Mediating of Store Image on Customer Trust for Organic Vegetables

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Abstract. Nowadays, organic vegetables have not yet become the important attention of customer in Indonesia due to the risk of more expensive price. Truly, customer trust is needed in solving some risk’s view on product which will burden the customer. Remembering that organic vegetables are only sold in supermarket retail, a review on mediating effect of store image is conducted to improve customer trust on organic vegetables. The objects of this study are costumers of supermarket in West Java province. There are 361 respondents who have been analyzed through Structure Equation Model. The research finding states that store image can mediate the relationship of perceived quality and perceived risk for organic vegetables with an aim to improve customer trust.

Keywords: perceived quality, perceived risk, store image, customer trust

Introduction

The development of customer behaviour is growing fast and marked by the speed of creation in form of product and service offered by company (Wan & Toppinen, 2016). Customer selects product and service offered by company due to the value of product and service which are bigger than the sacrifice that will be done (Yee, San, & Khoon, 2011). The value of product and service are the absolute thing needed by the customer (Chi, Yeh, & Jang, 2008). Those values are satisfying factors for customer needs, and in Motivation Theory of Maslow, they are included on the base necessary of physiological needs (Kamphorst & Swank, 2013). Customer trust is one of customer’s behavior (D’Alessandro, Girardi, & Tiangoongnern, 2012), in which it is related to customer attitudes on product and service offered by company. When customer believed in the offering products, they would be interested in purchasing those products (Chinomona, Okoumba, & Pooe, 2013), and vice versa. Some previous studies explain the importance of trust from customer to company development (Chinomona et al., 2013; Hu & Chen, 2010; Noor, 2012; Zanini & Migueles, 2013).

The value of product and service can be created through some cases, one of them is feature addition which distinguished the product/service from the common ones (Chen et al., 2016). In the previous study, it is found that there was addition to the content of product value which was superior than others (Dana & Spier, 2015). One of the products that becomes attention recently is organic vegetables, where it gained additional value of free from chemicals (Alamsyah & Angliawati, 2015), in which the existing nutrition of that products is maintained and healthy to be consumed (Tung, Wei, & Chen, 2012).

Among environmentally friendly products, one of them is organic vegetables in Indonesia. The condition of organic vegetables is far from the expectation, where the customers’ consumption for the product is still low (Alamsyah & Angliawati, 2015). It is due related to value of environmentally friendly product which has not become the attention for customer. It is assumed that customer does not fully believed in the content value
of organic vegetables products. The review of the previous study showed the correlation of customers’ perception over a product’s value with customers’ trust (Chinomona et al., 2013). Organic vegetables products still become premium product, and sold in certain places in Indonesia, one of which is Supermarket (Alamsyah & Angliawati, 2015). The characteristics of organic vegetables products are cleaner and tidier, and more expensive than conventional products (Wirth, Stanton, & Wiley, 2011). Supermarket has image value of self-service (swalayan) retail for customer. Store image of supermarket becomes one of marketing strategies for company in improving retail performance (Qin & Prybutok, 2013), by improving customer trust for retail products (Chinomona & Sandada, 2013).

The effect of store image mediation in the correlation of customer perceived quality and risk on trust is attractive to be reviewed for, where it is common for another research focuses on the direct impact of store image on company performance (Qin & Prybutok, 2013), or on customer trust (Orth & Green, 2009), but it does not review from perceived quality and risk. Based on those phenomenon, this study focuses on supporting the store image on increasing trust through perceived quality and risk for organic vegetables products. This study is expected to be useful in supporting government to face global warming issue (Meijden, Ploeg, & Withagen, 2015) and improving the study of environmentally friendly products.

