Influencing Consumers’ Trust in Online Grocery Shopping: A Survey Among Malaysians

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ABSTRACT

In Malaysia, online grocery shopping is an emerging field where consumer trust has become a key factor affecting its growth and prosperity. Although grocery shopping does not account for a significant share of total consumer spending, it plays an irreplaceable role due to its unique characteristics of perishability and variability, which makes it relevant to consumers’ quality of life. This article aims to explore false advertising, quality issues, logistics, and reputation concerning consumer trust in grocery shopping, using non-probability sampling research techniques in 390 questionnaires from consumers aged between 18 and 45. This article finds that false advertising and logistics have little direct association with consumer trust, while quality issues and reputation have a positive impact on consumer trust in online grocery shopping. Our study fills a gap in this area at this stage and makes further recommendations to the government, online shopping platforms, and grocers, to strengthen their regulation, purify the business activities in the market, and promote the growth and prosperity of online grocery shopping in Malaysia in light of this research finding.

Keywords: Consumer’s Trust, E-Retailer Reputation, Online Grocery Shopping, Online Shopping False Advertising, Quality Issues In E-Commerce.

INTRODUCTION

As a new online shopping field, online grocery shopping is a win-win result for consumers, merchants, and the country. By buying groceries online, consumers save time spent in physical shopping, for example, by avoiding some of the waiting times, such as queuing for parking. Simultaneously, online grocery shopping is more flexible and not subject to opening hours or geographical location. Compared with ten years ago, consumers are more familiar with E-commerce with the increasing percentage of general online shopping (Frank & Peschel, 2020). However, since online groceries shopping is still comparatively a new field to consumers, it is still deemed suspicious by a certain number of consumers and this will impact the consumers’ trust eventually. Consumer trust is a mechanism that reduces the complexity of consumers’ behaviour in response to uncertainty (Frank &
Once the consumers’ trust decreases during online groceries shopping, it will be reflected in the consumers’ satisfaction sequentially.

Firstly, advertising is an important part of sellers’ marketing. As one of the effective ways to introduce new products to consumers, 90% of consumers are influenced to buy by advertisements and therefore, advertisements are considered to have the intention to persuade consumers (Anyan et al., 2017). Secondly, the quality of the product is a key concern for consumers when purchasing a product. The inability to guarantee the quality of the product when purchasing goods online would be one of the factors that would lead to a decrease in consumer trust. According to the GVU’s eighth survey, 38% of product collaborators found it difficult to judge product quality through the internet (Ward et al., 2000). Thirdly, logistical issues such as shipping speed, distance, and shipping costs are a big problem for retailers and a factor contributing to low consumer trust in online groceries. According to Atisreal, a commercial property consultancy company “62% of UK consumers would choose a retailer to provide a specified home delivery service within one hour rather than purchase goods over the internet” (Post & Parcel, 2017). Finally, with the rapid increase in the number of online sellers, the inconsistent reputation of sellers is one of the factors that affect consumers’ trust when shopping online. Consumers can also learn about the reputation of online grocery shops through online reviews, word of mouth, and brand reputation (Shah Alam & Mohd Yasin, 2010).

**LITERATURE REVIEW**

Trust is the foundation and core of social interactions and is a precious resource in interpersonal relationships (McKnight & Chervany, 2001). In business, apart from being closely linked with consumers and corporate, it is also the basis for the creation of consumer behaviour and may occur before, during, or after consumer behaviour, basically running through the whole process of consumer behaviour (Bente et al., 2012). For online groceries shopping, stores where consumers made purchases move from physical locations to online. There are two distinctive characteristics of groceries fresh produce and fruits. First, they have a short shelf life and are easily perishable (Buisman et al., 2019). Secondly, their freshness decreases over time, thus the market value deducts as well. McKnight holds the view that in E-commerce shopping, consumers’ trust toward the seller consists of two main aspects: trust beliefs and trust motivations. Assuming that an online seller can meet their expectations, consumers will have a strong motivation to trust the seller, which will ultimately influence purchase behaviour (McKnight & Chervany, 2001). Therefore, trust plays an essential role in helping consumers overcome perceived risk and uncertainty.

