Store Image: Mediator of Social Responsibility and Customer Perceived Value to Customer Trust for Organic Products

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Store Image: Mediator of Social Responsibility and Customer Perceived Value to Customer Trust for Organic Products

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Abstract. Customer trust is the important case which is needed by company where this behaviour will determine to customer buying interest, especially for organic products that have different characteristic from common products. Actually, this product has not developed rapidly in Indonesia. Reviews from those phenomenon, so it is conducted the research on mediating impact of retail image as organic products' seller on customer trust level with supporting in social responsibility implementation and customer perceived value's opinion. This study is conducted by survey of 361 customers in retail who spreads in West Java Province. Quantitative data that is obtained and processed by structural equation model. It is conducted to know the correlation among variables. Research finding is stated that store image can be mediating between social responsibility and customer perceived value on customer trust for organic products. This study is useful for industries that focus on reviewing green marketing strategy, and it encourages to face "global warming" through environmentally friendly products study.

1. Introduction

Supermarket is one of retails; it gives offering for its products on organic product today. It is in line with customer’s demand that leads to environmentally friendly product, where those behavior changing also change the pattern of retail marketing strategy [1]. Those cases are surely used in order to attract attention from customer and it improves customer trust on supermarket. It is done in Indonesia currently customer trust on organic products has not been optimum, it is marked that there is still low of organic products demand compared with conventional product [2]. Reviewing from those studies, it is demanding supermarket to change marketing strategy that environmental-based, one of them is by social responsibility [3].

In green marketing strategy found an activity that is called social responsibility, where marketing strategy starts to be observed by supermarket retail with the expectation it can improve customer trust [5]. It seems the importance of social responsibility implementation on customer trust improvement. In the previous study, there is customer behavior that has also impact on customer trust besides social responsibility, it is called with customer perceived value [6]. Customer perceived value consists of two cases which is perceived quality and perceived risk [2], and organic products is actually assessed by two cases of customers are perceived quality and perceived risk. The final result of those assessment is truly has impact on customer trust. In the newest study, it is stated that customer trust on organic products can be controlled by store image [2]. Besides that, store image can also change customer buying behavior when they are on supermarket retail. Reviewing from store image phenomenon, it is
assumed that store image can give benefit on environmentally friendly products. So study focus on mediating effect of store image in the correlation of social responsibility and customer perceived value on customer trust.

2. Literature review

2.1. Social responsibility of retail

In reputation, there is called with social responsibility, it emphasizes that social responsibility is part of reputation that needs to be noticed [7]. In some previous researches, social responsibility is sometimes equated with corporate social responsibility (CSR) [8], actually both of them have differentiation. Social responsibility is concept that observes social activity that is conducted by company [9]. CSR concept where in practically it is sometimes related to company business [10]. Today, social responsibility is used by company relates to company’s responsibility in company environment, it is sometimes assessed as one of company strategy in observing the environment. Retail is one kinds of company, that also to be responsible does social responsibility. So, activity is done by retail relates to social and environment [11]. Those activities are indirectly known having impact on customer behavior, such as that is more closely relates to customer trust [12]. Besides that it also impacts on store image improvement [13]. Some cases that relates to social responsibility such as supports good causes, is an environmentally responsible company, and maintains high standards in the way it treats people [14].

2.2. Customer perceived value for organic products

Organic product is processed without chemical material, and it is also healthy if it is consumed in long term [15]. Besides that, organic product is not also dangerous on environment, that is commonly called with environmentally friendly product [16]. Some attributes or characteristics that is owned by organic products are part of benefit from organic products, where those cases are truly become customer research for perceived quality [16]. Besides the benefit, customer also assesses of sacrifice that will be done which is more expensive price from common products [17]. Consideration for customer of perceived quality and perceived risk, is final assessment from customer on customer perceived value [18]. Listening from theory that perceived quality “as the way in which a customer views a product’s brand equity and overall superiority compared to the available alternatives” [19]. It is different with perceived risk which is stated as sacrifice that is done by customer for product choice [20]. Customer perceived quality for organic products can be evaluated by guarantee, organoleptic characteristic and external factors [21]. While for risk that will be burden by customer can be measured from financial risk, performance risk and psychosocial risk [22].

2.3. Customer trust of environmental products

Stated on the previous research that customer buying interest is depends on customer trust for product assessed [23]. This case explains that customer trust is important in improving customer buying behavior. In retail industries, customer trust relates to customer assessment for retail assessed appropriate with expectation owned and embraced, included on product and service that is offered [24]. Today, retail gives product choice on organic products, this is one of efforts to gain customer trust on retail. However all of them are depends on marketing manager performance in ensuring customer to believe product offered [25]. Especially for organic products, stated some assessments for trust which is credibility, benevolence, and product ability on environmentally friendly performance (Chen, 2010). Organic product has many advantages from common product, but it is not often for customer that has less trust on organic products [27].

2.4. Mediation of store image

In the previous study has many explained that customer behavior is very related to store image [28]. In which retail through store image has a role in controlling and improving customer trust both on retail and also product offered [2]. It is assumed that encourages retail to improve store image, through some
approaches of marketing strategy. It seems from previous research review that becomes store image as strong correlation to gain customer trust [2]. Store image is “the sum of information and emotional of a consumer to a store characteristics, and other impression form long time” [29]. It seems that store image can change customer behavior, included its view on organic products. This case indicates organic product suppliers give its product to supermarket, with the expectation of store image can improve customer’s desire to buy its organic products [30]. Some cases that become consideration in improving store image can be done by merchandise, store atmosphere and promotion [31].

