THE ROLE OF TRUST IN THE INSERTION OF CORPORATE IMAGE CUSTOMER EXPERIENCE MANAGEMENT AND CUSTOMER INTENTION OF HOME PRODUCT CENTER PUBLIC COMPANY LIMITED IN BANGKOK METROPOLITAN AREA, THAILAND

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ABSTRACT

This research has been conducted with the purpose as follows: 1) to study Corporate Image (CI) factors that affect credibility and trust of Home Product Center Public Company Limited 2) To study Customer Experience Management (CEM) factors in which relate to credibility and trust 3) To study the factor, which drives credibility and trust, from the customer who has Purchase Intent towards Home Product Center Public Company Limited 4) To examine the result by putting“credibility and trust” as a mediator variable between the relationship of Corporate Image (CI) and Purchase Intent of the customer5) To examine the result by putting“credibility and trust” as a mediator variable between the relationship of Customer Experience Management (CEM) and the customer’s Purchase Intent. All the above are conducted with 400 samples using Factor Analysis and Regression Analysis to analyze the data.

The questionnaire is credible as the value Cronbach alpha exceeds 0.7.

After the Hypothesis Testing, the result shows that Corporate Identity has positive relationship towards credibility and trust. Customer Experience Management (CEM) has positive relationship towards credibility and trust. Credibility and trust crucially affect the customer’s Purchase Intent in positive ways. It is also found that credibility and trust are mediator variables between Corporate Identity and Purchase Intent. In addition, credibility and trust are mediator variables between Customer Experience Management (CEM) and the customer’s Purchase Intent. Credibility and trust are partial mediation for both equations.

Keywords -Corporate Image, Customer Experience Management, Trust, Purchase Intent

INTRODUCTION

Background

In the present, the competition among constructive and decorative materials retail business is severe due to the tendency that constructive material and real estate market are constantly growing. Therefore, entrepreneurs aim to focus on the businesses’ target group to maintain the customer base and to acquire volumes from the market share. The entrepreneur, in this era, needs to improve and develop his organization efficiently. There are many elements consisted of the process of increasing potentiality of one’s organization. Retail businesses are expected to be continuously growing, since they can fulfill demands of the customer. It leads to the expansion of branches. At the present, huge suppliers are attempting to maintain and increase its customer base in Bangkok and provinces by expanding its branches. (Krungsri Research Center 2018) [20]

Since Home Product Center Public Company Limited has launched a number of policies to expand its branches constantly in the metropolis and rural provinces; together with its plan to invest in governmental structure, the demand in fixing or decorating habitats is increased. Due to many projects of real estates, the demands of constructive materials have risen. As a result, the company must develop itself and come up with new services to enhance the image and identity through the customer’s eyes. The firm, also, needs to enhance its CEM by applying customer orientation. It helps acquiring impression and trust from the customer. Home Pro proves it
is able to serve the customer by managing and operating, in terms of stability and service skills, effectively. Home Pro, therefore, needs to build trust through its Corporate Identity and its effective CRM. Consequently, the Purchase Intent of the customer emerges. The customer is expected to purchase products and services, from Home Pro, at his will. All of these can be great assistances in nurturing the customer base sustainably. (Home Product Center Public Company Limited2017) [19]

Hence, the author is interested in studying the role of trust in being mediator variable among Corporate Image (CI), Customer Experience Management (CEM), and Purchase Intent of the customer utilizing Home Product Center Public Company Limited in Bangkok and provinces as a case study to understand the relationship of variables in which influence among CI, CEM, and Purchase Intent. The result will be curated in order to enhance its Corporate Image and Customer Experience Management effectively in order to be consistent with the customer’s needs and to build rapport that leads to trust. Also, the result of the study will be used to arouse the customer’s Purchase Intent to buy products from the organization which will benefits the firm sustainably.

LITERATURE REVIEW

The literature review of this study is derived from four theories proposed by the researcher who has Corporate Image, Customer Experience Management, Trust, and Purchase Intent.

Corporate Image

According to the theory proposed by Prof. Wirat Larpirattanakun (1997) [4]; (Tangchit permkwamdee, 2000)[5], Corporate Image is the institution or agency in which the person perceive connections. Corporate Image is the consequence resulted from behaviors, facts, and self-evaluation. It, then, becomes the first memory for a person to recall about the brand. (Nguyen, Nha, and Gaston,2001) [6] ; (Balmer, John, and Stephen,2006) [10]

Corporate Image can be categorized in six aspects as follows: ( Wongmonta, 1997) [3]

1. Management Image – Heads of management must be knowledgeable, capable, loyal, and implementing good business policies. Also, they require great vision to lead the firm in a stable and effective manners.