**False Advertising**

False advertising is a form of deception in the field of electronic commerce. It refers to the improper public dissemination of false, misleading, or deceptive advertising. It includes but is not limited to photo editing, hidden service fees or surcharges, bluffing of quality, and so on. Misled key aspects of merchandise like quality, characters, price, composition, and others, drive consumers to mistakenly accept the misrepresentation facts and make the purchase intention based on them (Nuseir, 2018). Thus, consumers will be influenced to purchase goods or services because they have more active knowledge about false marketing than true advertising. Once consumers receive the merchandise, a huge gap between their expectations and the existing products will break the consumers’ satisfaction. In 1997, Pizza Hut sued its competitor, Papa John’s, in The Fifth Circuit Court of Appeals, due to its business slogan “Better Ingredients and Better Pizza” was not an objective statement of fact but a deceptive and exaggerated advertisement (Justia, 2019).

Malaysia has strong regulations towards false advertising especially for merchants, which ensures the maximized interest of consumers. The cost of each component of the ad is displayed to ensure the consumers know where their money is being spent. During the consumer purchase decision
process, certain advertisements featuring the “++” sign also appeared. The two “+” signs demonstrate a fine disclaimer that besides the stated costs, consumers also need to pay for the associated government taxes and further service fees, which are typically an extra 15%-16% based on the advertisement price (Schaper, 2020). Despite this, incidents of false advertising are still frequent. In Melaka, the TMA received 209 complaints about unsatisfactory online purchases in 2019, 17% of which were from consumers who experienced a situation where the goods were not as described. In Malaysia, if a consumer feels cheated in online shopping, all they need to do is go to the tribunal, fill in a simple form and the court will summon the other party to explain, which greatly protects the consumer’s interests (Amin & Nor, 2013).

Quality Issues

A quality issue is a flaw, weakness, or substantial difference in the anticipated appearance or function of a product. Products and services quality are the top factors to convince shoppers or non-shoppers to purchase online (Huseynov & Yıldırım, 2014). When issues regarding quality occur, the accepted solutions often agreed between the two parties are returning the product and refunding (Mochal, 2006). However, not all online merchants will actively undertake the outcome of quality issues. Some unscrupulous merchants do refuse to replace the faulty product or refund money to consumers so that the latter is left with low-quality merchandise and their money down the drain (Darji, 2018). Forsythe and Shi (2003) showed that the risks of product performance are the most important to consumers. 67.2% of university students in Ankara, Turkey mentioned that they had received malfunctioning products before and 61% said they might not get what they ordered through online shopping stores (Huseynov & Yıldırım, 2014).

In Malaysia, there are numerous legislations aimed at protecting E-commerce consumers concerning quality issues and product defects, for example, the Consumer Protection Act 1999, the Sale of Goods Act 1957, and the Contract Act 1950 (Nor & Amin, 2016). Therefore, when consumers receive defective goods, they can file a lawsuit against the seller or supplier. However, the occurrence of quality issues is not uncommon in Malaysia, making the acceptance of online shopping in Malaysia rather low. In 2015, product quality issues accounted for 13.1% of the approximately 7,600 complaints received by the National Consumer Complaint Centre (NCCC), ranking in the top three of total complaint matters. Therefore, based on the probability of quality problems and the difficulty of claiming compensation, it makes Malaysian consumers have lower trust in online shopping.

Logistics

Logistics is the transportation of goods and services from the seller to the consumer within a specific delivery time. Therefore, effective shipping services increase customer satisfaction and influence the consumer’s perception of the seller. The integrity of the goods in transit, the packaging, the speed of delivery, and the reliability of the delivery time are all factors that determine the level of consumer satisfaction and trust. In the available studies, it is confirmed that logistics affect groceries. Meat products can be extremely challenging to control in terms of weather, quality, and temperature. As a result, food waste is linked to the transportation process and improper placement. Only 29% of consumers in the UK bought groceries online by 2019 (Boer, 2021). Perishable foods such as vegetables, fruit, and meat cannot be subjected to a long transportation process. Therefore, the need for just-in-time delivery and cold storage equipment becomes a challenge (Mkansi et al., 2018). Because they have a certain shelf life and required storage temperature, when perishable ingredients are not handled properly during transportation, they are inedible or spoiled when received by the consumer (Rana, 2020). For this reason, they are rarely purchased.

