Household products: Observation on the Impact of E-Marketing on Customer Trust during the Pandemic

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ABSTRACT

This study aims to identify the impact of E-Marketing of household Products on consumer trust during the pandemic. Many businesses have been affected in many ways and most of them from the sales performance. However, they turn the business to online platform for the business survival. Hence, this research will investigate the impact of E-Marketing on consumer trust.

Keywords: organizational development, central Jakarta Pol PP, agile organization

1. INTRODUCTION

The coronavirus COVID-19 pandemic is the defining global health crisis of our time and the greatest challenge we have faced since World War Two. Since its emergence in Asia in 2019, the virus has spread to every continent except Antarctica. However, the pandemic is much more than a health crisis, it's also an unprecedented socio-economic crisis. Stressing every one of the countries it touches, it has the potential to create devastating social, economic and political effects that will leave deep and long-standing scars. The COVID-19 crisis accelerated an expansion of e-commerce towards new firms, customers and types of products. It has provided customers with access to a significant variety of products from the convenience and safety of their homes and has enabled firms to continue operation in spite of contact restrictions and other confinement measures.

Our research is to know impact of E-Marketing toward customer trust. Trust is an essential tool for a transaction to take place, both in an online and offline environment. In e-commerce, the internet vendors as well as their website can be trust building sources in themselves. So, it is important for companies to learn how to manage consumer trust in E-Marketing. Although, building consumer trust on the Internet is a challenge for online vendors. The Covid-19 make business offline change online platform. Online Business or e-business is any kind of business or commercial transaction that includes sharing information across the internet. Commerce constitutes the exchange of products and services between businesses, groups and individuals and can be seen as one of the essential activities of any business. Examples promote with Lazada app, Shopee app, Alibaba and also media social such as Facebook and Instagram.

From latest empirical data can see that consumer spending before and after MCO. We already know that MCO effect all people like for buy home appliance because of some people had to be fired from work and some people salaries are deducted so this effect economy Malaysia. With this platform we also can see people still can buy what
their want and make they like to buy because of online platform. As we know on MCO 80% work from home and school also cannot open. So, what else can they do other than use the media social. In MCO we can media social more to promote their selling and more people like to sell and buy in media social like Instagram, Facebook and move to online platform in app like Shopee, Lazada, Zalora and many more. That’s why we can see in data consumer still spend more on their home appliance because of easy to buy with online platform.

The COVID-19 pandemic has changed the way consumers live, work, and shop, and it has become a starting point for a transformation in consumer behavior. Currently, it is crucial to pay close attention to the transformation of consumer behavior due to the COVID-19 pandemic and the potential consequences for business. Environmental changes and precautions introduced by governments have forced dramatic changes in consumer behavior. All this creates a need to improve the understanding of how consumers adapt to this situation and what has changed in their preferences and behavior. Moreover, it is important to continue research activities aiming to foresee what long-term impact it can have, as many general consumer habits have been discarded and replaced by new ways of consumption, taking into account psychological consequences after the pandemic and transformations in consumer trust in digital services and platforms (Berezka, Rebiazina, & Muravskaiia, 2021).

The pandemic Covid-19 have been affecting too many industries in such the revenue of that particular industry. Most of the customers are into online shopping especially on basic things such as household Products. Many of businesses emerged to online platform for their business continuity as the new norm. However, the business needs to gain consumer trust as the consumer trust can be affect by several indicator such as service quality, safety, satisfaction, information quality and company reputation.

This study aims to examine the effect service quality on consumer trust in online shopping on household Products, to measure the impact of information quality on the consumer trust in online shopping on household Products. As well as to observe the relationship between satisfaction on the consumer trust in online shopping on household Products, investigate the relation between company reputation on consumers’ trust in online shopping on household products and to measure the correlation between safety on consumer trust in online shopping on household products.