2. Employee Image – Staffs are required to be potential in terms of knowledge, skills, human relations, service mind, personality, and responsibility in order to drive the organization effectively.

3. Service Image – An organization must deliver good services to the customer. It must be able to fulfill the customer’s needs. The firm must serve the customer impartially and continuously improve its service to be effective.

4. Operation Image – An organization must proceed its business transparently, loyally, and straightforwardly. Besides, it must prove to be moral and ethical.

5. Social Activities Image – Activities organized by a firm to return the profit to the society or environment. The society or environment are expected to develop and acquire some benefits.

6. Office Equipment Image – A firm must possess symbolic objects in which represent the Corporate Identity and unique forms of the Organization. For example, an employee uniform, office equipment and tools, office materials.

Customer Experience Management

According to the theory proposed by Wittaya Danthamrongkul and Pipop Udon(2004) [8], Customer Experience Management (CEM) is a process of strategic management for the customer overall experience towards products or services. The objective of CEM is to create Customer Loyalty in long term.(Changchenkit, 2006) [11];(Grewal, Dhruv, Michael, and Vijay(2009)) [13]; (Schmitt, Bernd, 2010) [15]; (Homburg, Christian, Danijel, and Christina,2017) [18]

CEM can be categorized in five aspects as follows:

Credibility is obtained when the firm succeeds to deliver products or services as it promised. It is acquired from good experience which is occurred only when the customer’s demands are fulfill in accordance with the promise in terms of quantity, quality, and time.
1. Willingness and promptness in responding the customer. The agent must show an eagerness in handling with questions, requests, complaints, and problems. The degree and value of response are evaluated by the duration customers take before answers, helps, or solutions are delivered.

2. Credibility and Confidence is occurred when abilities and traits of the staff are performed. Service agents are expected to have great comprehension towards the field, to deliver suggestions to the customer handily, to deliver accurate information, to understand about the customer thoroughly.

3. Individual Customization is to have great understanding about the customer. Customers desire to be comprehended. Treating each customers with different strategies, the customer would feel that he/she is important and special. Customizing service strategies, the customer tend to be satisfied.

4. Physical Evidences are perceived via customers’ eyes. It is composed of service types, tools, and equipment utilized on groups of customers. The products’ feature must facilitate and respond to the needs of customer efficiently.

**Trust**

According to the theory proposed by Elena Delgado (2004) [9], Trust can be divided in 2 aspects as follows: (Koufaris, Marios, and William, 2002) [7]; (Pivato, Sergio, Nicola, and Antonio, 2008) [12]; (Setiawan, Ricky, and Adrian, 2013) [16]

1. Elements of Trust is an attitude in which a person believes in the organization, firm, employees, or physical aspect. A person, with this attitude, look at the big picture of the organization and evaluate in accordance with the feelings and experience he perceives.

2. Elements of Intention is an attitude in which a person perceives and notices from experiences in many aspects of the organization. A person experiences the service and evaluates in the form of organization’s intention. The organization must aim to deliver services sincerely and loyally. To acquire satisfaction from the customer, the employee must deliver solutions to the customer sincerely.

**Purchase Intent**

According to the Theory of Planned Behavior proposed by Ajzen (1991) [1], a person who has positive attitude towards behavior and has reference group which has influence on him. Together with a self-recognition about controlling that behavior, the individual shall become more intent to behave according to the plan. In addition, a person who is capable of controlling the behavior at enough degree shall be more intent to commit those behaviors. The ratio of behavior shall increase when the opportunity arises. (Mathieson and Kieran, 1991) [2]; (Montano, Daniel, and Danuta, 2015) [17]

**CONCEPTUAL MODEL AND HYPOTHESES**

According to the Literature Review and Conceptual Framework of the study which is presented in the Diagram 1, the purposes of most researches are to examine the role of Trust in being mediator variable between Corporate Image, Customer Experience Management, and Purchase Intent of Home Product Center Public Company Limited in Bangkok and provinces. Therefore, the research hypothesis are as follows:

H1: The factor “Corporate Image” is relevant to Credibility and Trust in the customer of Home Product Center Public Company Limited.

H2: The factor “Customer Experience Management” is relevant to Credibility and Trust in the customer of Home Product Center Public Company Limited.

