior. He emphasizes that perceived quality is the consumer's judgment about the overall excellence or superiority of a product or service compared to alternatives. Kotler emphasizes that perceived quality is essential for differentiation in competitive markets. High perceived quality can lead to increased customer loyalty, greater willingness to pay premium prices, and positive word-of-mouth referrals.

Cleland & Bruno (1996) in Franciosa et al. (2014) explain that perceived quality is based on three key principles:

a. Quality stems from both product-related and non-product factors that meet consumers' expectations and desires.

b. Quality is determined by consumer perception, with perception being more crucial than the actual reality. Even if the product quality is objectively high, it is considered low if consumers perceive it that way.

c. Quality is evaluated in comparison to competitors, meaning it is measured relatively. Consumers' perceptions of quality are influenced by competitive dynamics, and understanding how they view a brand allows companies to take actions to enhance that perception.

Parasuraman, Zeithaml, and Berry (1985) outline the concept of perceived quality in relation with SERVQUAL that revolves around how consumers evaluate the quality of a service or product based on their expectations and experiences. According to the the indicators for perceived quality are as follows

1. Tangibles: The facilities, equipment, and appearance of personnel.

2. Reliability: The ability to perform the promised service dependably and accurately.

3. Responsiveness: The willingness to help customers and provide prompt service.

4. Assurance: The knowledge and courtesy of employees and their ability to inspire trust and confidence.

5. Empathy: The provision of caring, individualized attention to customers.

Netemeyer et al. (2004) in developing and validating measures on understanding how consumers perceive and evaluate brands create indicators. These indicators of perceived quality are as follows:

1. High Quality

   This indicator emphasizes the comparative aspect of perceived quality, indicating that consumers view the brand as superior in quality compared to its competitors.

2. Best in Class

   This indicator highlights the brand's position within its category, suggesting that consumers perceive it as the top choice, reflecting a strong association with quality.

3. Performance Superiority

   This indicator focuses on the reliability and performance aspect of perceived quality, suggesting that consumers believe the brand offers superior performance consistently.

4. Consistency in Quality

   This indicator stresses reliability and consistency, important facets of perceived quality, reinforcing the idea that the brand delivers high quality consistently over time.

1.5.4 Perceived Value

Woodruff (1997) define Perceived value refers to a customer's assessment of a product based on their preferences, expectations, and experiences, involving an evaluation of product attributes, performance, and the outcomes of its use. Essentially, customers determine how well a product helps them achieve personal goals and meet their needs in specific situations. It also distinguishes between desired value:

a. what customers hope to achieve received value

b. the actual satisfaction derived from using the product.

This model emphasizes that customer value is not static, it evolves over time as customers gain new experiences and adjust their perceptions and preferences, which ultimately influence their purchasing decisions.

Holbrook (1994) perceived value is a consumer's overall assessment of the utility of a product based on perceptions of what is received and what is given. Holbrook emphasizes that value is highly subjective, varying from person to person and shaped by individual preferences, experiences, and emotions. His definition expands on the idea that value is not just functional or economic, but also multidimensional, encompassing emotional, social, and experiential aspects. His framework identifies several indicatord of value:

1. Extrinsic value: The functional or practical benefits of the product.

2. Intrinsic value: The personal enjoyment or experiential value derived from the product.

3. Self-oriented value: How the product benefits the individual consumer.

4. Other-oriented value: How the product affects others, or how others perceive the consumer.

5. Active value: Direct interaction with or use of the product.

6. Reactive value: Appreciation or evaluation of the product without direct interaction.

Yang and Peterson (2004) state that customer value is a comparison related to the sacrifices consumers make with the benefits they receive. The sacrifices referred to can be like the costs incurred to obtain the desired product, travel time, and other risks. The difference between what has been obtained and what has been expended is called perceived value.