This study is focusing on the impact of E-Marketing on consumer trust in online shopping mainly for household Products which consist population of online shopper age between 20-40 years old who are using online shopping platforms such as Shopee and Lazada. On top of that, it is to identify which groups use more online platform either male or female and student or worker. From this research, we can inquire more information about customers who use online platform as their main medium of shopping. As we all know, since Covid-19 outbreaks, most people around the world are obligated to stay at home to avoid public contacts hence why they are using online shopping platform due to its convenience in shopping plus it encouraged time savings.
II. LITERATURE REVIEW

A. E-Marketing

E-Marketing is a modern way for businesses to offer their goods and services over the internet. Generally, it is the method of identifying, anticipating, and satisfying customers. These are several ways that internet technologies can help with these goals (Kaur 2012; as cited in Kaur, 2015).

Identifying- Consumer data surveys may be conducted on the internet to assess consumer preferences and interests. Anticipating- The internet provides customer with an alternative which consumer can access information and make purchases by understanding this demand is critical to regulating resource allocation to E-Marketing. Satisfying- A main success driver in E-Marketing is gaining customer loyalty across the electronic medium, which asks questions such as whether the portal is easy to access and does its job adequately.

In addition, E-Marketing is a mixture of both the practices associated with advertisement, promotion and publicity as well as deciding the look and feel of the product as well as how it will be marketed and delivered to the consumer (P.T. Joseph 2012) cited in Kaur.P (2015). These innovations can be seen on the Internet and other digital channels such as cellular mobile phones, cable, and satellite. They define service quality as an organization's ability to meet or exceed customer expectations.

The modern the technology used the more consumer will be satisfied. The use of a company's website in conjunction with internet advertising techniques such as search engines, billboard ads, direct e-mail, and links or tools from other websites is known as internet marketing. However, traditional marketing takes a long time (Parasuraman et al., 2010 cited in Kaur, 2015).

According to Kotler & Armstrong (2012 p.508), online marketing is described as “efforts to promote products and services and create customer relationship through internet”. In this fast-paced globalization era, nearly every company has a web presence and makes extensive use of it. For instance, Shopee, Amazon, and Alibaba are three of the most common e-commerce websites where businesses can easily sell or advertise their products.

Most companies use internet marketing because it is the most growing form of marketing. (Kotler and Armstrong 2012 p.27). However, the nature of E-Marketing necessitates a considerable amount of effort on the part of marketers to instill consumer trust in their ability to transition from an offline to an online channel.

B. Consumer Trust

Trust is a significant element that can influence the uses of E-Marketing in business to promote the product or services. According to (Wang and Benbasat 2005), (Vance et al,2008), (Teo et al,2008-9) cited in Celeste (2012) journal stated that trust in e marketing and online world such as e-commerce, social commerce and e-government has gotten more research focus recently because of the lack research in the past. Over the last decades, scholars have paid close attention to the principle of trust especially in organizational theory and marketing (Nguyen 2012).
role of trust in marketing can be recognized in establishing and sustaining relationships with those who participate in an exchange process especially within a buyer-seller relationship with the goal of purchasing products or services. In this era many businesses struggle to win consumer interest (Kim & Park 2013) Based on the research, trust influences customer online purchasing decision (Hajli, 2012), while other studies shows that trust is the most important factor in customer purchasing intentions (Gefen 2000; Kim et al, 2008) cited in Beyari (2020). Thus, consumer purchase intentions, purchasing habits and purchasing decision are heavily influenced by trust (Hajli, 2012).

The existence of E-Marketing in this modern era helps businesses to gain consumer trust, either a startup business or an established company. Several factors have been identified as the impact of E-Marketing towards consumer trust, such as service quality, information quality, satisfaction, company reputation and safety. As a result, if a company use e marketing as tactics to build consumer trust, they will have more potential to expand as a stable and sustainable online company.

