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Brand Trust and Online Shopping Intentions

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Abstract

In Vietnam, in the period from the beginning of 2020 until now, when the COVID-19 epidemic broke out, there has been a marked change from traditional sales models to online sales models, and the number of consumers participating in shopping is increasing rapidly. Therefore, studying consumer online shopping behavior trends will help businesses understand the shopping habits and behaviors of customers, from which they can develop policies and strategies to promote the online shopping behavior of consumers. The study was based on a field survey using a semi-structured questionnaire with a sample

of 300 customers. But only 245 of the filled-out questionnaires were satisfactory and therefore included in the analysis. By using several statistical analytical tools, i.e., descriptive statistics, and Cronbach's Alpha analysis, the study has identified and measured eight (8) attributes of the brand trust and online shopping intentions of Hanoi consumers in Vietnam that have great effects on consumers. Based on the findings, some recommendations are given to online retailers to improve brand trust and online shopping intentions among Hanoi consumers.

Keywords: Brand Trust, Online Shopping Intention, Marketing, Business Administration, Customer Behavior

JEL codes: D12, M31

1. Introduction

Online shopping has been growing rapidly (Hausman & Siekpe, 2009) ^[12], becoming one of the most important areas of e-commerce activity (Chau *et al.*, 2000) ^[3], and attracting more and more attention and consumer interest today (Lee *et al.*, 2012) ^[20].

The Internet has become popular in Vietnam, with more than 50% of the population in urban areas using it (KD, 2014) ^[17]. Therefore, online shopping is also becoming more familiar to people. The trend of online group shopping has been growing in Vietnam since 2011 (Ngoc Hoai, 2014) ^[24]. However, due to the poor quality of products and services provided by partners, this trend has decreased by about 30% compared to the original (Ngoc Hoai, 2014) ^[24]. Therefore, online sales sites are eager to make changes to attract customers.

According to Harunasari *et al.* (2021) ^[11], brand trust is the brand trustworthiness of consumers. They believe that the product can meet the values promised by the business. When a brand has an interaction with its customers, the brand can respond to the needs of the consumer and take responsibility for the benefit and sense of security of the consumer. Brand trust is also defined as a consumer's sense of security that the brand will meet their expectations (Ballester & Munuera-Aleman, 2001) ^[1].

In Vietnam, in the period from the beginning of 2020 until now, when the COVID-19 epidemic broke out, there has been a marked change from traditional sales models to online sales models, and the number of consumers participating in shopping is increasing rapidly. Therefore, studying consumer online shopping behavior trends will help businesses understand the shopping habits and behaviors of customers, from which they can develop policies and strategies to promote the online shopping behavior of consumers.

Trust is one of the factors that has been confirmed in many studies about its implications for consumer behavior. In Vietnam in general, in Hanoi in particular, domestic brands, especially those sold online, have not yet gained the trust of consumers. Therefore, it is necessary to assess the brand trust and online shopping intentions of Hanoi consumers.

2. Literature Review

Brand Trust among Consumers

One of the reasons often mentioned when explaining why customers do not buy online is a lack of trust (Gao & Wu, 2010) ^[5]. Hoffman *et al.* (1999) ^[14] argue that Internet users do not have enough trust to establish exchange relationships with e-stores

when it comes to money and personal information. Cheung & Lee (2000) [4] pointed out that a lack of trust is an important factor preventing online purchases. Gao & Wu (2010) [5] believe that a lack of trust continues to be a barrier to e-commerce development. Urban *et al.* (2009) confirmed that lack of trust is considered the biggest barrier preventing customers from transacting online. Because trust plays such an important role in online transactions, it becomes extremely important to identify the factors affecting trust (Kim *et al.*, 2008) [18].

Researchers agree that trust exists only in uncertain and risky environments (Grabner-Kräuter & Kaluscha, 2003) [7]. When making online purchases, consumers will always face different degrees of risk (Kim *et al.*, 2008) [18]. Grabner-Kräuter & Kaluscha (2003) [7] divide risks and uncertainties into two main categories: (i) risks from system or technology dependence and (ii) risks related to operations buying and selling actions.

Trust is a central factor in exchange relationships (McKnight *et al.*, 2002) [23] and is a major influencing factor on consumer behavior in both online and brick-and-mortar shopping (McKnight *et al.*, 2002) [23]. In the context of online shopping, trust plays a particularly important role because, in the online environment, consumers' perception of risks in transactions is higher because they do not have direct contact with the seller as well as the product they

intend to buy (Verhagen & Tan, 2004) [24]. In online shopping, consumers may face financial and product risks (Bhatnagar *et al.*, 2000) [2]. Therefore, if trust is not built, online transactions will not be possible (Winch & Joyce, 2006) [25].

According to Ha and Nguyen (2013) [8], trust is the perception of trust about the following factors: Confidential personal information, product quality, and correct information.