Zeithaml (1988) defines perceived value as the consumer's overall assessment of the utility of a product or service based on the perception of what is received and what is given . This encompasses the trade-off between the benefits received and the costs incurred. She also create four different definitions of value , these are value is low price, value is whatever I want in a product. value is the quality I get for the price I pay, value is what I get for what I give .

Netemeyer et al. (2004) in developing and validating measures of facets of customer-based brand equity (CBBE) that focuses on understanding how consumers perceive and evaluate brands. The indicators of perceived value are as follows:

1. Monetary Value

    This indicator assesses whether consumers believe that the benefits or quality of the product justify its price. It reflects the consumer's judgment about whether the value received (such as performance, quality, or satisfaction) is proportionate to the amount paid.

2. Overall Value

This indicator captures the consumer's overall assessment of the product as a worthwhile purchase. It encompasses multiple factors, including the product's price, quality, and the time and effort involved in obtaining it.

3. Comparative Value

This indicator measures how consumers perceive the product's value relative to similar products from competing brands. It highlights the comparative aspect of perceived value, suggesting whether consumers believe they are getting more (or less) value from this brand than from others.

4. Perceived Value

This indicator assesses the consumer's feeling of satisfaction with the returns received from their investment in the product. It focuses on the subjective experience of value realization after using the product.

1.5.5 Purchase Intention

Kotler and Keller (2012) state that consumer purchase intention is the desire within buyers that can influence individual behavior to make a purchase or product selection based on their experiences during product selection, usage, or consumption. Purchase intention is a critical aspect of consumer behavior that reflects the likelihood of a consumer planning to buy a product or service. Purchase intention often serves as a predictor of actual buying behavior, indicating that if consumers express a high intention to purchase, they are more likely to follow through with the transaction. The purchase intention Indicators according to Kotler and Keller are:

1. Transactional, which is an individual's desire to make product purchases.

2. Referential, which is an individual's desire to provide product references to others.

3. Preferential, which is an individual's preference-based behavior towards a particular product. Preferences may change if there is something with the preferred product.

4. Exploratory, which is an individual's desire to know about the desired product and gather information to support its positive attributes.

Purchase intention is a consumer behavior influenced by motivation, circumstances that drive an individual to fulfill desires in performing a specific activity to achieve a goal. In making a purchase intention, one requires motivation that drives the behavior to buy. With motivation within an individual, it forms a desire to seek information, recommend to others, purchase, or dispose of the product.

Mahmoudzadeh (2014) state that purchase intention refers to the likelihood that customers will plan or be willing to buy a specific product or service. Purchase intention refers to the cognitive readiness of a consumer to engage in the buying process of a product or service. It is a significant predictor of actual purchasing behavior, influenced by various factors, including consumer attitudes, subjective norms, perceived behavioral control, and emotional responses. He emphasizes the importance of understanding the underlying motivations that drive purchase intentions, such as personal preferences, societal influences, and marketing factors.

1.5.6 Effect of Perceived Quality on Purchase Intention

Perceived quality refers to the buyers' perception of the quality of the products and services provided based on consumers' expectations. The products and services offered can shape the perception of quality in the eyes of customers, which can influence consumers' purchase intentions. Aaker (1996) state that a good perception of quality regarding a product/service in the minds of buyers is expected to enhance consumer purchase intentions, as it strengthens the reasons for someone to choose that brand, thus forming purchase interest in a particular product or service. A direct positive effect was observed of perceived quality on purchase intention (Jones et al., 2002). Yee et al. (2011) found that perceived quality has a direct positive relationship with purchase intention.

H1: *Perceived Quality* has significant effect on *Purchase Intention*

1.5.7 Effect of Perceived Quality on Perceived Value

Perceived quality significantly influences customers' perception of value. By establishing a brand as a reason for purchasing, it differentiates itself from other brands. Perceived value is also rooted in the differences between what customers receive and what they sacrifice across various options. Perceived quality impacts perceived value based on the quality and worth of a product that customers consume. The higher the quality of a product, the greater the value it holds, resulting in customers feeling fulfilled in their desires and needs.