C. Service Quality

According to (Bitner and Hubbert, 1994) cited in Mohanty (2012) says that service quality is commonly described as the customer’s perception of the relative superiority/inferiority of a service provider and its services and also often thought to be close to the customer’s overall attitude toward the firm (Parasuraman et al, 1998, Zeithaml 1988, Bitner 1990) cited in Mohanty (2012). In addition, the analysis of the predictors of service efficiency in online marketing is also in its early stages (Van Riel et al. 2001). Zeithaml et al. (2000) added to carried out an analysis comparing e-business quality to conventional service quality variables. Furthermore, the service quality of online marketer is critical to the effectiveness of retailing business (Van et al., 2001).

Service quality has a significant relationship between consumer trust. In E-Marketing perspectives, service quality known as e-service quality. According to Zeithaml, Parasuraman and Malhotra (2002) cited in Mohanty (2012) defined e-service quality as the reliability and efficacy of electronic services purchased by consumer. Zeithaml et al (2001) added the e-retailing service quality model consists of seven features in total: performance, fulfillment, reliability, safety, responsiveness, reward and contact. However, the service quality towards E-Marketing platform used by the organization must be well structured in order to gain consumer trust with the product or services offered.

D. Information Quality

The consumer also concerned with the quality of information posted on social commerce websites that an organization used to promotes their product and services. Information quality is determined by the amount of information available about a product or service.

Furthermore, this information quality is critical in the sense of social commerce because according to Kim and Noh (2012) cited in Beyari (2018) and Abareshi (2018), it partly along with other factors decides the degree of
confidence that consumers have in social commerce. As Kim et al. (2008), social commerce users have little information on goods and services accessible online, they rely mostly on the information provided by the websites. (Huang & Benyoucef 2013) stated that the importance, accuracy, comprehension and usefulness of information generated by any e-commerce website are referred to information quality. While (Huang & Benyoucef 2013) cited in Beyari (2020) also added the information, quality is the attribute of the service and can have a direct impact on both consumer attitudes and engagement on an e-commerce website. Since this is a social commerce, customer do not have the opportunity to physically see or experience the products. It stands to a reason that these customers would place their interest in social commerce platform that provide them with reliable and up-to-date information in real time.

By that, we can see a strong relationship between information quality and consumer trust. The existence of E-Marketing instead helps the quality of information provided meets the end consumer thus build consumer trust. However, according to Liao et al, (2006) cited in Beyari (2018), consumer can regard websites that provide high-quality information on products and services as trustworthy online businesses. As a result, social commerce websites that supply their consumers with a high-quality information, sufficient, complete and real time have a chance of being regarded as trustworthy online social commerce businesses by these consumers. Indirectly, consumer trust will be built with the high quality information provided.

E. Satisfaction

According to Oliver (1997) cited in Srini (2003), satisfaction is the overview psychological state created when unconfirmed assumptions are combined with a customer’s prior feelings about the user experience. Satisfaction can be better interpreted as a continuing appraisal of the novelty inherent in a product purchase and/or usage experience. In this study, satisfaction in E-Marketing perspectives could be view as e-satisfaction that described the consumer satisfaction with their shopping experience with a specific electronic commerce company. It can be influence by the E-Marketing proposed by a firm thus make consumer purchase decision. However, the satisfaction usually came after the consumer received the goods but somehow the satisfaction towards the service provided by the e-commerce platform also can be included. For example, the responsiveness of the seller during the purchase decision.

If consumers are dissatisfied, they will seek an option or alternatives to succumb to rival overtures than a happy customer. Moreover, they also oppose efforts by their current seller to build a closer engagement and to take action to lessen reliance on that seller. There is a good relationship between satisfaction and customer trust. It can be proved by the Hasan Beyari (2017) stated that trust was discovered to be the most influential dimension on customer satisfaction. However, Hasan Beyari (2017) added there is lack of studies on customer satisfaction towards customer trust. Furthermore, customer satisfaction is an important consideration when assessing the method of using social commerce websites. Kotler (2000) describe that customer satisfaction as a customer’s feelings of enjoyment and dissatisfaction as a result of a contract between perceived success and consumer expectations. Thus, if consumer is satisfied with the service provided by an organization the more trust will be given to the existing company. While
if consumer is dissatisfied, the trust towards the company will be turnover to an alternative firm. Social interaction by E-Marketing platform influence the consumer satisfaction that build consumer trust.