3. Methods
The major variable in the study that was reviewed such as social responsibility (SR), customer perceived value (CP), store image (SI) and trust (TR). Those variables were studied through structural equation model (SEM). While for analysis tools that was used application data processed of Lisrel statistic. Research data was obtained through questionnaire with survey on 400 customers that was on supermarket in West Java Province. Reviewing from the aim of study, so it is stated some research hypotheses that would be tested, which was as follows:

H1. Social responsibility can influence store image.
H2. Customer perceived value can influence store image.
H3. Social responsibility can influence customer trust.
H4. Customer perceived value can influence customer trust.
H5. Store image can influence customer trust.

4. Results and discussion
Research finding found that answer variables from respondents relate to social responsibility, customer perceived value, store image and customer trust for organic products that is offered by supermarket retail. Those results are based on data tabulation from 361 respondents that has valid questionnaire. The description generally stated that store image can truly mediate the correlation of social responsibility and customer perceived value on trust (Figure 1). Research finding, its result is emphasized through hypothesis test, where all of the correlation is stated significant generally (support) (Table1).

![Figure 1. Research Finding](image)

<table>
<thead>
<tr>
<th>Hypothesis</th>
<th>Path Coefficients</th>
<th>t-value</th>
<th>Result</th>
</tr>
</thead>
<tbody>
<tr>
<td>SR → SI</td>
<td>0.41</td>
<td>6.27</td>
<td>Support</td>
</tr>
<tr>
<td>CP → SI</td>
<td>0.21</td>
<td>3.36</td>
<td>Support</td>
</tr>
<tr>
<td>SR → TR</td>
<td>0.35</td>
<td>4.98</td>
<td>Support</td>
</tr>
<tr>
<td>CP → TR</td>
<td>0.13</td>
<td>2.04</td>
<td>Support</td>
</tr>
<tr>
<td>SI → TR</td>
<td>0.65</td>
<td>6.59</td>
<td>Support</td>
</tr>
</tbody>
</table>
4.1. Ability of social responsibility in influencing store image beats to customer perceived value (h1-h2)

Store image at supermarket in West Java Province, recently becomes attention not only by retail but also its customer. In which it is actually assessed to be important to grow mood from customer in shopping [32]. However store image needs to be improved in customer, remember that its impact on customer behaviour in retail [33]. It is in line with study result (H2), which reveals there is correlation between customers perceived value with store image. This finding is based on correlation value of customer perceived value on store image which is about 0.21 and it is stated significantly on hypothesis test (H2). Those findings are truly in line with previous research that also discusses organic products [2]. Based on those findings can be emphasized that store image can be controlled by customer behaviour in accepting information and evaluating it on customer perceived value for organic products offered by retail. It is also explained in this study that social responsibility is conducted by retail industries has impact on store image (H1). Those findings based on correlation value are about 0.41, where its correlation is quite strong between social responsibilities with store image. If it is reviewed the correlation value of social responsibility on store image is bigger than customer perceived value. So it can be concluded that on organic products are surely imaging for company is more capable to be controlled by social responsibility activity than observing customer’s assessment on customer perceived value. This finding is obviously in line with study that is conducted by Gupta & Pirsch [34], that distinguish on product which is assessed as non-specific for organic products.

4.2. The influence of social responsibility and customer perceived value on customer trust for organic products (h3-h4)

The major goal of this study is evaluating customer trust on retail, where it is known the benefit of customer trust on company marketing performance which is sell and company income [35]. In this study also found that customer trust on organic products is truly can be assessed from customer perceived value and social responsibility that is conducted by retail. It depends on data processing finding, where it is known correlation value of both variables determine trust positively and it is supported by significant hypothesis test result (H3, H4). This finding completes obviously previous research where it is known there is impact on customer perceived value [23] and social responsibility [36] on customer trust. But the interesting thing in this study is that customer trust is more determined by social responsibility than customer perceived value. It marks that special for organic products, in growing customer trust is taking precedence relates to social responsibility activity of company, surely it relates to environmental sustainability.

4.3. Mediation of store image on customer trust for organic products (h5)

Store image is description of retail assessed by customer, where this image determines customer interest in buying product on customer behaviour. Before that, it is known that store image can be mediation of customer perceived value on customer trust [2], but in this study is known store image can also mediate social responsibility on customer trust. It is depending on correlation value indirectly from social responsibility on trust through store image is higher (H5). This research finding emphasizes that newest model, where store image can be mediation in improving trust. This finding obviously becomes important information for retail industry in determining marketing strategy of environmental-based through social responsibility.

5. Conclusion

Customer trust on organic products becomes important, this case can be conducted through marketing activity of environmental-based that is done by company. Retail provides organic products choice in West Java Province, it is assumed to be important observing social responsibility activity and observing customer perceived value for organic products. In which both of them impact on customer trust, especially for support from store image.
This study is useful for industry that uses green marketing strategy like social responsibility, besides that for government in regulation of environmentally friendly products. However, research has limitation, in which it does not reviewed from side of the norm that has also correlation with customer trust [37]. Besides that, research model does not review based on customer demography. Where Indonesia is various on customer demography which determines customer behaviour on environmentally friendly products.

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