Caruana et al. (2000) suggest that the concepts of perceived quality and perceived value share similarities. However, the uniformity of these concepts is

often viewed as equivalent, as perceived value has been demonstrated to be a multidimensional concept of the benefits and sacrifices experienced by customers (Gallarza et al., 2006). On the other hand, perceived quality is defined as the customer's assessment of the overall superiority of a product (Zeithmal, 1987). Therefore, while quality is one of the main benefits sought by customers, it is not synonymous with value.

Milfelner (2011) explain the relationship between perceived quality and perceived value, indicating that higher quality perception typically leads to a higher perceived value. Bolton and Drew (1991) argue that quality, not price, is the primary determinant of perceived value for products and services. Additionally, Petrick et al. (2004) state that higher perceptions of quality can enhance customers' perceived value of a product.

H2: *Perceived Quality* has significant effect on *Perceived Value*

1.5.8 Effect of Perceived Value on Purchase Intention

The positive effect of perceived value on purchase intention is one of the most significant factors influencing buying intention (Zeithaml, 1988). Perceived value is based on the overall assessment of the costs and benefits of a specific market offering, reflecting the net benefits received by customers. To maintain a long-term relationship between customers and a brand's products, perceived value cannot solely be the main determinant; it also plays an important role in influencing purchase intention (Zhuang et al., 2010). A high perceived value of a product can

influence customers to have purchase intention. This is due to the perceived value associated with the customer satisfaction provided by the company.

H3: *Perceived Value* has significant effect on *Purchase Intention*

1.5.9 Effect of Perceived Quality on Purchase Intention mediated by Perceived Value

This research explains the importance of perceived quality and perceived value, which impact the occurrence of purchase intention for a product. Quality and value positively influence customers' perceptions regarding their decision to make a purchase intention (Weisstein et al., 2014). The higher the perceived quality provided, the greater the satisfaction experienced by customers. Likewise, the perceived value of a product or service increases the likelihood of purchase intention by a customer.

H4: *Perceived Quality* has significant effect on *Purchase Intention* mediated by *Perceived Value*

1.5.10 Previous Research

No.	Researcher	Title	Methods	Results
1.	Teguh Widodo, Ni Luh Putu Krisma Maylina (2022)	The mediating role of perceived value and social media word-of mouth in the relationship between perceived quality and	The study employed a cross-sectional survey method, distributing questionnaires to Garuda Indonesia passengers, collecting 410 valid responses, and analyzing these responses using Structural Equation Modeling (SEM) with LISREL software to examine the mediating role	Perceived quality has a positive and significant influence on purchase intention.

Perceived quality has a positive and significant |

			of perceived value and social media word-of-mouth in the link between perceived quality and purchase intention.	influence on perceived value.
		purchase intention		Perceived value mediates between perceived quality and purchase intention.
				Social media WoM mediates between perceived quality and purchase intention.
2.	Meenu Mathur, Sanjeevni Gangwani (2021)	Mediating Role of Perceived Value on the Relationship Among Perceived Risks, Perceived Quality, and Purchase Intention of Private Label Brands	The study employed a cross-sectional survey method, distributing questionnaires to consumers in retail department stores in Indore, India. A total of 458 valid responses were collected and analyzed using Structural Equation Modeling (SEM) to investigate the mediating role of perceived value between perceived risks (functional, financial, and social) and purchase intention for private label brands. The analysis aimed to understand how perceived quality and risk perceptions affect the perceived value and purchase intentions of private label apparel products.	Perceived quality has a positive and significant influence on purchase intention. Perceived quality has a positive and significant influence on perceived value. Perceived value has a positive and significant influence on purchase intention. Perceived value mediates between perceived quality and purchase intention.