H3: The factor “Credibility and Trust” is relevant to the Purchase Intent in the customer of Home Product Center Public Company Limited.

H4: The factor “Trust” is a mediator variable of the relationship between Corporate Image and Purchase Intent in the customer of Home Product Center Public Company Limited.

H5: The factor “Trust” is a mediator variable of the relationship between Customer Experience Management and Purchase Intent in the customer of Home Product Center Public Company Limited.
Figure 1
The conceptual framework of this research

The research has been conducted in quantitative ways by gathering data and information from 400 samples which are customers who experienced services of Home Product Center Public Company Limited in Bangkok and Provinces. The method ‘Quota Sampling’ is used to conduct the research. Reliability rate of the questionnaire is determined by using Cronbach Alpha, a method used to study about correlation coefficient. The reliability degree of Cronbach Alpha is higher than 0.7 (Hair et al, 2010) [14] in accordance to Table 1. Correlation Analysis and Multiple Regression Analysis are used afterwards.

Table 1
The result of measure validation

<table>
<thead>
<tr>
<th>Item</th>
<th>Cronbach’s Alpha</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Corporate Image</td>
<td>0.893</td>
</tr>
<tr>
<td>2. Customer Experience Management</td>
<td>0.932</td>
</tr>
<tr>
<td>3. Trust</td>
<td>0.906</td>
</tr>
<tr>
<td>4. Purchase Intent</td>
<td>0.908</td>
</tr>
</tbody>
</table>

RESULTS

The descriptive statistics
According to the descriptive statistics, the demographics of subjects are mostly Men which is valued at 68.6%. 54.0% of the participant are 20-30 years old. 66.0% of the sample acquired Bachelor Degree. 71% of the participant are employees of private companies/state enterprise. In terms of incomes, 51.4% of the subject has 15,000-30,000 Baht incomes per month. 55.0% resides in Bangkok and 32.1% of them live in town house. 37.4% of samples have Purchase Intent towards Home Pro with the purpose of decoration.

Hypothesis testing
Statistical analysis for hypothesis testing is conducted to study the effect of variables. Pearson product-moment correlation coefficient is used, in the study, to find the relationship between Independent Variables and Multiple Regression. The purpose is to study the role of Trust in being mediator variable of the relationship between Corporate Image, Customer Experience Management, and Purchase Intent in the customer of Home Product Center Public Company Limited in Bangkok and Provinces. The symbols used in the analysis are as follows:

CI Represent Corporate Image
CEM Represent Customer Experience Management
Trust Represent Trust
PI Represent Purchase Intent
Table 2
Correlation Analysis between independent variables

<table>
<thead>
<tr>
<th></th>
<th>CI</th>
<th>CEM</th>
<th>Trust</th>
<th>PI</th>
</tr>
</thead>
<tbody>
<tr>
<td>(\bar{x})</td>
<td>3.98</td>
<td>3.94</td>
<td>3.85</td>
<td>3.99</td>
</tr>
<tr>
<td>S.D.</td>
<td>.477</td>
<td>.486</td>
<td>.502</td>
<td>.572</td>
</tr>
<tr>
<td>CI</td>
<td>1</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>CEM</td>
<td>.803**</td>
<td>1</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Trust</td>
<td>.643**</td>
<td>.686**</td>
<td>1</td>
<td></td>
</tr>
<tr>
<td>PI</td>
<td>.486**</td>
<td>.524**</td>
<td>.648**</td>
<td>1</td>
</tr>
</tbody>
</table>

** P<0.05

Table 2 shows relationship between relevant variables. The relationship between independent variables must value below 0.80 (Hair et al. 2010) [14] According to the Table, CI’s and CEM’s values are higher than 0.80 which means Multicollinearity could occur. Therefore, VIF test was conducted to validate if this two independent variables are having relationship with each other or not. If the value of VIF is more than 10.000, Multicollinearity will occur. However, the analysis found that the value of VIF between independent variables “CI and CEM” is equal to 2.813 which is lower than 10.000. Multicollinearity between independent variables cannot be discover among relationship between independent variables. Hence, the hypothesis testing could be done by using Multiple Regression Analysis afterwards.

