Antecedent and Consequence Model of Trust on Online Fashion Retail (Zalora)

Fauzia Nur Laili*)[1], Lilik Wahyudi

Faculty of Economics and Business, Sebelas Maret University, Indonesia

*Corresponding author: laili07939@gmail.com

Abstract: This study has the purpose to understand the antecedents and consequences of trust in online shopping consumers. The model of three (perceived quality, perceived risk, and trust) increase the intention to purchase on the e-commerce platform. "Zalora" as one of the most popular fashion online in Asia has strategies to get their consumer's trust. This study is quantitative research using an online survey method. We share the link address of the survey using social media Whatsapp. We screened the questionnaire that had been filled by 372 respondents and we choose 238 respondents who met the requirements. In this study we use 4 variables perceived quality, perceived risk, trust, and intention to purchase. The results of this study indicate that perceived quality negatively affected perceived risk (-0.277). Perceived risk also negatively affected trust (-0.193). Meanwhile, perceived quality directly has a positive effect on trust (0.726) and trust has a positive effect on the intention to purchase on the Zalora eCommerce platform.

Keywords: Intention to purchase, online shopping, perceived quality, perceived risk, trust.

1. Introduction

Online shopping has become a convenient way and very popular these days for people because the internet network has gotten around and more saving. In this situation, people are recommended to reducing the activity outside the home to prevent the spread of Coronavirus Covid-19. The increase in popularity and growth of online shopping has given access for the company of e-commerce. Zalora, as a company of e-commerce platform business-to-customer (B2C), sells the retail garment online and now, has been operating in 27 countries including Indonesia.

Zalora is a global networking business. They build the online fashion business in Indonesia since 2012. Based on the report of rating for online shops in the fashion area, Zalora got first place in iPrice in the fourth quarter period in 2020. Their website has visited more than 2,9 million people in a month. While their mobile application got the 4th place in App store and 8th place in Play store. Their success in improving online business can be the inspiration for retail especially for them in fashion. One of them is to learn how they build the trust of potential consumers so that they intend to make purchases on their platform (Zalora.co.id).

Trust, is an important topic for the researcher and manager of e-commerce to build the loyalty of online consumers (Zhao, Huang, & Su, 2019). This research will examine the

factor which can build trust in e-commerce through the perception of consummate about the quality and perception of the risk that came up when they do transactions at e-commerce platforms. This research is expected to provide valuable insight to clothing retailers on how to build trust so that potential consumers have the intention to transact on their platform.

Trust can persuade the intention of the consumer to buy and visit their shop (Abbes, Hallem, & Taga, 2020). So that, if the consumer has not found the Trust over the seller, they will look for a way to support their judgment trust. According to the previous research that wrote by Marakanon & Marakanon & Panjakajornsak (Marakanon & Panjakajornsak, 2017), it showed that the low perception of risk can increase their trust in the seller significantly

In this research, we focused on the discussion of antecedents of trust on the online fashion product represented by global e-commerce, Zalora. Antecedent trust that will use in this research is about the perception of quality and perception about the risk. Both of those are based on perceptions that have to notice especially by online sellers. The consequence of this research is the intention of the consumer to do a transaction in the Zalora application.

2. Literature Review

The variable which is used in this research is a trust, perception of quality, perception of risk, and intention to do a transaction. Trust to the seller is define as the individual wants by count on the utterance, act, and the seller's decision to the community of social commerce (Chen & Shen, 2015). According to Hosmer (1995), Trust is an expectation for the object to behave following the commitments made, always be honest, and will not deviate even though there are opportunities. Trust is an important topic for the researcher and the manager e-commerce to build online consumer loyalty (Zhao et al., 2019). If we see from previous research (Jiang, Rashid, & Wang, 2019), Trust always has an important role in any kind of social transaction dan financial, especially in online business for the environmental demand in virtual shopping. In this perspective, trust is role key for success or failure in online business (Lu, Fan, & Zhou, 2016).