3.	Nguyen Nga Thi Quynh, Nguyen Duong Tuan, Nguyen Quynh Thi Phuc (2021)	Purchase Intention Towards Japanese Convenience Goods: A Cross-Sectional Study in Vietnam	The study employed a cross-sectional survey approach, gathering data from Vietnamese consumers in shopping malls and convenience stores, focusing on Japanese convenience goods. A total of 180 valid responses were collected, and the data were analyzed using Partial Least Squares Structural Equation Modeling (PLS-SEM) with SmartPLS3 software to assess factors influencing purchase intention.	Value has significant influence on purchase intention. Quality has significant influence on purchase intention. Price has significant influence on purchase intention.
4.	Tri Cuong Dam (2020)	Influence of Brand Trust, Perceived Value on Brand Preference and Purchase Intention	The study employed a cross-sectional survey approach, collecting data from 285 consumers visiting electronic supermarkets in Ho Chi Minh City, Vietnam, who expressed interest in branded phones. Using Partial Least Squares Structural Equation Modeling (PLS-SEM) with SmartPLS software, the analysis assessed brand trust and perceived value's effects on brand preference and purchase intention.	Perceived value has a positive and significant influence on purchase intention. Brand Trust has a positive and significant influence on purchase intention. Brand Preference has a positive and significant influence on purchase intention.
5.	V. G. Girish (2018)	The Relationship	The study employed a cross-sectional survey method,	Perceived quality has an

		between Organic Products Familiarity, Perceived Value, and Purchase Intention: An Empirical Study	targeting university students to explore the relationships between organic products familiarity, perceived value, and purchase intention. A total of 235 valid responses were collected, and data were analyzed using Structural Equation Modeling (SEM) through AMOS software. The model assessed four dimensions of perceived value (quality, emotional, price, and social) and their influence on purchase intention.	insignificant influence on purchase intention. Perceived value has a positive and significant influence on purchase intention.
6.	Cristina Calvo-Porral, Jean-Pierre Lévy-Mangin (2017)	Store Brands' Purchase Intention: Examining the Role of Perceived Quality	The study employed a cross-sectional survey approach, collecting data through an online questionnaire from 439 Spanish consumers regarding their intentions to purchase store brands. Structural Equation Modeling (SEM) was applied to analyze the relationships between perceived quality, price, confidence, store image, perceived value, and purchase intention.	Perceived value has an insignificant influence on purchase intention. (High perceived quality customer). Perceived value has a positive and significant influence on purchase intention. (Low perceived quality customer).
7.	Ferdy Pratama, Sarwo Edy Handoyo (2024)	Pengaruh Perceived Price dan Perceived Quality terhadap Purchase	The study employed a quantitative survey with a comparative causal design, targeting Indonesian consumers familiar with AAA digital video games. A total of 127 responses were	Perceived quality has a positive and significant influence on purchase intention.

		Intention melalui Perceived Value	analyzed using Partial Least Squares Structural Equation Modeling (PLS-SEM). The analysis assessed the effects of perceived price and perceived quality on purchase intention, with perceived value as a mediating variable.	Perceived quality has a positive and significant influence on perceived value. Perceived value has a positive and significant influence on purchase intention. Perceived value mediates between perceived quality and purchase intention.
8.	Dini Kartika, Kokom Komariah, Faizal Mulia (2023)	Analisis Perceived Quality dan Perceived Value terhadap Intention to Subscribe pada Layanan Video on Demand Viu	The study employed a quantitative survey method targeting respondents in Sukabumi, Indonesia, to assess the impact of perceived quality and perceived value on the intention to subscribe to the video-on-demand service Viu. Using proportionate stratified random sampling, a total of 150 responses were gathered and analyzed with multiple linear regression via SPSS software.	Perceived quality has a positive and significant influence on purchase intention. Perceived value has a positive and significant influence on purchase intention.

