

## Consumer Perceptions of Brand Trust Online of Clothing in Karachi: A Case Study of Gul Ahmed

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**Abstract:** Online purchase, in the clothing industry of Pakistan, is currently extremely high. There are various factors that affect the brand trust of online consumers. This research is aimed to find the correlation between security and privacy of personal information, name of the brand, word-of-mouth, prior online experience and information quality on the one hand and the online brand trust of consumers on the other. The study is conducted in relation to a single brand, named Gul Ahmed. The sample for this study contained 387 respondents. The results of the study show that all these factors have a significant relationship with online brand trust. Word of mouth however, has been found to have the strongest correlation with the online brand trust.

**Keywords:** Online shopping, brand trust, word of mouth, privacy, information

## 1 Introduction

Purchasing through internet is considered to be one of the speedily emergent types of shopping, therefore, consumers are relying more on internet buying as compared to visiting the actual markets (Elliot & Fowell, 2000). Use of internet has motivated people to prefer online mode of shopping and the number of online shoppers is increasing exponentially around the globe. Due to the use of internet, consumers can get more benefits and can avoid many problems by availing the facility to shop online. By using internet option for shopping, consumers have a wide range of products available from across the world. Shopping via internet is free from time restrictions, consumers can shop online any time (Xiaofen & Yiling, 2009). Consumers don't need to think about various issues like traffic, parking issues, visit to stores and they also have more time for decision making as compared to purchasing any product at a store. They have

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choices available and can take the opinion of others as well. Internet has proven to be the most convenient source of shopping. Customers can be facilitated just by a click to the product as per their choices and availability.

This shift in technology has opened a new window for all the businesses. Marketers can explore more opportunities and can cater various market segments by formulating strategies accordingly. This will lead to sustainable competitive advantage for businesses and will open new doors of success by enhancing business performance. A number of factors seem to have significant effect on online mode of shopping (Salehi, 2012).

Purchasing via internet has become very common in developed countries where privacy and use of personal information of customers have been managed carefully (Reichheld & Schefter, 2000). This has become a challenge for the marketers to position their brands in a way that consumers can trust their brands online and become frequent buyers. Loyalty is associated with brand trust, building trust will not only help the businesses in attaining sustainable competitive advantage but will also help them to explore new opportunities for growth of the business in the long run and to enhance profitability of the organization (Monsuwe, Benedict, Dellaert & Ruyter, 2004).

From a managerial point of view, trust is considered one of the core factors for the success of online shopping websites. Indeed, one of the major obstacles to the development of online shopping is the lack of consumer confidence (Xiaofen & Yiling, 2009). Due to the lack of trust, fueled by the proliferation of fraud, many consumers are still resistant or at least remain reluctant towards purchasing online products. Therefore, building brand trust online has become a major imperative for merchants. Such research has been done in developed countries, however, in developing countries there is a need to conduct a study to discover the major aspects that affect perceptions of consumers towards online brand trust.

As far as Pakistan is concerned, clothing and textile have played a pivotal part in the financial advancement of the country. Clothing and textiles, undoubtedly is one of the biggest trade sectors of Pakistan from multiple aspects, such as, investment, occupation and export. This clearly indicates that the

country has got enough potential buyers, foreign and domestic both, of clothing goods. In Pakistan, purchasing via internet has been in practice from past few years due to rapid change in life styles and technological advancements.

Therefore, it is necessary to discover the major aspects that affect perceptions of the consumers towards online brand trust with respect to clothing industry of Pakistan.

## **2 Review of Literature**

Brand trust is termed as the willingness of the average consumer to rely on the ability of the brand to perform its stated function (Chaudhuri & Holbrook, 2001). Brand trust is a combination of multiple perspectives which includes brand image, familiarity, advertising, security and word of mouth (Alam & Yasin, 2010). A satisfied customer turns into a loyal one when brand trust reaches to a higher level and remains as a frequent buyer; moreover, the customer also promotes the products to others. From the customer perspective, Brand trust is an outcome of the prior experiences with the brand (Meyvis & Janiszewski, 2002). This literature review will further elucidate these variables in the light of empirical researches found on the topic.

