

Relationships among the Involvement on Luxury Goods, Satisfaction, Trust, and Buying Behavior: Comparison of Types of Internet Shopping Malls

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Abstract

This study attempts to examine the relationships among involvement on the luxury goods, satisfaction, trust and buying behavior for two different types of internet shopping malls: complex and specialized internet shopping malls. The results showed that trust had significant effects on satisfaction and also satisfaction had a significant influence on intention to repurchase online. When examining the moderating effect with involvement and the type of shopping malls, involvement reinforced the relationship between trust and satisfaction, whereas the type of shopping malls had not effects on the relationship between trust and satisfaction. These findings can provide the managers of internet shopping malls with practical implications regarding the effective strategy for their customers who buy luxury goods online.

Keywords: Luxury goods, Trust, Satisfaction, Involvement, Types of internet shopping malls, Repurchase intention

1. Introduction

Internet has become a good medium for shopping, and more and more young consumers have been purchasing products via Internet. Interestingly, some consumers do not hesitate purchasing even the luxury products in the internet shopping malls even though it is widely believed that some internet shopping malls offer fake products of luxury brands. This study attempts to explore the factors to influence the consumers' shopping behaviors to use the internet shopping malls when they try to purchase the luxury products. Previous research on luxury consumer behavior has mostly focused on offline settings; little is known about online luxury consumer behavior. As the online luxury sales increases, it will be necessary for luxury businesses to understand online luxury consumers and the different attributes that may influence their online purchase.

Trust can be viewed critical for internet shopping malls for the luxury products because internet shopping does not allow people to experience the products directly and there are counterfeit products of luxury brand around in the online market. Therefore it is important to investigate trust in two different aspects such as product trust and site trust in the

study. Previous studies focus on only one type of shopping malls, but this study pays attention to two types of internet shopping malls, specialty internet shopping malls and complex internet shopping malls, which have different marketing strategies for consumers. In addition, product involvement is being examined extensively as a key factor affecting luxury consumer behavior.

In sum, this study will examine involvement, types of shopping malls, and trust. The results will shed light on developing marketing strategies for internet shopping malls for luxury products.

2. Literature Review and Hypotheses

The basic frame for this study is the relationships between trust and satisfaction, and between satisfaction and intention to purchase luxury product online. For the studies on internet shopping, trust [8] and satisfaction [9] have been widely studied, and found significant relationships between trust and satisfaction. Based on the relationships of trust – satisfaction – intention to purchase, this study explore the moderating effects of shopping mall types and involvement.

Involvement is one of the critical factors affecting consumer behavior. Involvement is defined as a consumer's perceptions of the importance and relevance of a product category based on that consumer's intrinsic needs, values, and interests [1]. Consumers with high involvement will engage in an extensive information seeking process when making their purchase decisions, while consumers with low involvement tend to simplify their choices and gravitate toward products with lower risks [5]. Since the customers who purchase the luxury products online will perceive higher risks, trust becomes more important. Therefore, it is expected that highly-involved customers will have higher satisfaction when they perceive higher trust on the website selling the luxury products as well as the luxury products sold in the websites.

The internet shopping malls are categorized into specialty shopping malls and complex shopping malls [7]. The complex shopping malls refer to the shopping malls which sell many different product categories like department stores, and have to be able to satisfy the various needs and wants of the target customers. The complex internet shopping malls need to have

high awareness and well-managed membership program in order to sell various types of products [7]. The websites of department stores can be seen as an online complex shopping mall for luxury products. On the other hand, specialty shopping malls have a good product assortment in a specialized product category. In the specialty shopping malls, consumers want more specialized products and knowledge on a few product lines. Online brand shops or internet shopping malls only for the luxury products can be viewed as online specialty shopping malls.

The complex internet shopping malls tend to maintain big membership groups of customers and strong security systems to increase trust of the websites while specialty internet shopping malls have weaker security systems due to the cost issues [7]. Therefore it is expected that the effects of overall trust on satisfaction will be bigger in the complex internet shopping malls than in the specialty internet shopping malls.

H1. Trust is positively related to satisfaction with online luxury purchasing.

H1a. Product trust is positively related to satisfaction with online luxury purchasing.

H1b. Site trust is positively related to satisfaction with online luxury purchasing.

H2. Satisfaction with online luxury purchasing is positively related to intention to repurchase luxury online.

H3. Product involvement moderates the impacts of trust on satisfaction with online luxury purchasing

H4. There is different impact of all the factors to intention to repurchase luxury online according to types of internet shopping malls.