Table 1.1 Previous Research

1.6 Hypothesis

Hypothesis is a tentative answer drawn from the relationship between two or more variables as a temporary solution to address the research question. This answer is still temporary or not final and needs further testing. Hypotheses serve as temporary answers to the formulation of research problems, expressed in sentences (Sugiyono, 2018). They are referred to as temporary answers because the data collection is not yet based on empirical facts to obtain them, but rather on relevant theories. Hypotheses can be seen as theoretical answers regarding the formulation of research problems, rather than empirical answers. Based on this explanation, it can be concluded that hypotheses are statements of the relationship between two or more variables and are temporary in nature. The hypotheses in this study are:

H1: *Perceived Quality* has significant effect on *Purchase Intention*

H2: *Perceived Quality* has significant effect on *Perceived Value*

H3: *Perceived Value* has significant effect on *Purchase Intention*

H4: *Perceived Quality* has significant effect on *Purchase Intention* mediated by *Perceived Value*
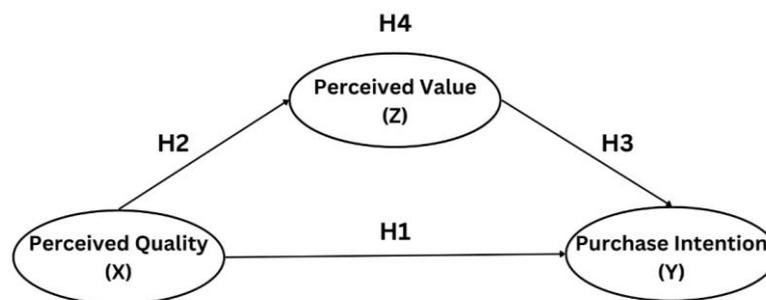

Figure 1.8 Hypothesis Model

1.7 Concept Definition

The concept definitions for this study are as follows:

a. Perceived Quality: Aaker (1991) define perceived quality as an individual's assessment of the quality or superiority of goods or services based on their expectations. He emphasized that perceived quality is shaped not just by the actual quality of a product or service but by how consumers perceive that quality.

b. Perceived Value: Woodruff (1997) define perceived value as a customer's evaluation of a product based on their preferences, expectations, and experiences, considering product attributes, performance, and usage outcomes. Customers assess how well a product helps them achieve personal goals and meet needs. This model highlights that perceived customer value is dynamic, evolving over time as customers gain new experiences and adjust their perceptions, ultimately influencing their purchasing decisions.

c. Purchase Intention: Kotler and Keller (2012) define consumer purchase intention as the desire within buyers that influences their behavior regarding product selection and purchase. It reflects the likelihood of a consumer planning to buy a product or service, based on their experiences during selection, usage, or consumption. Purchase intention is a critical aspect of consumer behavior, often serving as a predictor of actual buying behavior; a high intention to purchase typically indicates a greater likelihood of completing the transaction.

1.8 Operational Definition

The operational definitions for this study are as follows:

a. Perceived Quality: Perceived quality for RevoU is defined as the subjective evaluation of the quality and superiority of its educational services by individuals, primarily students and potential learners. This evaluation is influenced by their expectations and experiences with RevoU offerings, including course content, instructor expertise, learning resources, and overall educational environment.

b. Perceived Value: Perceived value for RevoU is defined as a customer's evaluation of the educational services provided, based on their individual preferences, expectations, and past experiences. This evaluation considers key attributes of the courses, such as content quality, delivery methods, instructor effectiveness, and the overall learning experience. Customers assess how well RevoU offerings enable them to achieve their personal learning goals and meet their educational needs.

c. Purchase Intention: Consumer purchase intention for RevoU is defined as the degree of desire among potential learners to engage with and enroll in the educational services offered by RevoU. This intention is influenced by various factors, including prior experiences with RevoU marketing communications, course offerings, and the perceived value and quality of the educational programs. It reflects the likelihood of a consumer planning to enroll in a course or program, with higher purchase intention indicating a stronger inclination to make a purchase decision.