Brand trust and privacy are highly correlated with each other. Consumers are more concerned for the privacy of their content such as personal information, and credit card details. They usually don't like to be cited in the lists of mass mailing and don't want their personal information to be given out or shared with the other organizations of marketing. When consumers seek protection in their transactions they look for safe channels through which they can enjoy more advantages as compare to buying in physical markets (Reichheld & Scheffer, 2000). When marketers ensure privacy in online purchasing customers enhance the volume of their purchases as a result brand trust raises to the required levels.

Studies also showed a positive and significant relation of word of mouth in building brand trust timely information related to online purchasing also helps customer for their buying decisions further irrelevant information results in weakening of consumer's trust towards online shopping.

A trusted brand is a form of advertising that informs online shoppers because a website meets the requirements set by a trusted third party, which helps encourage them to make purchases with confidence. For example, the Norton Secured Seal notes in particular that the website and its owner (or operator) have been authenticated Symantec, and they use SSL and / or other security solution. To be effective, a trusted brand must be visible on all pages that a visitor cannot even contemplating making a transaction. It must obviously be on the home page, but also on all pages with a button prompting client to perform an action (purchase, free, submission of information, etc.) in order to strengthen their sense of confidence. It must also be prominently displayed on the payment page to allay the fears of buyers and prevent them from dropping their purchases at the last minute. The search results also provide a location in which it is important to display a trust mark to enhance the image of reliability of the company, with new customers as well as existing customers.

Many researches have been conducted recently to study the factors that contribute towards the formation of online purchase behavior. These researches frequently focused the role of variables like privacy, word of mouth, web experience and information in building the online brand trust.

It has become a well-known fact that today's online environment is influenced by the factor of trust. Corritore, Kracher and Wiedenbeck, (2003) examined the same factor i.e. online trust, in particular, trust between consumers and online websites. The study thoroughly defined the explanation of trust in prior offline and online research. Corritore, Kracher and Wiedenbeck, (2003) identified the pertinent aspects of trust for with respect to on-line framework. Research also presented the trust perspective between individuals and informational or transactional websites. Afterwards, the research examined the reasons behind online trust. The research proposed the model of online trust between individual users and online websites. The model presented by the study identified three core factors that influence online trust. Firstly, perception of trustworthiness, secondly, user friendly or ease of use, and lastly, the risk factor. In other words, study concluded that there is a direct impact of the experience of using web, reliability of technology, trust, and apparent risk on brand trust in B2C context.

Ha (2004) investigated the factors that influence individuals' perception of brand trust online. The researcher mentioned that in contrast to the outmoded marketplace scenario, there are multiple factors that persuade brand trust in an online environment. Since, consumers' knowledge regarding the online environment has become more than sufficient, the researcher proposed that consumers will prefer to do business with online companies they trust. The study explored the effect of security, privacy, brand name, word-of-mouth, good online experience, and quality of information on online brand trust. It was found that all trust development schemes on the internet do not guarantee developing brand trust. Moreover, developing brand trust online needs a logical association between an individual and online brand. Research concluded that the interrelationships between complex components need to be established as brand trust cannot be built on one or two components alone. The study recommended careful review of these factors during the strategy formulation. By carefully investigating these variables in formulating marketing strategies, marketing personnel can surely develop online brand trust and gain reasonable advantage.

Ha and Perks (2005) investigated whether experience and trust of brand are directly related with each other or connected indirectly through the medium of satisfaction and/or familiarity with the brand. According to Ha and Perks (2005) e-performance is being excelled through the formulation of consumer experience in accordance with specific online brand. E-marketers, just like traditional stores having physical existence, are adopting new and innovative strategies to attract customers. The study has explored different questions that were still to be answered by the previous studies in the field of internet based marketing. Ha and Perks (2005) focused to address the direct association between brand experience and brand trust through two multiple factors i.e. satisfaction and brand familiarity. The results of the research study indicated that brand trust is directly influenced by experience. However, there might be some role of familiarity in establishing this relationship. The conclusion of the study will help the marketers to develop the brand trust online.

A similar study was conducted by Ling, Chai and Piew (2010). The study covered online buying intentions of customers and how it is effected by orientations of shopping, online trust and previous experience of purchasing online. The researcher mentioned that the progress of the online trend in each and every

aspect of human life has compelled the development of an innovative kind of trading i.e., e-tailing or e-shopping. Therefore, consumers' participation in online buying have turned out to be a vital trend. The study examined the factors that influence the purchase intent of the customers while purchasing products online. The primary focus of the study was to assess the influence of shopping orientations, online trust and previous online purchase practice of the customers on the online purchase intent. Research was conducted by gathering responses from 242 students of a private I.T university in Malaysia. It was found that buying intention has a positive relationship with all studied factors.

