Conference Paper

The Effect of Trust and Brand Image to Repurchase Intention in Online Shopping

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Abstract

Online shopping customers are asset that must be maintained by a company because online shopping customers can do repurchase intention in online shopping. In fact, some companies do not put emphasis on maintaining these customers. The aim of the study was analyze effect of e-service quality to customer satisfaction, customer satisfaction to trust and brand image, trust and brand image to repurchase intention in online shopping (Case at Berrybenka online customer in Indonesia). The population was customers who had bought the Berrybenka product, and the number of sample was 130 respondents. The method of analysis was quantitative method with Structural Equation Model (SEM). The results shows that e-service quality had a positive influence on customer satisfaction, customer satisfaction had a positive influence on trust and brand image, trust and brand image had a positive influence on repurchase intention.

Keywords: e-service quality, customer satisfaction, trust, brand image and repurchase intention.

1. Introduction

Information Technology is utilized to support electronic commerce or e-commerce. E-commerce is the distribution, purchase, sale, marketing of goods and services through electronic systems such as internet or television, www, or other computer networks. E-commerce may involve the transfer of electronic funds, electronic data exchange, automated inventory management systems, and automated data collection systems (id.wikipedia.org, accessed on 26 November 2016). Using the e-commerce, shopping has become more convenient because it can be done anywhere, so the customers can save time. Furthermore, shopping has become more practical because it is internet based.
The amount of potential e-commerce in Indonesia is closely related to the growing number of internet users in Indonesia. According to a survey conducted by APJII (the association of internet service providers in Indonesia), in 2016, the number of internet users in Indonesia had reached 132.7 million users. This figure was greater than the previous year, which only 88.1 million users (APJII.or.id). Given the large number of internet users in Indonesia, there is enormous potential for e-commerce businesses. According to the survey conducted APJII, as much as 62% of the population of Indonesia or 82.2 million visited the online shop websites.

In terms of e-commerce, satisfaction from previous purchasing experience allows customers to form a positive evaluation of seller’s performance and increases customers’ trust that the seller has integrity, competence and virtue [5]. According to Heiller, P.K, Geursen, G.M, Carr, R.A. And Rickard, J.A. (2003), costumers’ satisfaction associates with the intention to reuse services from the same provider. Good quality of service encourages costumers to re-visit the online store site and eventually, develops costumers’ loyalty. Khalifa, M. Liu, V. (2007) also stressed that once costumers are satisfied with an online store then the repurchase intention to the online store will also increase.

Quality of service is generally defined as the level of service delivered according to customer expectations. Quality of service, both online and offline, is an important marketing strategy to provide the best service as a competitive advantage for the company. In measuring service quality, there are various scales of dimensions developed by previous researchers regarding the quality of service. Quality of service that meets customers’ expectations provides evidence that the company offers consumer oriented service. Quality of service measurement for online stores was based on standards developed by Parasuraman, A., V. A. Z. Dan A. M (2005) and Kim, M. Kim, J., and Lennon, S. (2006) namely efficiency, fulfillment, system availability, privacy, responsiveness, compensation and contact.

Kevin Lane Keller (2013), brand image is the perception and confidence that is embedded in customers’ memory when hearing the brand. Based on research conducted by Yesi Apriyani (2013), brand image can affect customers’ purchase intention to buy a product. While the research conducted by Arista Desi, E (2011) shows that the brand image has no significant influence on customers’ purchase intention.

Berrybenka is one of Indonesia’s e-commerce. It was established by Jason Lamuda on March 28, 2013 and was focused on fashion and beauty. Berrybenka has sold more than 1,000 national and international brands, including private label, to fulfill the customers’ need to look stylish. Berrybenka offers various products for both men and women. It has committed to provide comfortable and easy as well as fun experience in online shopping and has the efforts to satisfy its customers by offering daily special offers. Berrybenka has the option to provide refund up to 30 days after the customers received the product as well as COD service and free shipping (Berrybenka.com).

From topbrand-award.com, Berrybenka was ranked in the 3rd position for online shop category during 2014 – 2016, as presented in the following table.

<table>
<thead>
<tr>
<th>No</th>
<th>E-commerce site</th>
<th>Top Brand Index</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>2014</td>
</tr>
<tr>
<td>1</td>
<td>Zalora.co.id</td>
<td>32.4</td>
</tr>
<tr>
<td>2</td>
<td>Lazada.co.id</td>
<td>6.5</td>
</tr>
<tr>
<td>3</td>
<td>Berrybenka</td>
<td>5.7</td>
</tr>
</tbody>
</table>