Variable	Indicator	Items	Reference
Perceived Quality (X)	High Quality	Compared to other brands of online learning, RevoU is of very high quality.	**Netemeyer et al. (2004)**
		RevoU high quality content is evident in the learning materials that they provided.	
	Best in Class	RevoU is the best brand in its service class.	
		RevoU stands out as the best in class among competitors.	
	Performance Superiority	RevoU consistently performs better than all other brands of online learning.	
		The performance RevoU instructors is accordance to their qualifications and expertise.	
	Consistency in Quality	I can always count on RevoU online learning service for consistent high quality.	
		I am assured of a consistent level of quality in both course delivery and continous support by RevoU.	
Perceived Value (Z)	Extrinsic Value	RevoU courses can help me secure higher-paying jobs.	**Holbrook (1994)**
		RevoU certificates are recognized by top employers.	
	Intrisic Value	I find personal satisfaction and fulfillment in learning through RevoU courses.	

		Completing a RevoU course gives me a sense of personal achievement and growth.	
	Self-oriented Value	RevoU programs align with my personal goals.	
		I value the way RevoU courses support my individual learning needs.	
	Other-oriented Value	I value RevoU courses because they make me better equipped to contribute to other people.	
		RevoU helps me to communicate better to other people.	
	Active Value	Projects in RevoU courses actively help me apply new knowledge to real-world scenarios.	
		RevoU interactive learning format ensures that I actively engage with the material.	
	Reactive Value	RevoU student support services respond promptly to my needs.	
		RevoU adapts its courses based on student feedback.	
Purchase Intention (Y)	Transactional	I intend to purchase RevoU full program after I experience the free Revou mini course.	**Kotler and Keller (2012)**
	Referential	I would recommend RevoU to anyone looking for online learning platform.	

Preferential	If I had to choose, I would prefer RevoU programs over other learning platforms.	
Exploratory	I am interested in exploring what other programs RevoU offers.	

Table 1.2 Operational Definition Table

1.9 Research Methodology

1.9.1 Research Type

The quantitative approach in this study is the explanatory type. Sugiyono (2018) explains explanatory research as a study aimed at clarifying the relationship between variables to be examined and used to formulate hypotheses. The purpose of this research is to explain the relationship between variables. With explanatory research, the researcher must formulate hypotheses as the first step to explain the relationship between the variables to be studied. These variables consist of independent variable, which is perceived quality (X), mediating variable, which is perceived value (Z), and the dependent variable, which is purchasing intention (Y).

This research is cross-sectional research. The design used is single cross-sectional because each sample from the population is only used once. According to Sugiyono (2018), cross-sectional research is a study conducted to examine the dynamics of the correlation between risk factors and effects, using a point-in-time approach for observation or data collection. This means that measurement or observation is carried out only once at a specific moment, making this type of research non-continuous or non-longitudinal.

1.9.2 Population and Sample

1. Population

According to Sugiyono (2018), population refers to the object or subject of study characterized by the researcher, enabling them to decide whether to study or draw conclusions. This study includes the entire population of consumers who have participated in the RevoU mini course program and reside in Indonesia.

2. Sample

A sample represents the size and characteristics of the population. By using a sample, researchers can efficiently manage the use of funds, time, and energy if the population under study is too large. The sample obtained from the population needs to be representative because its conclusions are applied to the population (Sugiyono, 2018). Since the exact population size is unknown, this study takes a sample of 100. The exact population size cannot be determined because it comprises all consumers who participated in the RevoU mini course program and reside in Indonesia. According to Cooper (2006), when determining a sample size for an unclear population, a direct sample of 100 will suffice. In this study, the sample size used is 100 individuals.

1.9.3 Sample Gathering Technique

Through sampling in the study, nonprobability sampling techniques can be used as a method without providing equal opportunity for each population member to be selected as a sample. This study utilizes purposive sampling method, as explained by Sugiyono (2018), which is a technique in determining samples based on certain criteria. The study employs purposive sampling, selecting only those who

meet the criteria to be research subjects, namely consumers who want to or have participated the RevoU program and reside in Indonesia

The data collection process will involve distributing questionnaires directly or online to consumers who have participated in the RevoU mini course program and reside in Indonesia, and who meet the predetermined criteria.

