

Brand Leadership, Brand Trust, and Brand Loyalty of Fashion Brand in E-Marketplace

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Abstract: *The purpose of this study is to investigate the interrelationship among brand leadership, brand trust, and brand loyalty of fashion brands in the E-Marketplace. The data was collected by online questionnaire from 400 respondents in Thailand. Data were analyzed by using Structural Equation Modeling (SEM). The findings revealed that brand leadership influences, directly and indirectly, brand loyalty through brand trust.*

Keywords: Brand Leadership, Brand Trust, Brand Loyalty, E-marketplace

1. Introduction

The COVID-19 pandemic has drastically emerged the new normal behavior that consumers prefer to buy online products (Electronic Transactions Development Agency, 2020). This crisis provides a great opportunity for E-commerce businesses to develop strategies to handle increased demand (Kasikorn Thai Research Center, 2017). It can be seen that the value of E-commerce in Thailand hits 4.02 trillion baht in 2019 representing a 6.91 percent growth from 2018. Most of the revenue came from domestic online sales of 91.29% and it is expected to grow exponentially in 2020. The most popular E-Marketplace in Thailand is Shopee (75.6 percent), Lazada (65.5 percent), and other social media channels (Electronic Transactions Development Agency, 2020).

Due to the intensification of online shopping, the e-commerce war has become increasingly intense. The very important resource in the harsh competitive trade that helps the company is the brand. Building a strong brand is an important marketing strategy that will make the company successful. This leads to brand loyalty and repurchases (Kapferer, 2015; Kotler & Keller, 2016). That brand will be successful when the customer is loyal to the brand and willing to repurchase. Previous studies found the factors that influence consumers to repurchases in the e-commerce channel including: (1) Value means the cost-effectiveness when comparing the product to price (Wu, Chen, Chen, & Cheng, 2014; Lee, Uchenna, & Nelson, 2011); (2) Quality means products that are higher quality than other brands in the market (Sharma & Lijuan, 2015; Lee et al., 2011); (3) Innovation means the brand has conceptual solutions that can build relationships between consumers and brands (Ghazari, Mutum, Chong, & Nguyen, 2018) and; (4) Popularity refers to well-known brand and sale revenue (Hsiao, Lin, Wang, Lu, & Yu, 2010). These four aspects are collectively called Brand leadership. A recent study on e-commerce found that brand leadership has positive influences on satisfaction, in return, satisfaction significantly affects repurchase intention, respectively (Chang & Ko, 2014).

However, the role of consumers' perceived brand leadership on online fashion marketplaces, brand trust, and brand loyalty is still scarce. Therefore, the primary purpose of this study was to investigate the interrelationship among brand leadership, brand trust, and brand loyalty of fashion brands in the E-Marketplace. The findings of this study could provide a better understanding of online shoppers' behavior and be useful for marketing strategies planning.

2. Literature Review

Brand Leadership

Brand leadership plays a significant role in ultimately influences consumers' decision-making process to purchase products and services. Chang and Ko (2014) conceptualized four salient dimensions of brand leadership perceived by consumers including quality, value, innovativeness, and popularity. Firstly, quality is defined as "consumers' judgment about a product's relative superiority in a market." Secondly, value denotes "consumers' evaluation of a product's relative financial value based on what they give and receive." Thirdly, innovativeness is defined as "consumers' perception about a brand's relative capability to be open to innovative ideas and work on new solutions.". Lastly, popularity refers to "consumers' perception about a brand's relative popularity reflected by brand awareness and consumption" (Chang & Ko, 2014). Furthermore, the expectation of consumers with brand leadership includes a good vision and staying up to date with the situation (Miller & Mills, 2012). The presence of a brand with a clear and up-to-date market position helps the brand to stand out amongst competitors. As a result, brand leadership leads to consumer awareness and trust which ultimately influences brand loyalty.

Brand Trust

Brand trust is a key factor that influences buying demand and maintains a long-term relationship between the customer and brand (Morgan & Hunt, 1994). The trust of the brand starts from the consumer's pre-purchase behavior until post-purchase behavior, which eliminates the confusion of the product. Therefore, brand trust is a very important factor in building brand loyalty (Liu et al., 2011). Brand trust emerged after consumers believe the brand is honest and trustworthy. These beliefs are from customers' experiences with brands (Bianchi, Drennan, & Proud, 2012). To support this evidence, Hart & Saunders (1997) and Lien, Wen, Huang, & Wu (2015) also found that trust will show the level of consumers' satisfaction which influences repurchase intention. Furthermore, Liu et al., 2011 have proved the relationship between brand trust and brand loyalty. The study indicated that brand trust motivates consumers to buy the brand.

Brand Loyalty

Khamwon & Kamklaig (2018) found that brand loyalty attaches consumers to repurchase and support the brands they are satisfied with. Moreover, brand loyalty leads the customer to support the same product or service in the future. Previous studies have defined loyalty as a brand that arises from the consumers who buy the same brand repeatedly without paying attention to the marketing influence of other brands. It is seen that brand loyalty behavior is closely related to repurchase (Drennan, 2015). Brand loyalty increases brand credibility products that have been given to customers loyalty as a key indicator of the success in marketing strategy (Reichheld et al., 2000). However, loyal customers will be more committed to buying the same brand. Building a valuable relationship between customer and brand will increase brand loyalty (Morgan & Hunt, 1994).