In this study, trust is measured using a scale inherited from the studies of Jarvenpaa *et al.* (2000) [16], McKnight *et al.* (2002) [23], and Ribbink *et al.* (2004) [23] to ensure conformity with the research context. Furthermore, these scales have been used by some authors to measure consumer confidence in online retailers in several Asian countries (Hsu *et al.*, 2012) [15], where there are similarities in the research context.

Online Shopping Purchase Intentions

Online shopping intention in this study is measured using a scale inherited from the study of Pavlou and Fygenon (2006) [26]. This scale has been used and verified by Lin (2007) [22]. According to Pavlou and Fygenon (2006) [26], online shopping intention is measured by the likelihood of shopping online in the near future.

Table 1: Attributes of the brand trust and online shopping intentions

Code	Descriptions	Sources
Brand trust		
NT_1	I believe shopping online has many benefits for me.	Jarvenpaa <i>et al.</i> (2000) [16], McKnight <i>et al.</i> (2002) [23], Ribbink <i>et al.</i> (2004) [27], and experts' opinions
NT_2	I believe online sellers will fulfill their commitments.	
NT_3	I believe that online transactions are reliable.	
NT_4	I am willing to provide personal information for online transactions.	
NT_5	Overall, shopping online is reliable.	
Online shopping intentions		
YD_1	I'm very likely to shop online.	Gefen & Straub (2004) [6], and experts' opinions
YD_2	I will consider shopping online in the future.	
YD_3	I plan to shop online.	

3. Methodology

Qualitative Research

We spoke with the following individuals in depth: There were 10 subjects total, including 3 online selling specialists from Hanoi's store and 2 marketing research experts. The findings of the study primarily serve the following objectives: to understand the level of consumer awareness and to investigate consumer brand trust and online shopping intentions.

Quantitative Research

Research Samples

Consumers who had bought online made up the study sample. Where the sample consists of all levels of gender, income, etc. attributes.

The sample size should be 5–10 times the number of observed variables used in the study (Hair *et al.*, 2014) [10]. The number of observed variables in this study is 8. Thus, the sample size is 5 times the number of observed variables (40 observations), and the sample size is 10 times the number of observed variables (80 observations). Therefore, in order to satisfy the above requirement and improve reliability, the sample used in this study is composed of 245 consumers who have bought online in Hanoi.

Data Collection

The sample that was gathered was a convenience sample, and the questionnaire was employed in two formats: a paper copy that was given out to consumers in Hanoi and online. The author gathered a total of 250 votes after distributing the questionnaires, but many of those votes were invalid because of missing data or incorrect responses. To evaluate the sample's fit and representativeness, the author cleaned the data and incorporated the final results of the remaining 245 votes in the sample descriptive statistical analysis (table 2).

Table 2: Descriptive statistics of the study sample

	Frequency	Percent	Cumulative Percent
Gender			
Male	98	40.0	40.0
Female	147	60.0	100.0
Income			
Less than 5 million VND	152	62.0	62.0
From 5 to less than 10 million VND	63	25.7	87.7
From 10 to less than 15 million VND	19	7.8	95.5
15 million VND or higher	11	4.5	100.0
Total	245	100.0	

Table 2 shows that, regarding the gender of the respondents, 40% are male and 60% are female. Thus, the sample has the largest number of women in the research sample, which is appropriate because of the characteristics of online shopping in particular and shopping in general.

The respondents in this study have a rather low average monthly income. The percentage of respondents with an average monthly income of less than 5 million VND accounts for about 62%; the income from 5 to 10 million VND a month accounts for about 25.7%; and the survey subjects have an income from 10 to 10 million VND per month. 15 million dong a month accounts for about 7.8%, and respondents with income over 15 million dong a month account for only about 4.5%. In this study, subjects who collect less than 5 million VND a month or more accounted for 62.0% (those with high purchase intentions) of the survey sample, and they can afford to pay for goods purchased online. For promotional items, cheap prices that is also consistent with the fact that purchase intention has a strong impact on buying behavior.

Processing and Cleaning Data

We entered the data straight into the SPSS 23 program after gathering the survey questions. The author then went on to erase the unfinished survey questionnaires from the SPSS 23 software once all the survey questionnaires had been fully entered. valid, such as: don't fill out all the information; provide more than one response for observable variables; only one option is necessary; all the questionnaires are saved in the SPSS 23 program after being cleaned to prepare them

for analysis.

Data Analysis

The data is processed with the help of SPSS 23 software. The tests are carried out, including reliability testing through Cronbach's alpha analysis.

4. Research Results

Cronbach's Alpha

According to Hair *et al.* (2014) ^[10], the scale with a Cronbach's alpha coefficient greater than 0.6 is the scale with reliability; the scale with a Cronbach's alpha coefficient greater than 0.7 is the scale with good reliability; and 0.8 and above is the scale with very good reliability. The results of Table 3 show that the scales have reliability when the Cronbach's alpha coefficients are all greater than 0.633. Thus, the scales are all statistically significant (Hair *et al.*, 2014; Hoang & Chu, 2008) ^[10, 13].