Malaysia is a multi-racial country, therefore, the goods delivery method needs to respect and accommodate the beliefs and rules of the various races. Muslim consumers have very high
requirements for halal logistics. Consequently, the careful physical isolation of halal goods from non-halal goods is required in halal transport to avoid cross-contamination (Bruil, 2010). As a result, Muslim consumers may become distrustful of online groceries due to irresponsible and imprudent shipping. On the other hand, when consumers order fresh ingredients, they expect to receive fresh quality ingredients instantly. As fresh products are perishable products, consumers may have doubts about the delivery time and methods (Peiling & Tingting, 2018). Consumers expect the goods to be delivered in a short time, but the processing of orders often takes a certain amount of time, which makes consumers who are in urgent need of the goods distrust online grocery. 15% of consumers want to be able to reschedule at any time when they are not at home so that they will not miss or have spare time to receive the goods (Hartnett, 2018). Therefore, delivery time is also a factor that affects consumer purchases (Bauerová, 2018).

Reputation

Online reputation is an online assessment and rating that sellers accumulate over time, which allows businesses to explore more potential customers (Ou et al., 2006). Online reviews have a direct impact on the reputation of an online shop. According to research, 83% of consumers trust brands recommended by friends, while 70% trust the opinions of consumers (Amity, 2018). Consumers give a high level of trust based on having many positive online reviews. It was found that 90% of US respondents indicated that they were highly influenced by recommendations from friends when purchasing products or services online (Tasin, 2017). However, accurate, detailed, and complete information about the quality of products online is also a factor that influences consumer satisfaction. 31% of consumers are interested in online grocery shops and therefore pay attention to reviews about groceries, especially the quality of perishable foods (Cotter, 2020). Before making a purchase decision, 86% of consumers use the internet to conduct research (Amity, 2018). Customers like to browse shop ratings and reviews before placing an order (Singh, 2019). However, 94% of consumers indicated that online reviews convinced them to avoid purchasing (Cotter, 2020). Online reviews possess many false reviews to deceive consumers into making a purchase. As online reviews are anonymous, there are many information asymmetries to confuse consumers (Devedi et al., 2017).

The Malaysian Consumer Protection (Electronic Trading Transactions) Regulations 2012 protect the reputation of online grocery shops in Malaysia and enable consumers to have increased trust in sellers (Mazlan, 2013). When online grocers provide detailed and clear information about the products, prices, delivery times and methods, payment methods, and refund conditions, this will reduce the chances of online fraud, thereby protecting the interests of consumers and increasing their trust in online grocery shops. However, consumers have the right to complain to an online grocer if they breach this regulation.

![Figure 1: Conceptual Framework](image-url)
METHODOLOGY

In this study, quantitative research methods were chosen to explore the relationship between the independent and dependent variables. Target Population refers to the groups or individuals surveyed to obtain data. For this study, we explored the trust of consumers toward online groceries shopping, therefore, the scope of our target population were consumers who have online shopping skills, financial ability to spend money, and grocery shopping needs. The selected population was not influenced by occupation or gender. However, for the target population, the age range was set at 18 to 45 years old, as consumers under 18 years old may not have sufficient financial resources, while consumers over 45 years old may lack certain online shopping skills due to the rapid development of electronic commerce, and these may affect the accuracy of data collection to a greater or lesser extent. To reduce the error as well as to enhance the reliability of the data, based on Krejcie and Morgan (1970), the “S” (sample size) is decided by “N” (population size). Consequently, we decided to set the minimum sample size at 384 due to our research location being in Malaysia with a population of more than one million to the target population with the capability of online shopping, revenue, and grocery demand to complete our questionnaire.