**F. Company Reputation**

For some reason, customer will try to find out about the company reputation. Similarly, a company’s reputation is critical in building good relationship between consumers. For the purpose of research, company reputation refers to the company reputation in their social commerce about the E-Marketing tools that build consumer trust. According to Einwiller (2003) cited in Beyari and Abarshi (2018), different fields have different meanings of reputation. As a result, the reputation of company’s social commerce is an important factor influencing social commerce consumers’ trust (Kim and Noh, 2012). Kim and Noh (2012) cited in Beyari (2018) and Abarresgi (2018) added consumer’s view of a social commerce company’s reputation is important in forming confidence in the firm. It means that the reputation of a company by their social commerce can influence to determine the level of consumer trust. Hence, consumers will use social commerce platform based on the company reputation that affect the level of consumer trust. In general, trust is regarded as a critical factor for minimizing perceived risk in the sense of social commerce and reputation may serve as an important antecedent for development of trust (Einwiller 2003) cited in Beyari (2018).

Company reputation has a positive relationship between consumer trust. A company’s good image fosters a strong bond between customers and social commerce businesses by providing them with a high degree of care and service efficiency (Park et al., 2012). Basically, if an organization shows a good E-Marketing perspective to promote their product and service and maintain the company good image then indirectly will build consumer trust to the company. When a business has a positive reputation or image, the customers are more likely to trust its activities (Park et al 2012). Similarly, in order to win customer trust, businesses who want succeed mush have a strong reputation. Hence, if an organization wants to win customer interest, its reputation is important. E-Marketing tools of an organization play vital role to attract consumer as the consideration when evaluating company reputation before making any purchasing decision. Thus, build consumer trust between the company.

**G. Safety**

Similarly, as consumers that used social commerce websites, it is important for them to feel safe. Safety here are more towards the trusted seller and safety transaction. It is important because to make their purchased secured. There are no face-to-face in an online environment and the risk is high. Thus, a platform with a high level of transaction security increases customer trust (Kim et al. 2008) cited in Beyari (2018) and Abarreshi (2018). It shows that there is a positive relationship between safety and consumer trust. The level of protection provided by the social commerce platform to customers both before and after transaction is referred to as safety. Nowadays, in the e-commerce era online customers are aware that buying product/services online carries a high risk than walk in store purchases. A good E-Marketing strategy by a firm are important to ensure they can build the consumer trust when
buying decision process either to buy online or offline. In addition, the firm need to focus on during the transaction safety because it was involved customer money. Usually, the transaction will include third party services such as FPX and online banking. However, third party verification ensures that the vendor can work ethically by allowing the security of online transactions (Shankar, Urban & Sultan 2002). The phase of developing trust among consumer concludes with the maintaining of the acquired safety. Consumers are more concerned with brand and search process technologies at this phase, which ultimately leads to trust as part of the purchasing intention. Hence, to some extent the level of transaction protection that a social commerce platform is able to offer to its consumer influences the level of trust that most likely to have in social commerce.

H. Underpinning Theory

Our research is based on the Theory of Reasoned Action which entails consumer behavior. It can be based on their attitude toward the behaviour and subjective norms. Purpose or instrumentality is the assumption that an action will contribute to the desired result. The more favorable the mindset and subjective norms are, and the greater the perceived influence, the stronger the person’s intention to carry out the action is. The theory itself is the linkage with our dependent variable which is consumer trust that define the customer behaviors on the household Products.