Table 3
Research Results of Simple Linear Regression

<table>
<thead>
<tr>
<th>Hypothesis</th>
<th>Independent → Dependent</th>
<th>(\beta)</th>
<th>t-value</th>
<th>Sig.</th>
<th>Hypothesis</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Corporate Image → Trust</td>
<td>0.643</td>
<td>23.689</td>
<td>.000</td>
<td>Support</td>
</tr>
<tr>
<td>2</td>
<td>Customer Experience Management → Trust</td>
<td>0.686</td>
<td>26.657</td>
<td>.000</td>
<td>Support</td>
</tr>
<tr>
<td>3</td>
<td>Trust → Purchase Intent</td>
<td>0.648</td>
<td>24.024</td>
<td>.000</td>
<td>Support</td>
</tr>
</tbody>
</table>

Table 3 shows the result derived from the method ‘Simple Linear Regression.’ According to the result, Corporate Image has positive influence towards Trust (H1). Customer Experience Management has positive influence towards Trust (H2). Significantly, Trust has positive influence towards Purchase Intent (H3).

Table 4
Research Results of Multiple Linear Regression

<table>
<thead>
<tr>
<th>Hypothesis</th>
<th>Independent → Dependent</th>
<th>(\beta)</th>
<th>t-value</th>
<th>Sig.</th>
<th>Hypothesis</th>
</tr>
</thead>
<tbody>
<tr>
<td>4</td>
<td>Corporate Image → Trust</td>
<td>0.118</td>
<td>3.372</td>
<td>.001</td>
<td>Support</td>
</tr>
<tr>
<td></td>
<td>Trust → Purchase Intent</td>
<td>0.572</td>
<td>16.313</td>
<td>.000</td>
<td>Support</td>
</tr>
<tr>
<td>5</td>
<td>Customer Experience Management → Trust</td>
<td>0.149</td>
<td>4.062</td>
<td>.000</td>
<td>Support</td>
</tr>
<tr>
<td></td>
<td>Trust → Purchase Intent</td>
<td>0.546</td>
<td>14.856</td>
<td>.000</td>
<td>Support</td>
</tr>
</tbody>
</table>

Table 4 shows the result derived from the method ‘Multiple Linear Regression’. According to the result, variables are significantly relevant in the way that affect the customer. The factor ‘Trust’ is the mediator variable between Corporate Image and Purchase Intent. Trust is, also, discovered to be a partial mediation which can be used to improve the relationship between Corporate Image and Purchase Intent. Corporate Image is related to Trust. However, the value Beta is still decreased when putting Trust as a mediator variable. The value, in terms
of Beta, of Trust and Purchase Intent is increased (H4). The factor ‘Trust’ is a mediator variable between Customer Experience Management and Purchase Intent. Trust is found to be partial mediation which improves the relationship between Corporate Image and Purchase Intent. Customer Experience Management is related to Trust. However, the degree of Beta is decreased when putting Trust as a mediator variable. Trust is relevant to Purchase Intent. It leads to an increasing number of Beta (H5). According to assumptions 4th and 5th the formula can be written as follows:

Assumption 4th Purchase Intent = 0.919 + 0.141(CI) + 0.652(Trust)
Assumption 5th Purchase Intent = 0.907 + 0.175(CEM) + 0.622(Trust)

CONCLUSIONS

According to the hypothesis testing, Corporate Image has positive influence towards Trust. Customer Experience Management has positive influence towards Trust. Also, Trust has positive influence towards Purchase Intent of the customer. Nevertheless, the organization requires 1) Corporate Image 2) Customer Experience Management 3) Trust in order to acquire ‘Purchase Intent’ efficiently. Furthermore, it is also discovered that Trust is the mediator variable between Corporate Image and Purchase Intent. Besides, Trust is the mediator variable between Customer Experience Management and Purchase Intent by performing the role of partial mediation. It is obvious that when Corporate Image and Customer Experience Management are transmitted through Trust, it could help increase the customer’s Purchase Intent. This shows that Trust is more influential, compared to Corporate Image and Customer Experience Management, towards Purchase Intent. In conclude, an organization must build, develop, and nurture the customer’s Trust if desired to create Purchase Intent.

This research contributes an integration of concepts and theories by adopting theories and concepts of Corporate Image, Customer Experience Management, and Planned Behavior in order to develop the business competition effectively and to comprehend about behaviors and demands of the customer. The result from this study can be practically implemented to develop strategies effectively. For example, building customers’ Trust can influence and enhance the Purchase Intent more than investing on Corporate Image and Customer Experience Management. Nevertheless, this research is conducted with quantitative methods. To study further, the qualitative research should be conducted in order to acquire information from actual incidents and actual environment. Also, it remains other variables that might be influential on Trust. For example, attitudes of the customer.

REFERENCES