Source: topbrand-award.com

Data from topbrand-award.com shows that Berrybenka has experienced a decline for the past years. The data were based on 3 parameters. The first is *top of mind*, which is based on the brand mentioned by the respondents when a product category was presented. The second is *last used*, which is based on the brand used or consumed by the respondents in 1 repurchase cycle. Third, *future intention* that is based on the brand that respondents want to use or consume in the future. From those data, it can be concluded that Berrybenka brand is unpopular for public. While from similarweb.com, in 2006, the traffic for Berrybenka sites was decreasing. The traffic of an online site is based on the number of visitors of the site. According to Sukarto & Hianoto (2009), traffic is similar to visitors. Therefore, it can be concluded that traffic is based on the number of people accessing or visiting a site. A decreasing number of traffic on Berrybenka site means that those visitors are not interested in purchasing items through Berrybenka site.
Along with the development of e-commerce in Indonesia, customers have many options to shop through existing e-commerce sites. They have their own preferences in assessing an e-commerce site. When they shop, they will certainly have their perception in assessing the site. If they do not get what they expected, customers will feel dissatisfied. For the past two years, Berrybenka has filed complaints from their customer. The reasons are presented in the following table.

<table>
<thead>
<tr>
<th>Reasons of Dissatisfaction</th>
<th>2015</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Berrybenka took a long time for refund</td>
<td>6</td>
<td>9</td>
</tr>
<tr>
<td>Berrybenka canceled transaction unilaterally</td>
<td>7</td>
<td>12</td>
</tr>
<tr>
<td>Berrybenka’s customer service officers were unresponsive</td>
<td>10</td>
<td>8</td>
</tr>
<tr>
<td>Goods from Berrybenka were not delivered within the estimated time</td>
<td>7</td>
<td>10</td>
</tr>
</tbody>
</table>

Source: Lapor.Net & Trustedcompany.com

The number of complaints filed from the customers provides evidence that customers feel disappointed and dissatisfied after shopping on Berrybenka.com site. This might cause consumers to be reluctant to repurchase, even discuss negative things about the brand. If the company ignores the complaints, this will have an impact on sales decline of the company.

Therefore, the variables in this study are e-service quality, consumer satisfaction, brand image and trust that can affect the interest of customers to re-buy at Berrybenka site.

2. Literature Review and Hypothesis

2.1. The effects of E-service quality on customer’s satisfaction

Marketing activities to satisfy customers’ needs is an essential thing to manage a company’s business. One of the activities that can be applied by the company is by providing a qualified customer service. The better the service, customers feel more satisfied so that the company might apply higher price [14]. A research conducted by A, Ristian Dian and Rusfian Effy Z. (2013) explained that customer-oriented companies try to meet their customers’ need by increasing customers’ satisfaction. The research shows that e-service quality significantly correlates to customers’ satisfaction. Another research by Prisanti, M. Suyadi, I. Arifin, Z (2016) also stated that e-service quality significantly correlates to customers’ satisfaction. According to Taslim, K (2015), e-service
quality has a significant correlation to customers’ satisfaction. The research shows that a good service increases customers’ satisfaction and affects their purchasing behavior. Based on those findings, the proposed hypothesis is:

**H1: E-Service Quality positively correlates to Customers’ Satisfaction.**

### 2.2. The effect of customers’ satisfaction on customers’ trust

Customers’ satisfaction according to Kotler, Philip & Kevin Lane Keller (2013) is a condition when customers feel either happy or disappointed after comparing the perception of a product. Giving full attention to customers’ satisfaction has a positive impact on the company. When costumers feel satisfied while shopping, consumers will establish a trust for the company and are encouraged to make repeat purchases. This is also stated in the research conducted by Norhermaya, A.Y and Soesanto, H. (2016) stating that consumer satisfaction is an attitude that is based on their experience when consuming the product. These experiences develop costumers’ perceived confidence on the company’s honesty and ability to meet the needs and demands of consumers. The results of this study also explained that costumers’ satisfaction has a significant effect on costumers’ trust. Madjid, R. (2013) stated that costumers’ satisfaction has a significant effect on costumers’ confidence. According to a research conducted by Walter, Achim; et. al. (2012), costumers’ satisfaction is established when the company meets customers’ demands and expectations. Based on the results of the research, the hypothesis was formulated as follows:

**H2: Customers’ Satisfaction positively correlates to Customers’ Trust**

### 2.3. The effects of customers’ satisfaction on brand image

The public will better know a product, if the company can build a good brand image in the eyes of consumers. According to Kotler, Philip & Kevin Lane Keller (2013) brand image is the perception and trust held by consumers of a product that forms a consumer’s memory. Nischay K. Upamannya and Bhakar, S.S (2014) stated that the success of a brand image is achieved when a brand able to provide what costumers want and understands what they need. Satisfied costumers will certainly make a better perception of the brand. The result of the research shows that costumers’ satisfaction has a significant effect on brand image. According to Hsin-Hui Sunny Hu, et al (2009), costumers’ satisfaction has a significant effect on image. The more satisfied costumers
result in better company image. Based on the results of the research, a hypothesis was formulated as follows:

**H3: Customers’ Satisfaction positively correlates to Brand Image**

### 2.4. The effects of customers’ satisfaction on repurchase intention

Customers’ trust in e-commerce is one of the key factors in buying and selling online [13]. With the existence of criminals in the online world or often called cybercrime, making trust is also a thing to be considered by the buyer when performing online shopping. When a trust arises in online buying and selling transactions, it will certainly generate interest to make online purchases. According to research conducted by Hartiwi Prabowo; et al (2014), costumers’ trust has a significant effect on repurchase intention. Chao-Min Chiu, Chen-Chi Chang, Hsiang-Lan Cheng, Yu-Hui Fang (2009) also stated that costumers’ trust has a significant effect on repurchase intention, where trust has the most powerful influence on repurchase intention in online transactions. Based on those research, a hypothesis was formulated as follows:

**H4: Customers’ Trust positively correlates to Repurchase Intention**

### 2.5. The effect of brand image on repurchase intention

Kotler, Philip & Kevin Lane Keller (2013) describe the brand image as a brand perception reflected in the brand association in costumers’ memory, where brand association becomes information linked to a person’s memory implying a brand. According to Tjiptono, Fandy (2011), brand image is a description of customers’ association & trust in a brand. Therefore, it can be concluded that brand image is costumers’ perception and trust in a brand that reflected in costumers’ memory. Costumers who have a positive image of a brand tend to have an intention on a purchase, so it is important for a company to build a good brand image. According to Peter, J.Paul and Olson Jerry C (2009), a decision on repurchase, if costumers are faced with choices such as brand name, price and other product attributes, costumers tend to choose brands first, and the consideration on price will follow. According to the results of research conducted by Adhi Laksista Winda Pradini (2012), brand image has a significant effect on repurchase intention. The study explained that the attachment of a strong brand image on consumers would affect the costumers’ repurchase intention. Another research conducted by Yesi Apriyani (2013) stated that brand image has a significant effect on
costumers’ repurchase intention. Next, Edo Zulfadly (2013) stated that brand image has a significant effect on repurchase intention. The result of the research shows that the brand is the first consideration in making a purchase decision when costumers feel satisfied and trust a brand. Based on those researches, a hypothesis was formulated as follows:

**H5: Brand Image positively correlates to Repurchase Intention**

### 3. Research Methodology

Research variable is an attribute or nature of people, objects or activities that have certain variations set by the researchers to be observed and drawn conclusions [22]. The variables in this research are variables of repurchase intention, brand image, trust, customers’ satisfaction and e-service quality.

#### 3.1. Population and sample

According to Ferdinand, Augusty (2013), population is a collection of all components in the form of events, things or people who have similar characteristics that became the focus of research. The population taken in this study was internet users who had been shopping online on Berrybenka site. Sample is a subset of the population, composed of several members of the population, and since it is impossible to examine the entire population, a representation of the population, which is called sample population, was taken. [6]. The research set a sample number between 100 and 200. The respondent should meet several criteria, namely: (1) Internet user with minimum age 17 years old, (2) had been shopping on Berrybenka site at least two times.

#### 3.2. Data analysis method

Data analysis is the technique to determine the extent of effect between variables. Data analysis instument used in the research was SEM, which was operated from AMOS 22.0 program.
4. Result and Analysis

Berrybenka experienced a gradual decline by year compared to its competitors which indicates that Berrybenka is not so popular for public (Topbrand – award). Berrybenka also filed complaints submitted by costumers indicating that they are not satisfied with the services provided by Berrybenka, which stopped customers from buying other products in Berrybenka. The decline of Berrybenka’s image on customers’ awareness and its visitor traffic to Berrybenka’s site was caused by Berrybenka’s ineffective strategies to compete in e-commerce market. Based on that, the research problem was how to increase customers’ repurchase intention to Berrybenka. The corresponding variables were e-service quality, customers’ satisfaction, brand image and customers’ trust. The following figure shows how these variables affect Berrybenka customers’ repurchase interest.

![Figure 1: Result of Full Model Test using SEM. Source: Analysis on Primary Data, 2017.](image)