RESULTS AND DISCUSSIONS

Table 1: Demographics of Respondents (N=390)

<table>
<thead>
<tr>
<th>Constructs</th>
<th>Items</th>
<th>Frequency</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gender</td>
<td>Female</td>
<td>236</td>
<td>60.50%</td>
</tr>
<tr>
<td></td>
<td>Male</td>
<td>154</td>
<td>39.50%</td>
</tr>
<tr>
<td>Age</td>
<td>18-23 years old</td>
<td>337</td>
<td>86.40%</td>
</tr>
<tr>
<td></td>
<td>24-29 years old</td>
<td>38</td>
<td>9.70%</td>
</tr>
<tr>
<td></td>
<td>30-35 years old</td>
<td>4</td>
<td>1.00%</td>
</tr>
<tr>
<td></td>
<td>36-41 years old</td>
<td>5</td>
<td>1.30%</td>
</tr>
<tr>
<td></td>
<td>42-45 years old</td>
<td>6</td>
<td>1.50%</td>
</tr>
<tr>
<td>Race</td>
<td>Malay</td>
<td>1</td>
<td>0.30%</td>
</tr>
<tr>
<td></td>
<td>Chinese</td>
<td>366</td>
<td>93.80%</td>
</tr>
<tr>
<td></td>
<td>Indian</td>
<td>5</td>
<td>1.30%</td>
</tr>
<tr>
<td></td>
<td>Other</td>
<td>18</td>
<td>4.60%</td>
</tr>
<tr>
<td>Education Level</td>
<td>SPM/O-Level</td>
<td>25</td>
<td>6.40%</td>
</tr>
<tr>
<td></td>
<td>Diploma/STPM/A-Level</td>
<td>52</td>
<td>13.30%</td>
</tr>
<tr>
<td></td>
<td>Bachelor Degree</td>
<td>305</td>
<td>78.20%</td>
</tr>
<tr>
<td></td>
<td>Master Degree</td>
<td>8</td>
<td>2.10%</td>
</tr>
<tr>
<td>Monthly Income</td>
<td>RM2,000 or below</td>
<td>314</td>
<td>80.50%</td>
</tr>
<tr>
<td></td>
<td>RM2,001 - RM3,000</td>
<td>36</td>
<td>9.20%</td>
</tr>
<tr>
<td></td>
<td>RM3,001 - RM4,000</td>
<td>14</td>
<td>3.60%</td>
</tr>
<tr>
<td></td>
<td>RM4,001 or above</td>
<td>26</td>
<td>6.70%</td>
</tr>
<tr>
<td>OGS`s Experience</td>
<td>Less than 1 year</td>
<td>132</td>
<td>33.80%</td>
</tr>
<tr>
<td></td>
<td>1-2 years</td>
<td>102</td>
<td>26.20%</td>
</tr>
<tr>
<td></td>
<td>2-3 years</td>
<td>43</td>
<td>11.00%</td>
</tr>
<tr>
<td></td>
<td>3-4 years</td>
<td>31</td>
<td>7.90%</td>
</tr>
<tr>
<td></td>
<td>More than 4 years</td>
<td>82</td>
<td>21.00%</td>
</tr>
<tr>
<td>OGS`s Frequency</td>
<td>Never</td>
<td>43</td>
<td>11.00%</td>
</tr>
<tr>
<td>(per year)</td>
<td>1-5 times</td>
<td>171</td>
<td>43.80%</td>
</tr>
<tr>
<td></td>
<td>6-10 times</td>
<td>63</td>
<td>16.20%</td>
</tr>
<tr>
<td></td>
<td>11-15 times</td>
<td>24</td>
<td>6.20%</td>
</tr>
<tr>
<td></td>
<td>16 times or above</td>
<td>89</td>
<td>22.80%</td>
</tr>
</tbody>
</table>

Note: OGS: Online grocery shopping

As Table 1 shows, the demographic information data was collected from 390 questionnaires. Female respondents came to the percentage of 60.50% (n=236). Most are aged either 18-23 years old (n=337, 86.40%) and of the Malaysian Chinese race (n=366, 93.8%). 78.20% of respondents hold a Bachelor`s degree (n=305). 80.50% (n=314.) of respondents reported a monthly income of less than RM3,000. In
online grocery experience, most respondents present their experience less than 1 year (n=102) or between 1 and 2 years (n=132), with the percentage of 33.80% and 26.20% respectively. Additionally, 171 respondents’ online grocery frequency is 1-5 times yearly, which occupies 43.80% of all replies.