Brand trust and online shopping intentions in Hanoi have been measured by Cronbach's Alpha. The results of testing Cronbach's alpha for attributes are presented in Table 3 below.

The results also show that attributes of the variables have Cronbach's Alpha coefficients that are greater than 0.6, smaller than the Cronbach's Alpha coefficient of the general variable, and that the correlation coefficients of all attributes are greater than 0.3. So, all the attributes of the dependent variables are statistically significant (Hair *et al.*, 2014; Hoang & Chu, 2008) ^[10, 13].

Table 3: Results of Cronbach's Alpha Testing of Attributes

	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item-Total Correlation	Cronbach's Alpha if Item Deleted
Cronbach's Alpha = 0.834				
Brand trust				
NT_1	6.23	2.473	.612	.633
NT_2	6.57	2.537	.608	.674
NT_3	6.45	2.532	.596	.643
NT_4	10.25	2.136	.603	.715
NT_5	10.37	2.142	.577	.768
Cronbach's Alpha = 0.713				
Online shopping intentions				
YD_1	16.14	3.744	.681	.637
YD_2	16.05	3.974	.628	.645
YD_3	16.22	3.783	.588	.667

5. Discussion and Implications

The Context of Shopping Online in Hanoi

In recent years, e-commerce has become less of a strange concept for Vietnamese consumers. Especially in 2020, the COVID-19 pandemic has brought many fluctuations to the economy but also contributed to the explosive growth of e-commerce. Vietnam has become one of the most promising e-commerce markets in the ASEAN region. According to a report by the Vietnam E-commerce Association (VECOM), the average growth rate of e-commerce in the period 2016–2019 was about 30%. The scale of e-commerce retailing consumer goods and services increased from 4 billion USD in 2015 to about 11.5 billion USD in 2019. VECOM's Vietnam e-commerce index 2021 report also cited this information. In the Southeast Asia 2020 e-commerce report of Google, Temasek, and Bain & Company, Vietnam's e-commerce in 2020 will increase by 16% and reach a scale of over 14 billion USD. In which the field of online retailing of goods increased by 46%, ride-hailing and technology food

increased by 34%, online marketing, entertainment, and games increased by 18%, and the online travel sector alone decreased by 28%. This report also predicts that the average growth rate in the period 2020–2025 will be 29%, and by 2025, the scale of Vietnam's e-commerce will reach 52 billion USD.

In 2022, the number of Vietnamese people shopping online reached more than 51 million, up 13.5% over the previous year. Total spending on online shopping reached 12.42 billion USD. 73% of consumers said they regularly shop on e-commerce shopping platforms, and 59% said they have ordered or shopped on international websites many times. According to a recent report by Ninja Van (the leading carrier in the market in Southeast Asia), Vietnam accounts for 15% of the total online shopping market in Southeast Asia, second only to Thailand with 16% and on par with the Philippines. The report shows that Vietnamese people love online shopping and are leading the region in many indicators.

Brand Trust and Online Shopping Intentions

Online shopping is the process by which consumers directly purchase goods and services from a seller at a specified time through the Internet without an intermediary service. Online shopping is also a process used to list goods and services with accompanying images that are displayed remotely via electronic means. Online shopping is when customers do not see the actual product and cannot try it before buying (Lester *et al.*, 2005) ^[21]. On online stores, products are described through text, images, or videos (Kolesar & Galbraith, 2000) ^[19], so customers cannot touch or try the product before buying it (Lester *et al.*, 2005) ^[21]. Many times, the actual product does not match the customer's perception of the product from the electronic catalog (Lester *et al.*, 2005) ^[21]. Therefore, this is one of the reasons why many people do not shop online (Park & Choi, 2006) ^[25]. Online retailers need to train their customer service staff to have adequate communication skills, but it's especially important that they understand the retailer's policies to help them achieve unity between words and actions.

Furthermore, this staff must be knowledgeable about the products they offer, because customer confidence in a retailer increases when customers feel that the staff is knowledgeable about the products they offer. When the staff is knowledgeable about the products they offer, they can also advise on options that are suitable for customers' needs and resources, thereby helping customers trust online retailers more.

In order to increase the intention, thereby leading to the online purchase behavior of consumers, administrators need to pay attention to factors, including the trust factor. The administrator of an online sales business should improve the reputation of the business on issues such as information security, transaction safety, accurate information, and the provision of quality products and services.

Retailers are not serious when implementing state regulations on online sales; many online retailers violate these regulations. Major violations by retailers include: non-transparent product information; selling fake and imitation goods but using information and images of genuine products to introduce them on the website. Therefore, State management agencies need to strengthen their management activities and at the same time have appropriate sanctions when online retailers violate the provisions of the law, thereby gradually reducing to the next level the number of illegal online retailers while building consumer confidence in online purchases.

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