Quality perspective is defined as consumer evaluation for an excellent product. The perception that is expected by the consumer is about the quality of the product so that, the highest their perception, the highest their behavior, and the intention. (Rahman & Soesilo, 2018). The meaning of perception of quality in this research is about a portfolio of the product. In the research, (Akram et al., 2019) it has been said that the dimension of E-SERVQUAL has five portfolio products, website, security, support system, and delivery. One of the measurement items that they used is about the accessory's product and quality product. According to (Luo, Wang, Zhang, Niu, & Tu, 2020), who define *e-service quality*, it is unlimited by one or two dimensions, it depends on the option about which dimension that they want. In the research that Luo did, he used four dimensions such as*, system quality, service support, product variety, and security assurance.*

The perception of risk in virtual retail environment has been recognized as determinant of behavioral intention (Lwin & Williams, 2006). It is caused by some consumers which

prefer to choose to avoid the mistake in buying rather than utilize what has been served. (Tan & Tan, 2006) are reveal that online buyers feel the level of higher risk than offline buyers. the dimension of perceived risk that they used in this research is about how fragile the website is against the hacker which caused worries for the prospective buyer toward the security of transactions in the online platform. The purchase intention is a behavior of consumers for the consequence of marketing variables, in this research, the variable that the suspect has influenced the purchase intention is the trust of consumers toward e-commerce platforms. According to Pavlou, (2003), the purchase intention is about how great the level of the consumer needs to do the transaction in an online shop. The indicator of success for e-commerce can be seen from how great the intention of the consumer to do something and their behavior, which mean, the intention to do transaction via online in e-commerce Zalora. (He, Lu, & Zhou, 2008)

2.1. Relation between Perceived quality and Perceived risk

Based on the research who wrote by Cheng et al., (2008) in Taiwan, it has been proofed that the better perceived quality of e-commerce service, it can decrease the risk of prospective consumer for the high of quality, which can reduce the worries of prospective consumer toward the online platform. According to Ribbink et al., (2002), the quality of e-commerce can build the trust of consumer and it can reduce the perceived risk. Supported by the research of Agarwal et al., (2006), on the environment of offline buyer, the perceived quality can refuse the perceived risk so, from some of the research above, we can make the hypothesis as follows; **H1** Perceived quality has positive influence on Perceived risk

2.2. The Influence of Perceived quality and Perceived risk on Trust

The previous research about perceived risk and trust toward e-commerce (Young Kim & Kim, 2004) has found that perceived risk and trust are negative. The lowest perceived risk is the highest trust on an e-commerce platform. Perceived quality has a direct influence on consumer trust and perceived risk (Marakanon & Panjakajornsak, 2017). The result from previous research that wrote by Konuk (2018) on an organic private level of food also show that perceived quality (food) has a positive effect on trust. From the description above, we can draw the hypothesis as follow; **H$_2$** Perceived quality has positive effect on Trust; **H$_3$** Perceived risk has positive effect on Trust

2.3. The Influence of Trust Toward Purchase Value

Trust is an important element related to prospective buyer's wishes to buy to the e-commerce for they cannot do direct communication between the seller and the buyer. Trust can increase the need to repurchase (Leonard & Leonard, 2016). The buyer always makes trust as a tool to decide to buy and give a recommendation of the product (Mcknight, Choudhury, & Kacmar, 2002). Trust is one of the social capital that must have by all seller, especially for them who dabbling in online business which avoids the direct meet between the seller and the buyer (Brengman, Brussel, & Karimov, 2012). From the

description above, we can draw hypothesis as follow: **H₄** Trust has positive influence on Purchase Value.

3. Methods

3.1. Process of Research

This research is qualitative research that used a survey to collect the field data. Surveys are conducted on current target respondents. The sample is taken by using the purposiveness method as one of the criteria is about respondents who visit Zalora and want to buy the product from Zalora. Online questionnaires are made by using Lime Survey. The addresses of the questionnaire are shared with current target respondents through WhatsApp messages or via group messages. 372 respondents fill the questionnaire. The process of data screening is carried out to obtain respondents who have complete data and fit the criteria. there are 134 respondents expelled for they do not fill the data or do not fit the criteria so that, there are remaining 238 respondents who can be used.

3.2. Definition of Operational

This research is used a questionnaire self-report to measure the perceived quality, risk quality, trust, and purchase intention from the consumer. Perceived quality is defined as availability and product variety which measure by using 6 question items. Each item question is measure by using a 1-5 Likert scale, based on agreeing until strongly agree. Perceived risk is defined as a security factor in a transaction measured by 4 question items. Trust is defined as the hope of prospective consumers to Zalora so they can keep the promise and do the job as Zalora promises to the consumer. In this research, trust is measured by 3 question items. Next, the purchase intention of the product is the behavior of consequences of trust which is measured by 4 questions.