Zeb, Rashid and Javeed (2011) examined the buying behavior of female consumers of Pakistan and investigated the main factors that convince female consumers to buy trendy branded clothing. The main focus of the study was to investigate the buying behavior of Pakistani female consumers and to comprehend the pivotal factors of branded apparel which persuades the involvement of interest of Pakistani female consumer's towards fashionable branded apparel. The study was conducted by gathering data from Pakistani female buyers ranging 20 years to 35 years of age, in order to find empirical sign by employing questionnaire and statistical tools. Total 415 female respondents completed the instrument. The results of the study revealed that branding related to status, premium charges against branded apparel, self-concept, brand attitude and reference groups had a positive influence on the purchase decision of female consumers from Pakistan. The study expanded the knowledge of purchase behavior of female consumers from Pakistan. Moreover, it also pointed out the factors that persuade the involvement of the buyers in fashion apparel.

Thaw, Mehmood and Dominic (2009) focuses on the aspects of the success factors of e-commerce because this had been exemplified as ambiguity, hesitation and lack of control. Therefore, providing security and privacy to the personal information of online customers has become the base of success factor of e-commerce. Customer's slow acceptance towards e-commerce is not only because of the security and privacy issues but also lack of trust and dependability on service providers. This trust and reliability is essential for the growth of e-commerce. This study explains the important aspects; security, privacy and perceptions of risk of consumers to purchase online in with the aim of have accord among them. Descriptive frequencies, factor analysis and Pearson Corre-

lation coefficients have been used for analysis. The findings recommended that perceived security mediates perceived privacy of online transaction on trust and the trust of consumers in online purchasing is related significantly to the credibility of the web vendors. In online transactions, trust of consumers is found to be negatively related to the perceived risk factor. However, in online transactions, insignificant impact of perceived privacy and security to trust has been found in the study.

Tu, Wang and Chang (2012) identified impact of corporate brand image and satisfaction of customer towards loyalty. Standardized questionnaire was used for data collection and 199 observations were taken for analysis. Descriptive statistics, reliability, validity and SEM techniques have been applied to measure the strength of relationship among the variables; brand image, customer satisfaction and loyalty. Corporate brand image significantly affects customer satisfaction and loyalty. In order to gain desirable competitive advantage, firms have to emphasize on customer satisfaction and image of the brand with the intention of building long term and profitable relationships with customers.

### 3 Methodology

The model to find the factors that effect online brand trust of clothing in parametric form is defined as follows:

$$BT = \alpha_0 + \alpha_1(PRI) + \alpha_2(WOM) + \alpha_3(INF) + \alpha_4(OLE) + \epsilon$$

Where BT is brand trust which means ease while purchasing this brand online, PRI is privacy which shows ease while entering personal information on the website of this particular online brand while purchasing the product, WOM is word of mouth which covers the suggestions of his social circle, INF is information which demonstrates contains credible/reliable information and compels the online purchase decision of the respondent, OLE is online experience which explain ample and pleasant experience of online shopping and  $\epsilon$  is the error term.

Gul Ahmed is considered clothing brand for the study. It is most prominence and leading clothing brand in the country. Data have been collected from 378 respondents through Likert scale questionnaire. All respondents are users of Gul Ahmed online stores. Factor analysis has been used for dimension reduction. After performing factor analysis, we have used regression analysis to find the effect of considered factors on brand trust online.

## 4 Data Analysis

Survey validation was completed in three steps Zula and Chermack (2008) cited as per (Adams, Perkins, Dubson, Finkelstein, & Wieman, 2004). First, subject matter expert panel contextualized the adopted instrument to establish the items for the four dimensions of Consumer Brand Trust and to confirm clarity and meaning of the statements and items. Second, the survey was pilot-tested, reliability of the data is checked by using Cronbachs Alpha. The coefficient for the twenty-one items including in the pilot study was 0.877. This is considerably above the recommended 0.70 (Nunnally, 1970).