Table 2: Cronbach`s Alpha and Pearson Correlation Test

<table>
<thead>
<tr>
<th>Constructs</th>
<th>Cronbach`s Alpha</th>
<th>Pearson Correlation</th>
</tr>
</thead>
<tbody>
<tr>
<td>ACI</td>
<td>0.896</td>
<td></td>
</tr>
<tr>
<td>CT</td>
<td>0.820</td>
<td>1.00</td>
</tr>
<tr>
<td>FA</td>
<td>0.856</td>
<td>0.091</td>
</tr>
<tr>
<td>QI</td>
<td>0.813</td>
<td>0.344</td>
</tr>
<tr>
<td>LO</td>
<td>0.730</td>
<td>0.445</td>
</tr>
<tr>
<td>RE</td>
<td>0.712</td>
<td>0.469</td>
</tr>
</tbody>
</table>

Note: ACI: All combined items; CT: Consumers` trust; FA: False advertising; QI: Quality issues; LO: Logistics; RE: Reputation.

As shown in Table 2, the Cronbach`s Alpha Reliability Test for all combined items gave a coefficient of 0.839, which suggested that the items have a high internal consistency with a “Good level” without any items removed. Besides, consumers’ trust, false advertising, and quality issues showed a “Good Level” with the coefficient of 0.820, 0.856, and 0.813 respectively. Moreover, the value of logistics and reputation is 0.730 and 0.712, which suggests an “Acceptance level” in the reliability test due to the value ranging between 0.7 to 0.8. In Pearson Correlation Results, false advertising (r=0.091) and logistics (r=0.056) demonstrated a negligible association with consumers` trust severally, due to the value located in the magnitude range between 0.00 and 0.25. Besides, quality issues (r=0.344) and reputation (r=0.469) showed a positive association with consumers` trust and the magnitude was weak. This is due to the R-value located in the range between 0.25 and 0.5. Hence, based on the results of Pearson Correlation, hypotheses 1, 2, and 3 are all unacceptable, and hypothesis 4 is acceptable in our study.

As shown in Table 3, R represents the correlation between Independent Variables (Quality Issues & Reputation) and Dependent Variable (Consumers` Trust). Based on it, R Square is 0.243 denoting that the Quality Issues and Reputation explained 24.3% of the variance in the Consumers` Trust, and the remaining 75.7% were not calculated by this model. Generally, the greater R square means the model is more adjustable with the data. The Adjusted R square is employed when the number of degrees of freedom has been taken into consideration when comparing the model. In this model, the Adjusted R Square is 0.239, which means that only 23.9% of Consumers` Trust was interpreted by the Quality Issues and Reputation. The Adjusted R Square is more accurate than the R Square.
Table 3: Multiple Linear Regression Model Summary

<table>
<thead>
<tr>
<th>Model</th>
<th>R</th>
<th>R-Square</th>
<th>Adjusted R-Square</th>
<th>Std. Error of the Estimate</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>0.493*</td>
<td>0.243</td>
<td>0.239</td>
<td>0.59608</td>
</tr>
</tbody>
</table>

Table 4 below shows the results of the ANOVA to test the overall significance of the regression model, looking mainly at the F and Sig values. The F value is the result of the ANOVA, which is an overall test of the overall regression equation. In Table 4, the F value is 62.110. On the other hand, the Sig is the P-value. A regression equation is considered useful when P<0.05. The P=0.000 shown in Table 4 implies that the Independent Variables (Quality Issues and Reputation) have a significant relationship with the Dependent Variable (Consumers’ Trust).

Table 4: ANOVA of Multiple Linear

<table>
<thead>
<tr>
<th>Model</th>
<th>Sum of Squares</th>
<th>df</th>
<th>Mean Square</th>
<th>F</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 Regression</td>
<td>44.137</td>
<td>2.000</td>
<td>22.068</td>
<td>62.110</td>
<td>0.000</td>
</tr>
<tr>
<td>Residual</td>
<td>137.507</td>
<td>287.000</td>
<td>0.355</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>181.644</td>
<td>289.000</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

