



# The study of defined buying factors affecting trust building and service performance in financial management systems

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## ABSTRACT

The purpose of this study was to examine defined buying factors affecting trust building and service performance in financial management systems such as e-commerce. We conducted a study of 585 people in their 20–30 s who had experience with e-commerce websites and purchased fashion products from Oct. 1. to 30. 2010. The findings are summarized as follows. First, exploratory factor analysis was conducted and defined buying factors in shopping malls on the internet were classified under five headers: purchase information, customer care, shipping policies, product assortment and pricing factors. In this process, four questions were removed. Confirmatory factor analysis confirmed defined buying factors for classification as the purchase information, customer care, shipping policies, product assortment and pricing factors. In this process, three questions were removed. Second, one of the correlation coefficients did not appear in the relationship between factors such as defined buying factors, building trust, and service performance factors. Therefore, discriminant validity between factors was met. Third, by examining the full model, there was a partial positive relationship among defined buying factors, building trust and service performance. In other words, factors such as customer care, delivery policies, and product assortment in defined buying factors affected trading confidence and this confidence was reinforced through the process of building trust. It showed that information service, shipping policies, product assortment and pricing factors in defined buying factors influenced customer satisfaction. Trading confidence positively affected the service performance, which has been strengthened through customer satisfaction. The study also showed that store patronage was significantly associated with repurchase intentions and word-of-mouth, which strengthened repurchase intentions.

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## 1. Introduction

Electronic commerce, commonly known as e-commerce, refers to the buying and selling of products or services over electronic systems such as the Internet and other computer networks. It also includes the entire online process of EDI (Electronic Data Interchange), electronic mail, personal computer communication, telegram, and telex communications.

Electronic media such as the World Wide Web, web browsers, Netscape and, Internet Explorer allow people to easily access the Internet, which has been popularized by the open network. The result was the proliferation of forms of commerce over the Internet. In addition, Internet information tools were offered to organizations that want to commercially exploit them on the Internet, providing the basis for corporate communications, product promotion, and point of sale. And it provides small companies with lowered barriers to entry, and it allows consumers to access visual or auditory data.

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There are various types of electronic commerce. Electronic commerce that takes place between businesses is referred to as business-to-business or B2B. Electronic commerce that takes place between businesses and consumers, on the other hand, is referred to as business-to-consumer or B2C. Public Procurement Service in the electronic bidding system commerce with government buyers is referred to as Business to Government (B2G). Consumer to Consumer (C2C) is the type of transaction between consumers via intermediaries of online auctions on the Internet.

Internet shopping malls are a typical form of B2C e-retail store. The Internet shopping mall is a place where the seller can directly connect to the consumer to exchange information electronically. Exchange of tangible and intangible goods and services is a form of trading. Regarding the Internet environment, consumer decision-making is unlike what happens in the offline environment. Thus there is the need to examine the factors involved in purchase decisions for B2C commerce, such as customer satisfaction, repurchase and positive word-of-mouth or recommendation.

Especially, consumers who felt that their expectations were met are more likely to want to repurchase when making purchase decisions, so sellers have to try to build a trust relationship with consumers. In general, off-line consumer decision-making consists of five steps: problem recognition, information search, evaluation of the selected alternatives, purchase decision and purchase, after purchase evaluation (satisfied/dissatisfied).

On the other hand, consumer decision-making online differs from off-line. Consumers online buy a product or service based only on information in images and text shown on Internet shopping malls.

Ahn et al. [1] stated that there were five steps involved in the online issue of recognition, search using a search engine or agents, assessments of website and alternatives, to determine the site and the purchase, and evaluations of sites or products. When compared with the decision-making process for purchases offline, the website is included as the target of evaluation for alternative assessment and also in post-purchase evaluation on-line. The website itself is regarded as a crucial subject for evaluation. In addition, the role of trust in transactions between consumers and businesses is very important.

Particularly, online shopping commerce for the consumer and the seller takes place without face-to-face contact in a virtual store environment, so an online shopping mall performs poorly and makes consumers worry about the risk. So building a consumer's trust in the websites of on-line shopping malls is considered to be crucial. In e-commerce. This trust can be built when a website implements things such as information service, well-stocked product assortment, pricing policy, and accurate delivery.

The purpose of this study is an investigation of defined buying factors that affect building trust, customer satisfaction and service performance for internet shoppers buying fashion products as subjects. Consumers of online shopping malls may be prone to switching stores because of the accessibility of websites in internet shopping malls. To identify factors such as building trust and service performance affecting the purchase decision is considered important and also will be a valuable resource for establishing future directions for fashion internet shopping malls.

## 2. Literature review

### 2.1. *The concept and characteristic of e-commerce*

A network computer that is connected to the Internet allows a variety of people to access a wealth of information and provides interactive exchange of information among participants. E-commerce between businesses and consumers is the most common form of Internet shopping. An Internet shopping mall refers to a virtual mall in a virtual space connected via a network where trade or commerce is carried out between companies and consumers. The business involves both tangible and intangible products and services.

Commerce over the Internet has changed the shape of a company's business activities and consumer buying behavior. The shopping malls in online commerce stores run marketing activities such as product sales, and product delivery with implementation of telecommunications networks in the sense of the virtual space. As the situation in which a business is conducted differs from off-line stores, it is necessary for marketers managing internet commerce to understand the consumer's buying behavior online.

There are many benefits for both consumers and seller. From the standpoint of consumers, internet shopping malls offer quick and easy viewing of things that they want, and allow them to buy various tangible and intangible products and services anytime. Also, it is possible to visit on-line shops more easily than off-line shops. For sellers, internet shopping malls reduce distribution channels and cut the expense of human resources and material resources, ultimately allowing the same product to be provided more cheaply than offline. In addition, time and space constraints are lower than they are offline, so business time management and display or storage of products can be operated effectively by sellers.

### 2.2. *Defined buying factors for online shopping malls of fashion products*

The term 'store service' refers to the service offered by the seller that affects the purchasing behavior of consumers who visit a store. The meaning of 'quality of service' offered in stores is consumer perceptions of tangible or intangible services such as products, orders, billing, shipping and more information, customer service, counselling, return, exchange, refund after the purchase of services, etc. The quality of service of an internet shopping mall is the crucial factor affecting a consumer's decision to buy a product or service.

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