The result of data analysis shows that e-service quality was positively and significantly correlates to Berrybenka customers’ satisfaction in Semarang. The positive and significant correlation means that the better e-service quality results in the higher Berrybenka customers’ satisfaction in Semarang, while the worse e-service quality results in the lower Berrybenka customers’ satisfaction. Respondents’ answers to
questions in the research show that the respondent feels satisfied when the website and its customer service provide attentive responses. The result is in accordance with previous research conducted by A, Ristian Dian and Rusfian Effy Z. (2013) which concluded that e-service quality correlates positively and significantly on customers’ satisfaction. The result of data analysis shows that customers’ satisfaction has positive and significant correlation to trust of Berrybenka customers in Semarang. The correlation means that the higher customers’ satisfaction results in the higher trust earned from Berrybenka customers in Semarang, while the lower customers’ satisfaction results in the lower trust earned from Berrybenka customers. The answers to research questions show that respondent would likely to trust Berrybenka if the products meet his/her expectation. The result is in line with previous research conducted by Norhermaya, A.Y and Soesanto, H. (2016) stating that customers’ satisfaction has a positive and significant correlation to trust. The result of data analysis shows that customers’ satisfaction has positive and significant correlation to brand image of Berrybenka customers in Semarang. It means that the higher customers’ satisfaction results in the higher brand image to Berrybenka customers in Semarang, while the lower customers’ satisfaction results in the lower brand image to Berrybenka customers. The answers to research questions show that a product’s reputation will be better if the product can satisfy the customers. The result is in line with previous research conducted by Nischay K. Upamannya and Bhakar, S.S (2014) concluding that customers’ satisfaction has a positive and significant correlation to brand image. The result of data analysis shows that trust has positive and significant correlation to repurchase intention of Berrybenka customers in Semarang. It means that the higher trust results in the higher repurchase intention from Berrybenka customers in Semarang, while the lower trust results in the lower repurchase intention. The answers to research questions show that a customer would likely to trust Berrybenka if the website offers comfort during transactions. The result is in line with previous research conducted by Norhermaya, A.Y and Soesanto, H. (2016) concluding that trust has a positive and significant correlation to customers’ repurchase intention. The result of data analysis shows that brand image has positive and significant correlation to repurchase intention of Berrybenka customers in Semarang. It means that the better brand image results in the higher repurchase intention from Berrybenka customers in Semarang, while the worse brand image results in the lower repurchase intention. The answers to research questions show that a reputable company, for both the products and the services, attracts customers’ intention to purchase items. The result is in line with previous research
concluded by Yesi Apriyani (2013) concluding that brand image has a positive and significant correlation to customers’ repurchase intention.

5. Conclusion

The research provides an understanding to Berrybenka customers in Indonesia as well as online shopping customers in order to increase e-service quality, customers’ satisfaction, trust and brand image, which affect customers’ repurchase intention that will increase sales of the company. The better e-service quality results in higher satisfaction experienced by Berrybenka customers in Semarang. It means that a customer feels satisfied when the website and its customer service provide attentive responses. Then, the higher customers’ satisfaction results in the higher trust earned from Berrybenka customers in Semarang meaning that a customer would likely to trust Berrybenka if the products meet his/her expectation. Next, the higher customers’ satisfaction results in the higher brand image to Berrybenka customers in Semarang showing that a product’s reputation will be better if the product pleases the customers. The higher trust results in the higher repurchase intention from Berrybenka customers in Semarang. It shows that a customer would likely to trust Berrybenka if the website offers comfort during transactions. The better brand image results in the higher repurchase intention from Berrybenka customers in Semarang meaning that a reputable company, for both the products and the services, attracts customers’ intention to purchase items.

6. Managerial Implications

Berrybenka should be able to observe prospective workers who will be positioned as customer service officers and provide training for those officers to have better understanding on how to serve customers. Customers may not be disappointed with the product but they might be disappointed with the responses from the customer service officers. In fact, a good company is not only judged by its product, but also from the service. In addition, Berrybenka can add new features in the website such as product catalog to help customers find the product they are looking for. Berrybenka should make better innovation in issuing new products by considering the trend, finding out what the trend of fashion and paying attention to the quality of items such as clothing labels for their quality. By doing this, every time customers buy Berrybenka’s products, they will feel satisfied. Berrybenka should update the information.
of products quickly and accurately to provide customers with the availability of the products. Sometimes, the information provided by Berrybenka is not according to the fact. In addition, Berrybenka can choose other expedition so that the products can be delivered within the estimated time. Berrybenka can convince customers that all products and brands sold in Berrybenka are genuine products not counterfeits. This can be done by, among other, providing detailed information on the products to confirm that the product is genuine and providing code of authenticity so that customers are able to check its authenticity. Berrybenka should manage its potential customers. Berrybenka must continue to innovate and provide benefits to be able to compete with other e-commerce sites. Those benefits are expected to keep loyal customers and attract new customers by holding promos on certain days, providing free shipping or buy 1 get 1 free. In addition, Berrybenka also needs to record its potential customers who have a high shopping record and rewards them by providing regular shopping voucher and free delivery with a minimum of Rp.100,000 shopping.

7. Future Research

Based on the conclusion and limitation of the research, it is recommended that further research cover the following topics:

1. Further research are expected to use bigger and various samples to be able to cover the population

2. Further research can apply other relevant variables related to repurchase intention as well as adding and adapting indicator variables to strengthen the result of the research

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