Finally, a confirmatory factor analysis was performed to verify existing categories of statements. To statistically determine if an adequate sample size existed for a factor analysis on these data, the Kaiser-Meyer-Olkin Measure (KMO) of sampling adequacy was computed. Field (2005) suggested that KMO values greater than 0.5 are acceptable, and values below this should lead researcher to collect more data. The KMO value for the data in this study was 0.883. Thus the researcher concluded the partial correlations between factors were relatively small on the basis of a KMO value of 0.883, which would contribute to a good factor analysis with this sample size. Further to improve the psychometric properties (reliability and validity) and substantive meanings of the extracted factors, Varimax rotation is used and the total variance explained was 54.74 percent with five components.



Table 1: Rotated Component Matrix

Factors and Items	Mean	S.D	$\alpha$	Item Loading	Variance
<b>Brand Trust</b>					
I feel very comfortable purchasing this brand online.	2.540	0.796	0.704	0.695	29.84%
I purchase a lot of this brand's services online.				0.636	
Consider this clothing brand is my first choice if I buy same product through online.				0.777	
This clothing brand is a name I can always trust.				0.484	
<b>Privacy</b>	2.749	0.786	0.716		7.57%
I feel that my privacy is protected when I'm purchasing clothes online.				0.517	
I trust clothes-selling websites with respect to my credit card information.				0.651	
Assures me that I will not be placed on mass mailing lists.				0.725	
Assures me that my personal information will not be shared with other marketing organizations.				0.753	
<b>Word of mouth</b>	2.594	0.706	0.586		6.29%
I find information given by my friends and relatives about this online clothing brand trustworthy.				0.477	
I know someone who had bad experiences with this brand online.				0.684	
Many of my friends and relatives recommended me to purchase my clothes online.				0.576	
I trust what my friends and relative say about this online brand providing reliable information.				0.546	
<b>Information</b>	2.350	0.724	0.681		5.92%
Websites usually provide in-depth information.				0.577	
Websites provide me with information that benefits me.				0.608	
The information from this brand websites always catches my attention.				0.706	
Information that is supplied on the Website often fascinates me.				0.651	
<b>Online Experience</b>	2.678	0.809	0.809		5.09%
My experiences with purchasing online were always satisfactory.				0.598	
All my previous online purchases have gone well.				0.704	
I feel comfortable of using the online shopping web sites.				0.694	
I am experienced with the use of the online shopping web sites.				0.647	
I feel competent of using the online shopping web sites.				0.745	
<b>Overall</b>			0.877		54.74

Correlation of the variables and how they are weighted for each factor is shown in Table 1. Rotated Component Matrix. Group of each variable is indicated in it. Highest level of relationship to the dependent variable is shown by the highest value of correlation.

Table 2: Model Estimators

Variables	Coefficient	t-stats	Prob.	V.I.F
(Constant)	0.374	2.407	0.017	
Privacy	0.211	4.179	0.000	1.445
Word of mouth	0.242	4.349	0.000	1.423
Information	0.166	3.170	0.002	1.307
Online Experience	0.213	4.039	0.000	1.653
Adj. $R^2$	0.354			
F-stats (Prob.)	52.410(0.000)			
Level of Significance	5% (0.05)			

From Table 2 it is clear that all considered factors namely privacy, word of mouth, information and online experience have significant positive effect on brand trust. The coefficient of word of mouth is 0.242 which is highest among all considered variables. It is also indicate that word of mouth is the strongest driving force to build brand trust.

## 5 Conclusion

This study shows the relationship between the perceptions of consumers and the factors that play a crucial role in developing brand trust towards online shopping of clothes. In this research, Gul Ahmed was taken as a brand. Privacy, Word of Mouth, Information and Online Experience have been taken as the independent variables whereas brand trust has been taken as the dependent variable. Results show that word of mouth has the highest influence on the Brand Trust. Overall, privacy, word of mouth, information and online experience are found significantly related to the dependent variable Brand Trust.

Word of mouth plays a considerable role in influencing consumer perceptions. In this way, consumers are assisted by positive communication through word of mouth to cultivate trust of a brand in a favorable form. For online experience, it is found that previous online experience significantly affects brand trust. With respect to privacy concerns, it can be concluded that consumers

trust the brands showing importance to the privacy issues of their customers, protecting their personal information and ensuring secure ways of payments. To build strong brands online, the flow of information from the beginning to the end should be made valuable, fascinating and relevant.

It is suggested that customers who do their shopping from Gul Ahmed online stores (website), before completing their transaction, should fill the response survey. Outcome of response survey should be available on website for other customers, which will serve as a word of mouth.

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