3.3. Hypothesis Test

This study has tested the hypothesis through the structural model that was built. The structural model is tested by using the PLS-SEM method through SmartPLS. The stages of model testing in PLS-SEM include testing the measurement model and testing the structural model (Hair et al, 2010).

4. Findings

4.1. Respondent Description

Online surveys are doing by using Lime survey. From a total of 372 respondents who are participated, 238 respondents filled in completely and fit the criteria.

Table 1 The Characteristic of Respondents

Description	Information	Percentage
Gender	Men	39,4 %
	Women	60,6 %
Age	15-25 Years Old	44.2 %
	26-40 Years Old	9,5 %
	Over 40 Years Old	46,3 %
Level of Education	Senior High School	17.9 %
	Diploma (D3)	12.8 %
	Bachelor (S1)	59.6 %
	Magister (S2)	9.8 %
Income	< 2.500.000	35,4 %
	2.500.000 – 5.000.000	38,3 %
	5.000.000 – 7.500.000	11,8 %
	7.500.000 – 10.000.000	9,0 %
	> 10.000.000	5,5 %

Sumber: Processed data

Based on the type of gender, most of the respondents are female by 60.6% and the remaining male respondents by 39.4%. Based on age, the majority of respondents were respondents aged over 40 years at 46.3% which followed by respondents aged 15-25 years at 44.2%, and the remaining respondents aged 26-40 years at 9.5%. Based on the level of education, the largest respondents are respondents with a Bachelor's level of education by 59.6% which followed by respondents with high school's level of education of 17.9% and Diploma (D3) education of 12.8%, by remaining Masters (S2) of 9.8%. Based on income level, most of the respondents have income levels between 2.5 million to 5 million by 38.3%, which followed by income levels below 2.5 million by 35.4%, income levels between 5 million to 7.5 million by 11, 8%, the level of income between 7.5 million to 10 million is 9% and the remaining income level is above 10 million is 5.5%.

4.2. Test Measurement Model

The data analysis is started by using the model of measurement and continues by testing the structural model. The result of structural model testing can be seen in Table 2 below:

Tabel 2. Measurement model results

Construct	Item	Factor Loading	Cronbach Alpha	Composite Reliability	AVE
Perceived quality	PQ1	0.891	0,957	0,965	0,822
	PQ2	0.918			
	PQ3	0.949			
	PQ4	0.889			
	PQ5	0.895			
	PQ6	0.896			
Perceived risk	RISK1	0.921	0,948	0,962	0,863
	RISK2	0.917			
	RISK3	0.941			
	RISK4	0.937			
Trust	TRST1	0.928	0,937	0,960	0,888
	TRST2	0.966			
	TRST3	0.933			
Purchase Intention	PI1	0.879	0,955	0,967	0,881

Construct	Item	Factor Loading	Cronbach Alpha	Composite Reliability	AVE
	PI2	0.958			
	PI3	0.975			
	PI4	0.939			

Sumber: Processed data

The test of results is showing the load factor value for all indicators which has a value above 0.7. Cronbach alpha, composite reliability, and AVE tests are showing values above the standard, all of it which indicate the criteria for a good measurement model. Discriminatory of validity test is using Fornell-Larcker criteria that can be seen in Table 3 below:

Tabel 3. Fornell-Larcker Criterion

	Perceived quality	Perceived risk	Purchase Intention	Trust
Perceived quality	**0.907**			
Perceived risk	-0.277	**0.929**		
Purchase Intention	0.475	0.113	**0.938**	
Trust	0.78	-0.394	0.396	**0.942**

Sumber: Processed data

Table 3 is showing, that each variable studied has the highest value, so it can be said, that it passes the Fornell and Larcker criteria

4.3. Structural Model Testing

The process of structural model test is doing after the measurement model has filled the required criteria. The improvements are made if there are problems in the measurement model. The existing test results are showing that all the measurement model testing criteria are fit so that the process can be continued to the structural model. The structural model in this study can be seen **in the figure below:**
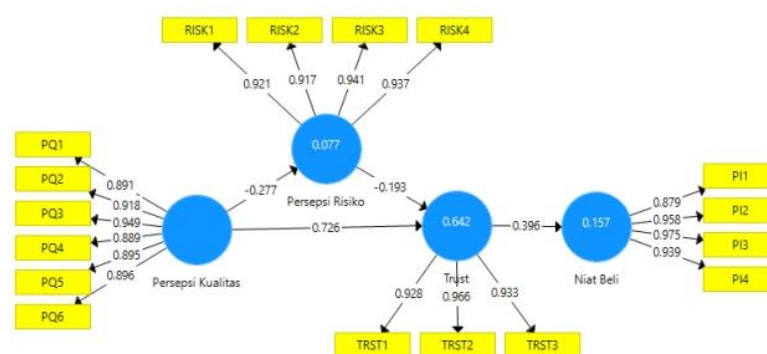
Figure 1. The Structural Model and The Testing Result