The Purpose of the Study

How does brand leadership connect to brand trust and brand loyalty? The purposes of the research are as follow:

- 1) To examine the relationship between brand leadership and brand trust.
- 2) To examine the relationship between brand trust and brand loyalty.
- 3) To examine the relationship between brand leadership and brand loyalty.

The study leads to the following research hypotheses:

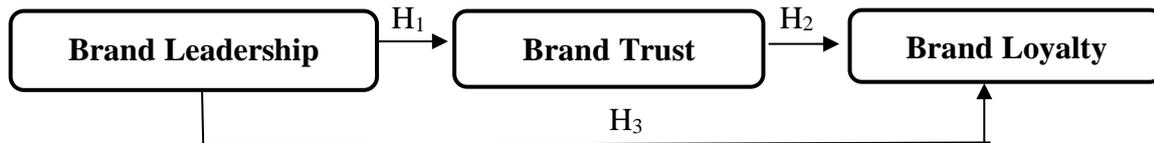


Figure 1: A Conceptual Framework and Hypotheses

There are three research hypotheses, including H_1 : There will be a positive relationship between brand leadership and brand trust, H_2 : There will be a positive relationship between brand trust and brand loyalty, and H_3 : There will be a positive relationship between brand leadership and brand loyalty.

3. Methodology

The sampling frame in this study comprises 400 respondents who lived in Thailand and used to buy fashion brands through the official store E-Marketplace via Shopee previously three months using a judgment sampling method. The online questionnaire was divided into five parts including: (1) general information; (2) screening questions; (3) brand leadership; (4) brand trust; and (5) brand loyalty.

A 7-point Likert scale was used for all measurements. First, brand leadership was adapted from Chang & Ko (2014), composed of 12 items. Second, brand trust was adapted from Gözükarar & Çolakoğlu (2016), composed of 6 items. Third, brand loyalty was adapted from Gözükarar & Çolakoğlu (2016), composed of 4 items. Data collection was analyzed using structural equation modeling (SEM), which consists of a measurement model and structural model (Kline, 2010).

Results

A total of usable questionnaires were obtained from 400 respondents. Females (52.3 percent) slightly outnumbered the males (47.7 percent), and more than 65.8 percent were between 20 – 30 years old. Most respondents were single (80.3 percent) with a bachelor's degree, (65.8 percent). Respondents were mainly entrepreneur/freelance (27.8 percent) and government official/employee enterprises (27.8 percent). Their monthly income ranged between 20,000 - 30,000 baht, accounted for 27.8 percent. The most popular brand in E-Marketplace was Adidas representing 33.8 percent.

Since all the values of Skewness (-1.008 to -.788) and Kurtosis (-.130 to .923) fall within the range -2 to 2, therefore, all constructs fulfill the requirements of univariate normality. Furthermore, to test the problem of multicollinearity, it can be seen that the correlation matrix for independent variables ranged from .312 to .451, VIF varied from 1.273 to 1.423, and

Tolerance ranged from .703 to .785 (Stevens, 2009) which indicates the absence of Multicollinearity effect.

Measurement Model Analysis

A confirmatory factor analysis (CFA) was first conducted to examine the validity and reliability of the measurement model which includes six items of brand leadership, six items of brand trust, and three items of brand loyalty.

The results revealed that Chi-square/df = 2.651, GFI = .930, CFI = .951, RMSEA = .064, SRMR = .0467 with high factor loadings and Cronbach's Alpha (See Table1).

Table 1: Factor Loading and Cronbach's Alpha Analysis

Constructs	Loading	α
Brand Leadership (\bar{X} = 5.69, S.D.=1.02)		
- Is this fashion brand in Shopee official store has reasonably priced. (BLD4)	.682	.849
- Has better course features for the price. (BLD5)	.771	
- Is more dynamic in improvements. (BLD7)	.700	
- Is more creative in product stand services. (BLD8)	.668	
- Is more of a trendsetter. (BLD9)	.693	
- Is more preferred by shopper. (BLD10)	.650	
Brand Trust (\bar{X} =5.46, S.D.=1.20)		
- This fashion brand Shopee official store is guarantees satisfaction. (BT1)	.717	.894
- This is a brand that never disappoints me. (BT2)	.849	
- I feel confidence in this brand. (BT3)	.632	
- This brand would compensate me in some way for the problem with the product. (BT4)	.789	
- I could rely on this brand to solve the problem. (BT5)	.828	
- This brand would make any effort to satisfy me. (BT6)	.775	
Brand Loyalty (\bar{X} =5.55, S.D.=1.08)		
- I consider myself loyal to this fashion brand Shopee official store. (BL2)	.714	.714
- This brand would be my first choice. (BL3)	.709	
- I rarely switch from this brand just to try something different. (BL4)	.604	

According to Table 1, it can be seen that the values of standardized factor loadings were between .604 to .849 satisfying the criteria of .50 (Hair et al., 2010). In addition, Cronbach's Alpha varied from .714 to .894, thus satisfying the criteria of .70 (Nunnally, 1978). Hence, it can be concluded that all constructs have high validity and reliability.