The characteristics of the selected participants are as follows:

1. Have participated in the Mini Course offered by RevoU

2. Are at least 17 years old

3. Reside permanently or temporarily in Indonesia

4. Are willing to fill out the questionnaire related to the conducted research

1.9.4 Data Type and Source

1. **Data Type**

   This study employs quantitative data, which takes the form of numerical data, and its analysis is conducted statistically (Sugiyono, 2018). Quantitative data is obtained by distributing questionnaires to participants who fit the characteristics.

2. **Data Sources**

A. **Primary Data**

   Sugiyono (2018) defines primary data as data collected directly from participants or data sources. Primary data can take the form of questionnaires filled out directly by participants.

B. Secondary Data

According to Sugiyono (2018), secondary data refers to data collected indirectly. Secondary data is obtained through reading, understanding, and studying from other appropriate media sources such as references, books, or documents. In this study, secondary data is gathered from books, journals, articles, and previous studies containing relevant data for the research.

1.10 Measurement Scale

The measurement scale is an agreement as a guideline for establishing the measurement instrument intervals to produce quantitative data. If using the measurement scale, the variable value can be measured through a specific instrument in the form of numbers with the aim of obtaining accurate, communicative, and efficient results (Sugiyono, 2018).

The Likert scale was chosen as the measurement in this study. Data were obtained through the completion of questionnaires consisting of questions or statements from the respondents, which were then measured using the Likert scale. Sugiyono (2018) mentioned that with the use of the Likert scale, the measured variables are further clarified as variable indicators. These indicators are then used as references to create instruments in the form of questions or statements. Responses to the instruments have levels, ranging from strongly agree to strongly disagree. Each response from the respondents is given a score as follows:

Answer	Score
Strongly agree	5
Agree	4
Neutral	3
Disagree	2
Strongly disagree	1

Table 1.3 Likert Scale Measurement

1.11 Data Collecting Technique

1. Questionnaire

According to Sugiyono (2018), a questionnaire is a method used to gather data through the presentation of statements or written questions for participants to answer. Participants' answers are believed to be the most accurate as they know themselves best. The questionnaire can be distributed directly to respondents in person or created online. The respondents in this study are buyers who have participated in the RevoU Mini Course and reside in Indonesia.

2. Interview

Sugiyono (2018) refers to interviews as a method of collecting data used when conducting preliminary studies to formulate the problems to be analyzed. Interviews are conducted when researchers want to gather in-depth information from participants. Researchers interview respondents by meeting them directly or indirectly, which can be done via calls.

3. Documentation

Documentation is an activity used to investigate a problem to obtain data and information based on the conditions being studied. Books, journals, scientific works, and other sources of information can be obtained for this purpose.

1.12 Data Processing Technique

Data processing is carried out after successfully obtaining and collecting data, including:

1. Editing

Editing is done after the data has been collected with the aim of ensuring that the questionnaire has been correctly filled out by the respondents. This is used to obtain quality answers so that correct conclusions can be drawn from the collected responses.

2. Coding

The coding process is carried out to simplify the responses from the respondents, making it easier for the author to analyze and process in SmartPLS. Coding is done by assigning codes to the answers that participants fill out in the questionnaire in order to divide them into similar categories.

3. Scoring

Scoring is carried out by assigning scores to each answer to the questionnaire that has been filled out by the respondents.

4. Tabulating

Tabulating involves organizing answers neatly and systematically, then calculating to create useful tables.