The P-value for Quality Issues was 0.001 and the P-value for Reputation was 0.000. The P-values for both Independent Variables were less than 0.005, so the Independent Variables (Quality Issues and Reputation) can have a significant effect on the Dependent Variables (Consumers’ Trust). B indicated the coefficient of each Independent Variable in the regression equation, but B did not reflect the magnitude of the influence of each Independent Variable on the Dependent Variable. Therefore, the significance of Beta was that by standardizing B, it was possible to compare the magnitude of the effect of different Independent Variables on the Dependent Variable. According to Table 5, the B value for Quality Issues is 0.145, which is less than the Reputation B = 0.388. In the standardized coefficient (Beta) the Beta value for Quality Issues was 0.168, which was less than the Beta value for Reputation of 0.394. This showed that the Independent Variable (Reputation) had a greater effect than the Independent Variable (Quality Issues). Similarly, with the Coefficient value of 0.388, it denoted that with each increase/ (decrease) of Reputation, it would eventually increase/ (decrease) Consumers’ Trust by 0.388 times.

Table 5: Coefficients of Multiple Linear Regressions

<table>
<thead>
<tr>
<th>Model</th>
<th>Unstd. Coefficients</th>
<th>Std. Coefficients</th>
<th>t</th>
<th>Sig.</th>
<th>95.0% Confidence Interval for B</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>B</td>
<td>Std. Error</td>
<td>Beta</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1</td>
<td>2.112</td>
<td>0.193</td>
<td>10.927</td>
<td>0.000</td>
<td>1.732</td>
</tr>
<tr>
<td>QI</td>
<td>0.145</td>
<td>0.043</td>
<td>0.168</td>
<td>3.400</td>
<td>0.001</td>
</tr>
<tr>
<td>RE</td>
<td>0.388</td>
<td>0.049</td>
<td>0.394</td>
<td>7.982</td>
<td>0.000</td>
</tr>
</tbody>
</table>

Notes: QI: Quality Issues; RE: Reputation

CONCLUSION

False Advertising and Consumers’ Trust

Based on our research results, we can justify that there are negligible associations between False Advertising and Consumers’ Trust. Retrospect the literature review and research results completed by other authors, although there are mature papers that justify the association between false
advertising and consumers’ satisfaction, brands credibility, or purchase intention, the results that aim
at online grocery shopping toward consumers’ trust barely emerged in the past. Consequently, the
research results in this study conclude in the new field and give a clear association among them.
Mortimer (2016) in their research pointed out that perceived risk and online shopping satisfaction
impact consumers’ trust to certain negative and positive extents respectively. Similarly, they put
forward thoughts regarding other possible variables that cause influence consumers’ trust as well. Our
research results, consequently, extend accordingly and eliminate one independent variable: false
advertising in online grocery shopping, and justify there are negligible associations with consumers’
trust.

Quality Issues and Consumers’ Trust

Based on our research results, we can justify that there are positive associations between
quality issues and consumers’ trust in weak levels. Nevertheless, our findings seemingly do not
appear to be entirely consistent with previous studies by other scholars. This is because, above all,
online grocery shopping in Malaysia is in its infancy for the time being, and the grocery merchants
featured are usually well-known brands with established operating models and customer bases in the
industry. Their online operating models adapted from other countries can be applied to the Malaysian
online grocery market and avoid many potential problems that may arise. At the same time, the
Malaysian government’s control over the quality of products reduces the frequency of quality issues
and ensures that the industry can be trusted. In addition, Malaysian consumers have a more inclusive
approach to online shopping. Even if there are occasional quality issues with the products, it does not
affect their trust and confidence in online grocery shopping.

Logistics and Consumers’ Trust

Based on our research results, we can justify that there are negligible associations between
False Advertising and Consumers’ Trust. Compared with previous studies, it shows mostly the
relationship between logistics and consumer satisfaction, few results have emerged in the past for
online grocery shopping in terms of consumers’ trust. Therefore, the findings of this study draw new
areas and give a clear link between them. Blut (2016) argues that logistics services affect sales price,
food quality, and consumer perceptions while there is no direct link between logistics and consumers’
trust. Therefore, since there is no significant relationship between logistics and consumers’ trust, the
results of this study were able to expand and eliminate an independent variable accordingly.