Structural Model Analysis

Then the Structural Equation Modeling (SEM) was employed to examine the theoretical model (See Figure 2). The results revealed that $\chi^2 = 220.072$, $df=83$, $\chi^2/df = 2.651$, GFI = .930, CFI = .951, RMSEA = .064, SRMR = .0467 (Hair et al., 2010; Kline, 2010). All fit indices had better values than those recommended by Hair et al. (2010).

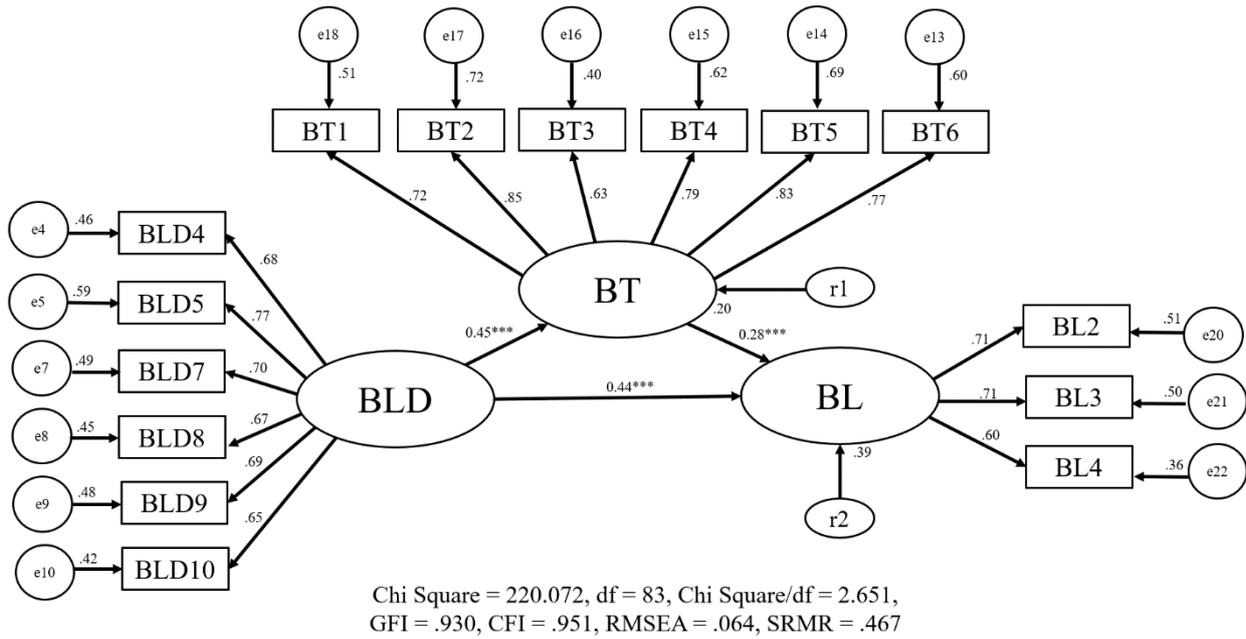


Figure 2: The SEM Result

As shown in Table 2, it can be recognized that all hypotheses H₁, H₂, and H₃ were supported. The standardized estimates for the hypothesis were all statistically significant. First, brand leadership has a positive relationship to brand trust ($\beta = .45$, $P < .001$). Therefore, H₁ was supported. Second, brand trust has a positive relationship to brand loyalty ($\beta = .28$, $P < .001$). Hence, H₂ was supported. Third, brand leadership has a positive relationship to brand loyalty ($\beta = .44$, $P < .001$). As a result, H₃ was also supported.

Table 2: Summary of the Finding of the Study

	Hypotheses	β	t-value	Result
H ₁	There will be a positive relationship between brand leadership and brand trust.	.45	7.294***	Supported
H ₂	There will be a positive relationship between brand trust and brand loyalty.	.28	4.541***	Supported
H ₃	There will be a positive relationship between brand leadership and brand loyalty.	.44	6.055***	Supported

$R^2_{BT} = .201, R^2_{BL} = .390$
 * $P < .05$, ** $P < .01$, *** $P < .001$

4. Conclusion

The study revealed that brand leadership has a positive relationship to brand trust and brand loyalty. Brand leadership has a direct and indirect influence on brand loyalty through brand trust. Overall, the structural model exhibits excellent explanatory power explaining 20 percent of the variance in brand trust and 39 percent of the variance in brand loyalty. Major contributions of these findings include the critical role of brand leadership on online fashion E-commerce in Thailand.

The concept of brand leadership, brand trust, and brand loyalty have never been found in the field of marketing research in Thailand. Furthermore, in terms of marketing literature, a few studies are focusing on brand leadership in e-commerce businesses. The results from this study provide evidence that suggests that the concept of brand leadership can be generalized to other cultures and adapted for contemporary marketing strategies planning. This study fully supported the past research of Chang & Ko (2014).

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