III. METHODOLOGY

This study is carried out on the basis of both Primary and Secondary Sources. This collection of data is presented through following sections accordingly. First and foremost, the type of sampling used on this research is convenience sampling. Convenience sampling (also known as Haphazard Sampling or Accidental Sampling) is a type of nonprobability or nonrandom sampling where members of the target population that meet certain practical criteria, such as easy accessibility, geographical proximity, availability at a given time, or the willingness to participate are included for the purpose of the study (Etikan, 2016).

Primary Data is new information gathered specifically for your needs from people in the know. The methods used to collect primary data vary depending on the goals of the research as well as the type and depth of information sought (Wolf, 2016). The only primary data used for this research is questionnaires or surveys.

Questionnaires or surveys are an excellent way to gather a large amount of data from a specific population. Both can be used to characterize a population in terms of who they are, what they do, what they enjoy, and whether or not they are happy. In light of these identified characteristics, behavior, preferences, and satisfaction, you can then forecast the population's future behavior. Surveys produce the most meaningful data when the right questions are asked of the right people in the right way, so care should be taken both in developing survey questions that respondents will find relevant and interesting, and in determining which method of conducting the survey (online, telephone, or in-person) is most appropriate.
On this case, primary data were collected by means of systematically prepared questionnaires exclusively made by the researchers for the particular group which is the online purchasers who usually used online shopping platforms such as Shopee, Lazada and many more to buy their household items. In order to obtain statistical results, a questionnaire was prepared comprising with demographic attributes of the respondents such as age, gender, educational qualification, information about the preference of the respondents then continue with the main objective and questions of this research.

Questionnaires were by Google form and collect the data from respondents at the end of the duration of time. The questionnaire consists of two part which are part A and part B. Part A is the demographic attributes included age, gender, race, employment status and income level. Then, Part B consisted of research questions including 32 question that measured using a Multiple Choices Questions (MCQ) that includes from 1 “Strongly Agree” to 5 “Strongly Disagree”. An open-ended question was also added at the end of the questionnaire to confirm which variable is the most affective. The collected data was uploaded on computer is SPSS (Statistical Package for Social Science) version 20.0 software. The descriptive and inference method were used to analyze the data.

A. The Theoretical Framework

![Theoretical Framework](image)

**Figure 1. Theoretical Framework**

B. Hypotheses

**H1** - There is an effect service quality on consumer trust in online shopping on household Products

**H2** - There is an impact of information quality on the consumer trust in online shopping on household Products.

**H3** - There is a relationship between satisfaction on the consumer trust in online shopping on household products.
H4- There is a relation between company reputation on consumers’ trust in online shopping on household products.

H5- There is a correlation between safety on consumer trust in online shopping on household products.

iv. RESULT AND DISCUSSION

The cross-tabulation data above shows that the age-income factors of data. From the total 200 respondents collected, the most respondents are from 21-25 years old (57%) only have the least income below that RM1000. While the rest of respondents in the same ages have bigger income 31 people (RM1000-RM2500), 12 people (RM2600-RM5000) and only 1 respondent that have income more than RM5000. It shows that this level of age and generation could afford and interested to buy a household product either for themselves, family or as a present.

The cross-tabulation data shows that the age-employment factors of data. From the total 200 respondents collected, the most of respondents came from students below 20 years old (12%) and 21-25 years old (55.5%). It can be related to the cross-tabulation data before that students nowadays are interested and aware about household appliances thus lead to buying decision.

A. Structural Model Analysis

The hypothesized model of the research consist of one dependent variable and five independent variables. The dependent variable is consumer trust while the five independent variables consist of service quality, information quality, satisfaction, company reputation and safety. Each variable contains different number of items. The most items in variables are five items that are service quality, information quality and safety while the least items with only three items are consumer trust, and satisfaction.