1.13   Research Instruments

According to Sugiyono (2018) a research instrument is a tool used to measure observed natural and social phenomena. The instrument or measuring instrument in this study was a questionnaire containing questions to be responded to by the research subjects. The preparation of the questionnaire is based on the theoretical constructs that have been prepared previously. Then on this theoretical basis it was developed into indicators and then developed into question items where scoring was given using a Likert scale.

1.14   Analysis Techniques

The analysis technique used in this study is a quantitative analysis technique. Quantitative analysis is an analytical method with numbers that can be counted or measured. Quantitative analysis is intended to quantitatively estimate the magnitude of the effect of changes in one or several other events by using statistical analysis tools.

Quantitative analysis is data analysis using a quantitative data approach in which measurements state the numbers that have been arranged in tables and the calculations use statistical tests (SmartPLS). SmartPLS 4 provides an intuitive interface for building models that involve mediators, allowing the researcher to test both direct and indirect relationships between variables. With built-in features for bootstrapping and hypothesis testing, it enables accurate estimation of mediation effects, giving insights into how mediators influence the relationship between independent and dependent variables.

1.14.1 Outer Model Analysis

The outer model is often called the outer relation or measurement model, which defines how each indicator block relates to its latent variable. The measurement model (outer model) is used to assess the validity and reliability of the model. Tests carried out on the outer model:

a. *Convergent Validity*. The convergent validity value is the loading factor value on the latent variable with indicators. A loading factor value > 0.7 is said to be ideal.

b. *Discriminant Validity*. This value is the cross-loading factor value which is useful for knowing whether a construct has enough discriminant by comparing the loading value on the construct in question, which must be greater than the loading value with other constructs. The Heterotrait-Monotrait Ratio (HTMT) Value < 0.90. For discriminant validity to be achieved in Fornell Lacker Test, the square root of the AVE (diagonal values) should be greater than the correlations between the constructs (off-diagonal values).

c. *Composite Reliability*. Data that has composite reliability > 0.7 has high reliability.

d. *Average Variance Extracted (AVE)*. The expected AVE value is > 0.5.

e. *Cronbach Alpha*. This value is expected to be > 0.7 for all constructs.

The test carried out above is a test on the outer model for reflective indicators. for formative indicators, different tests are carried out. The test for formative indicators is the significance of weights. The weight value of the formative indicator with its construct must be significant (Brien et al., 2015).

1.14.2 Inner Model Analysis

The purpose of inner model analysis in SmartPLS is to examine the relationships between the latent variables or constructs within the research model, often referred to as the structural model. It focuses on testing the hypotheses about the causal links between the constructs, as well as the strength and significance of these relationships. The following are the steps for measuring the inner model:

a. R-Square is used to measure the model as a structural estimate. Tests on the structural model were carried out by obtaining an R Square score which was used as a model goodness-fit test. Changes in R-Square scores can be used to explain the substantive influence between exogenous latent variables and endogenous variables. The conclusion from the R-Square score is that the model is strong with a score of 0.75, weak model with a score of 0.25, and moderate with a score of 0.50.

b. Estimate for Path Coefficients is carried out to determine the significance of the influence between variables by knowing the parameter coefficient scores and significant T statistics using the bootstrapping method.

c. Predictive Relevance is carried out to find out whether the construct of each variable in the research can be useful for measuring the research model.

1.14.3 Hypothesis Testing

Hypothesis testing is carried out to determine the effect or relationship between the independent variable and the dependent variable. The significance level used in this study is 5%. If the selected significance level is 5%, the

significance level or confidence level is 0.05 to reject a hypothesis. The following is the basis for decision making:

- Ho is rejected, if Significance t < 0.05

- Ho is accepted, if Significance t ≥ 0.05

1.14.4 Indirect Effect Test

The indirect influence test applies the bootstrapping method using SmartPLS. This test is carried out to find out how big the indirect influence score is between variables. Satisfaction is considered to be able to mediate the influence of the independent (exogenous) variable and the dependent (endogenous) variable if the statistical T score exceeds the T table score and the P value is below the sig level used at 5%.