Reputation and Consumers’ Trust

Based on our research results, we can justify that there are positive associations between
reputation and consumers’ trust in weak levels. A good reputation is easier to gain the trust of
consumers because consumers trust brands or reputable online stores more. Joko and Maya (2017)
asserted that online grocery store reputation reflects the seller’s product quality or is based on prior
customer feedback. However, this research shows that perceived reputation is unrelated to trust. Trust
also influences online grocery shoppers’ intentions (Pauzi et al., 2017). Buying fresh products online
requires confidence in both the personnel and the goods. The study found a moderately favourable
link between reputation and trust (Nassar et al., 2017). It shows that trust in online purchasing is
influenced by reputation and experience. There is a substantial and non-significant link between
reputation and customer trust in prior research. Our findings show a substantial link between
reputation and customer trust. Thus, an online grocery store’s reputation influences consumer trust
and buy intent. Consumers’ trust in an online grocery store increases when they have a positive
shopping experience. Simultaneously, physical grocery stores that have acquired consumer trust will
likewise gain consumer trust in their online grocery store.
Implication and Recommendations

In terms of false advertising supervision, from advertisers’ perspective, occasional false advertising may reap temporary benefits but truthful advertising is a win-win for consumers and grocers alike. A competitive advantage is gained from many aspects such as repurchase, after-sales service, and consumer attitude (Atkinson & Rosenthal, 2014). From policymakers’ perspective, the data suggests that they should focus on the credibility of their advertising campaigns, which is the area where they have the most authority. Such as building grocers’ trustworthy business cards through metrics including product labelling and provenance. Today, advertising campaigns seem to have taken on a greater role in influencing attitudes towards products. Rather than seeking greater credibility in this area, policymakers should look at what can be done to help these entities be seen as more trustworthy and reliable as well (Atkinson & Rosenthal, 2014).

In terms of quality control, to stimulate trust in online grocery shopping, government policies are suggested to enact further toward quality control, for example, international certified labels toward food quality aimed at physical foods sales (Wu et al., 2014). Accordingly, the food safety sector could introduce a proprietary food safety certification mark specifically for the E-commerce food channel for merchants and products that meet the requirements and display it prominently on the product homepage and details page to promote a level of consumers’ trust in the product.

In terms of logistics, if online grocers want to increase consumers’ trust in them, they must have effective plans and appropriate strategies in place (Rajendran et al., 2018). In this way, it can ensure that the products are delivered safely and on time within the delivery deadlines. Online grocers not only have to ensure that the goods need to be delivered within the time settings requested by the consumer in terms of logistics but also regardless of the consumer’s location. As a result, online grocers must fill the last-mile delivery gap by investing heavily in advanced analytics, warehouse relocation, and automation (Kuijpers et al., 2020). Therefore, online grocery shops should plan all products appropriately, ensure that they have sufficient stock, and keep their logistics information systems up to date so that they can ensure efficient shipping.

In terms of reputation, online grocers must have privacy policies for their customers to avoid the disclosure of consumers’ personal information (Pauzi et al., 2017). Having a good reputation for online grocery shops will increase consumers’ trust. Therefore, online grocers develop their reputation policies to ensure that they have a good reputation (Grabner-Kräuter, 2004). A grocery shop that already has a good reputation and brand image offline has its original customer base when it converts to an online grocery shop. In addition, online grocery shops add value to their products by providing reviews, providing a platform for effective communication between consumers. This effectively prevents online grocers from offering poor quality products such as fresh produce or canned goods that could affect the reputation of the online grocery shop in the evening.

Limitation and Future Research

A few constraints were found during the study phase. The limitations are only a starting point for future studies and do not diminish the importance of the findings. One of the constraints we faced in our research was a lack of resources. The current study only had 390 respondents due to a lack of resources, and online surveys may restrict the reach and accuracy of responses. This has become a challenge where we can only distribute questionnaires to the respondents online, such as via email and social media. Some respondents may be unable to complete the questionnaire because they do not have access to the Internet. In addition, the questionnaire may not be read or answered carefully by those who got it through email.

Future research could be expanded to be more specific and comprehensive, subject to sufficient funding and the will of the researchers. The location of the research is not limited to
Malaysia but extended to other ASEAN member countries or other countries in Southeast Asia. The findings may have commonalities with our results and may have a positive impact on the trade flows between ASEAN member countries. At least grocers will have a clear understanding of the similarities and differences in consumers’ trust in different regions so that they can better implement their marketing strategies and drive their companies’ competitiveness in the market.

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REFERENCES