Based on the sample of R square of consumer trust towards e-marketing of household products application (0.555) presents that the amount of variance could be defined by information quality, service quality, satisfaction, company reputation and safety. It shows that 55.5% from 200 respondents are agreed that consumer trust for e-marketing on household products can be predicted by all independent variables. The final results can be describing as only half Results of path coefficient of independent variable could be different which are service quality (0.280), information quality (0.125), satisfaction (0.136), company reputation (0.129) and safety (0.156). The results of the generated structural model can be determined that the service quality are the most significant results stimulates to the dependent variable (0.280). Therefore, the consumer trust stimulates by the respondents are reliable with the service quality.

The bootstrapping model of 200 respondent from the data collection being generated. The t-value of pathway from the independent variable to dependent variable need to have more than value 1.96. It will show that the results are significant but if not reach the value it becomes not significant results for the research. From the diagram 4, we confirm that service quality has a great impact to dependent variables as the t-value reach 2.953. Furthermore, it will
help to strengthen the decision of consumer trust of e marketing on household products better. In addition, the other variables still not reach the minimum requirement needed for customers trust on e-marketing thus need further research on this in future. The summary of results will be shown in the hypothesis testing.

The summary of the hypothesis on the consumer trust towards E-marketing on household appliances application. Hypothesis one refers to the items service quality towards consumer trust. It is one only the hypothesis accepted in the research because of the path coefficient proof that there is a significant and positive relationship between independent variable and dependent variable. Service quality is the greatest factor affects customer satisfaction while the other hypothesis shows that the relationship is not significant, Therefore, the other independent variables have a poor effect towards the consumer trust.

The focus of the research is to examine the impact of e-marketing on consumer trust to buy household products during the pandemic. The aim of the study to determine which variable is significant to the consumer trust that led to good factor linked. The construct of this study consists of one dependent variable and five independent variables. The variables have been selected by adaptation of several recent journal that related to our research. Therefore, the variables from the selected journal still reliable to use as well as the results to identify the level of consumer trust towards e marketing. Most of the respondents came from female consider more than half of respondents as the potential of determinant between independent variable to dependent variables.

As overall the results of the study shows that only one variable would be reliable to linked with the consumer trust which is service quality as the only variables is significant. While the remaining variables not shows any good results. The service quality variables show the significant results as the t-value reach 2.953. Service quality factor could be a factor that have a strong positive impact on consumer trust. Past research shows that service quality has the ability to influence consumer attitudes as rationally suggested that pursuing service quality can improve consumer trust, Chu (2012). However, the other variables not show any positive impact thus need a further consideration for future research.

v. CONCLUSION

As a conclusion, this analysis is exploratory research to identify effect service quality on consumer trust in online shopping on household products and the impact of information quality on the consumer trust in online shopping on household products. The findings revealed that service quality was relatively significant in its impact on consumer trust in online shopping, proving the proposed positive direct impact of perceived service quality upon customer trust. However, perceived risk was revealed to be linked with consumer trust towards online shopping, contrary to the proposed hypothesis. According to the results, trust in online retailer was positively associated with the attitude of consumers to online shopping.
On top of that, this research also focused on relationship between satisfaction on the consumer trust in online shopping on household products and relation between company reputation on consumers’ trust in online shopping on household products. This research findings of this research, user e-commerce satisfaction context relates to six factors: information quality, system quality, service quality, product quality, delivery quality, and perceived price. The e-commerce managers should development not only good information system features, that is, information quality, system quality, and service quality, but also marketing features, that is, product quality, delivery quality, and perceived price, which can influence user satisfaction positively.

Lastly, this research found that correlation between safety on consumer trust in online shopping on household products. This research shows that consumer’s perceived privacy, security and trustworthiness of Web vendor in e-commerce transaction positively contributes to his/her trust in e-commerce adoption. On the other hand, the influence of a consumer’s perceived security in e-commerce transaction is mediated by consumer’s perceived privacy and consumer's adoption in e-commerce transaction not negatively associated with e-commerce perceived risks.

REFERENCES