The testing process is continued by testing the relationship between variables by using a standard 95% confidence level with a value of 1.96. The results of complete hypothesis testing can be seen in the table below:

Table 4 The Result of Hypothesis Testing

Relation Between Variables	Standard Deviation	T Statistics	P Values	Description
H₁ Perceived quality → Perceived risk	0,082	-3,393	0,001	Significant
H₂ Perceived quality → Trust	0,047	15,291	0,000	Significant
H₃ Perceived risk → Trust	0,054	-3,553	0,000	Significant
H₄ Trust → Purchase Intention	0,066	5,993	0,000	Significant

Source: Processed data

The results of the H1 test which examines the effect of perceived quality on perceived risk, the t-stat value is -3.393 with a p-value of 0.001. These results indicate that H1 is accepted, perceived quality harms perceived risk. The higher the quality of the product, the lowest consumer perceives the risk and vice versa, the lower the quality of the product, the consumer will perceive the risk to be high. The H2 test which examines the effect of perceived quality on trust shows an at-stat value of 15.291 with a p-value of 0.000. Because the t-stat value is greater than the standard t-value, H2 can be accepted so that it can be concluded that perceived quality affect consumer trust.

The H3 test which examines the effect of perceived risk on trust obtained an at-stat value of -3.553 with a p-value of 0.000 because the t-stat value is higher than the t-table value, it can be concluded that H3 is accepted. Thus, it can be concluded that perceived risk harms trust. The results of the H4 test that examines whether there is an influence between trust on consumer purchase intentions show the results of the t-stat value of 5.993 with a p-value of 0.000. The test results show that there is a strong influence between trust on consumer purchase intentions, so it can be concluded that H4 is accepted.

5. Discussion

The results showed that the variables related to the perception of risk it is all having a negative effect, that is means, if the perception of risk is low, the variables that influence or are affected will increase. In this study, it has been proven that the perception of high quality can reduce the perception of risk. Low-perceived risk affects the increase in the trust of prospective consumers who intend to make transactions at Zalora. This is appropriate with the previous study (Marakanon & Panjakajornsak, 2017) who said that three variables between perceived quality, perceived risk and trust are affect the behavior of electronic consumer. In this study, the behavior of potential consumers is the intention to buy fashion products on the Zalora e-commerce platform.

Perceived risk has a direct relationship with trust, while perceived quality can be through direct and indirect relationships with trust. It turns out that the indirect relationship between perceived quality and trust with the mediator of perceived risk is stronger than the direct relationship between perceived quality and trust. While in the managerial, the implication is happening when the perception of risk is high, which can be caused by a decrease in product quality, the trust of potential consumers will also decrease. Low trust will reduce the intention to transact potential customers on an e-commerce platform. Therefore, this is a very simple model consisting of perceived quality, perceived risk, and trust that can be used as a formula for developing an online marketing strategy. In the way to Improving the perception of quality according to the

dimensions of this research, it is very possible by always updating new and best-selling products, paying attention to the completeness of the product catalog, and ensuring the condition of the available products is always good. Meanwhile, reducing the perception of risk can be done by providing security guarantees during transactions in e-commerce, for example by providing a policy of convenience in product returns.

6. Conclusion

The conclusion of this study is a simple model of trust antecedents consisting of perceived quality and perceived risk both support trust. The difference is a site on the perception of quality has a positive effect on trust, which means that if the perception of quality increases, trust will also increase. On the other hand, the perception of risk on trust harms trusts so that when the perception of risk decreases, trust will increase. The dependent variable trust has a consequence of intentional behavior, namely the intention of prospective consumers to transact at Zalora.

6.1. Recommendation

The limitation of this study is about the test object that is used is only for fashion products, so it is necessary for further research to test this model on e-commerce other than fashion, for example, telemedicine, grocery, etc. The antecedents in this study only took two variables, namely perceived quality and perceived risk, so in future research, it is hoped that antecedents such as the TAM model can be added which include perceived benefits, perceived ease of use, and perceived security.

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