3. Method

The hypotheses were tested using a survey including measures for all of the variables. This study based its sampling methods upon previous survey research which restricted participation to only invited subjects who were online luxury purchasers and who were also voluntarily willing to complete the survey questions. Respondents were asked to provide names of online sites where they most recently purchased luxury. A total of 325 usable responses were obtained by respondents indicating having had experience buying luxury on online luxury sites representing complex internet shopping malls (53.1%) and specialized internet shopping malls (46.9%).

Our constructs, that is, site trust [3], product trust [2-3], and satisfaction [10] are operationalized to measure determinants of online luxury repurchasing. Product involvement [4] and type of internet shopping malls [7] are used as moderating variables. And online luxury repurchasing intention [6] is used as a dependent variable. A 5-point Likert scale was used.

4. Results

4.1. Hypotheses testing

First, an exploratory factor analysis generated five factors having eigen values greater than 1. Second, a confirmatory factor analysis was used to verify consistency of constructs. Cronbach's alpha was ranged from 0.868 and 0.936 which surpassed the criteria for reliability acceptability. All factor loadings (>0.60), composite construct reliability (>0.70) and

average variance extracted (>0.50) were considered acceptable satisfying the recommended standards (Hair et al., 2006). Therefore, convergent validity and reliability of constructs were used in this study were accepted.

Verification of the research model confirmed that the overall fit of the model meets the appropriate level; therefore, the research model is considered appropriate (CMIN/DF= 2.22 $p<0.001$; CFI=.943; TLI=.928; RMSEA=.062). The results showed that product trust ($\beta=.377$, $p<0.01$) and site trust ($\beta=.363$, $p<0.01$) positively affect satisfaction. Therefore, H1a and H1b are supported. The paths from satisfaction ($\beta=.341$, $p<0.001$) to online luxury repurchase intention are significantly positive. Thus H2 is supported.

4.2. Moderating effect of involvement

Table 1. Moderating effect of involvement

Construct	Model 1	Model 2
Site trust (A)	0.101(1.974)*	0.320(2.904)**
Product trust (B)	0.489(5.608)***	0.530(4.832)***
Involvement (C)	0.492(2.159)*	0.533(3.734)***
A*C	0.610(2.336)*	
B*C		0.569(4.123)***
Fit Indexes	CMIN/DF=3.124, $P<0.000$, TLI=.882, CFI=.903, RMSEA=.065	CMIN/DF=4.871, $P<0.000$, TLI=.823, CFI=.861, RMSEA=.071

*** $p<0.001$, ** $p<0.01$, * $p<0.05$, + $p<0.10$, Numbers in () represent t-value

The moderating effect of involvement on the influence of trust variables on satisfaction was analyzed using the method of Ping (2003). Model 1 showed the interaction effect of site trust and involvement (RMSEA=.065, TLI=.882, CFI=.903). There existed the effect of interaction between site trust and involvement, which increased satisfaction ($\beta=.610$, $p<0.05$). In Model 2 (RMSEA=.071, TLI=.823, CFI=.861), there also existed the effect of interaction between product trust and involvement, which increased satisfaction ($\beta=.569$, $p<0.001$). Therefore, hypothesis 3 was supported.

4.3. Moderating effect of internet shopping mall type

This study performed a multi-group analysis to test the difference of the online shopping mall for statistical significance. As a result (See Table 2), product trust in specialized internet shopping malls was presented to be more positively related with satisfaction than in complex internet shopping malls. In addition, site trust in complex internet shopping malls was presented to be more positively related with satisfaction than in specialized malls. However, the internet shopping malls difference of the relationships between trust variables and satisfaction didn't show the statistical significance. Thus H4 is not supported.

Table 2. Results Comparing Complex Malls and Specialized Malls

Path	Complex Malls		Specialized Malls		ΔDF	$\Delta\chi^2$	Diff
	Std. Coefficient	C.R.	Std. Coefficient	C.R.			
Product trust → Satisfaction	.158	0.760	.420*	2.328	1	0.949	N
Site trust → Satisfaction	.534*	2.454	.384*	2.051	1	0.058	N

* $p < 0.05$; ** $p < 0.01$; *** $p < 0.001$. Diff. means Difference

5. Conclusion

This study focused upon luxury product purchasers and analyzed satisfaction based on consumer trust, and the roles of involvement and the type of shopping malls as moderating variables in order to explain the buying behaviors of consumers who purchase luxury online. This study has investigated the factors which form satisfaction in online luxury sites and its effect on repurchasing intention. It is meaningful for this study to examine the detailed retailing channels including specialty and complex internet shopping malls and to demonstrate the factors for forming satisfaction in the sites and purchasing from them, while previous research into luxury purchasing has mainly focused on offline markets.

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