**Perceived Quality and Risk of Organic Vegetables**

Organic vegetables products are healthy to be consumed, because their nutrition are well kept and free from chemical materials, and also environmentally friendly (Tuu, Olsen, & Linh, 2011). Organic vegetables is one of organic products, which means that those products have more attributes than common products (Othman & Rahman, 2014). It implies that organic vegetables are product with additional value. Customers would consider the additional value of the product as a benefit for them (Tuu et al., 2011). Through perceived quality of organic vegetables, customer is expected to prefer organic vegetables to conventional ones. Besides the benefit, customer often assesses the product from the side of risk they would face with (Orgianus & Nugraha, 2008; Tuu et al., 2011). It takes a sacrifice from customers when they select organic vegetables, which is more expensive than common vegetables. There is also a risk of how to get the product because not all the stores sell organic vegetables (Aertsens, Mondelaers, Huylenbroeck, & Huylenbroeck, 2009). Basic of perceived quality and risk from customer perceived value is a comparison between benefit and risk (Zeithaml, 1988).

The estuary of customer perceived quality for organic products is on the increasing of product value. It marks that if a product value gets decreased, then the perceived risk from customer will be increased. The risk that will be borne by customer is the expensive price and the effort to get the product (Tuu & Olsen, 2012; Yee et al., 2011). Organic vegetables have values for the customer (Alamsyah & Angliawati, 2015). Those values are from the sides of quality and risk that becomes customer’s consideration in selecting organic vegetables to be consumed. Several benefits which is obtained from organic vegetables product are obviously benefits that is desired by customer (Mohan, 2016). Customer perceived quality depends on more innovative product attribute, one of which is environmentally friendly products (Kim & Chung, 2011). Based on the phenomenon of customer perceived quality and risk on organic vegetables, the first research hypothesis would be:

Hypothesis 1 (H1): Customer perceived quality has negative correlation with customer perceived risk for organic vegetables products.

**Customer Trust on Environmentally Friendly Products**

In principle, customers trust is related to the value of product or service which is assessed to fulfill their needs (Kausel & Connolly, 2014). When their needs are not fulfilled, their trust on the product and service would be lessen. The less of customer trust impacts on customer’s interest in selecting products offered by company (Chinomona et al., 2013). In this case, the company needs to maintain and improve customer trust for the product offered. Morgan & Hunt (1994) stated that “a group of people trust in a reliable exchange of integrity of partner”. For organic products, customer trust is a feeling that appears over product or service regarding on credibility, benevolence and product ability on environmentally friendly performance (Chen, 2010). Organic products like organic
vegetables, have additional value than those of conventional products. However, most of the customers do not believe it. It would be depends on marketing manager performance to ensure customer to believe in his product creation and buy it (Guenzi, Johnson, & Castaldo, 2009).

Customer is sometimes afraid of his/her trust value over a product due to the fact that a trust is invisible (Sandu, 2015). The value of customer trust on environmentally friendly products finally boils down to environmental attributes, where the products have no negative impact on environment. Customer value that has been discussed before is related to perceived quality and risk of product. So it seems there is correlation between customer perceived quality and customer perceived risk of product on customer trust creation (Chinomona et al., 2013; D’Alessandro et al., 2012). Reviewing from phenomenon of customer behavior on trust and perceived value, the next research hypothesis would be:

Hypothesis 2: Customer perceived quality of organic vegetables has positive correlation with customer trust of product.

Hypothesis 3: Customer perceived risk of organic vegetables has negative correlation with customer trust of product.

**Mediating of Store Image on Customer Behavior**

Retail is a business with its selling volume from retail sales (Guenzi et al., 2009). It is mentioned by Lin & Liao (2012) "store image is the sum of information and emotional of a consumer to a store characteristics, and other impression from long time". Product and service offered to final customer is obviously has value, where those values are expected by customer when they visit supermarket retail (Utami, 2010). The type of retail is various today, but organic vegetables are usually exist in supermarket type of retail. Many suppliers sell their product and service through supermarket with the expectation that image from supermarket can improve the desire to buy from their customer (Parnell, 2011).

In reality, some customers are often buy product in supermarket due to the atmosphere of the retail instead of the products (Guenzi et al., 2009; Wardhana, 2016). Besides that, retail swalayan needs to use marketing strategy through organic products as one of its product innovation efforts (Aertsens et al., 2009).

Many studies showed that there is, indeed, a correlation between store image with customer behavior (Peter & Olson, 2009). Perceived quality and risk are customers’ behavior that need to be faced by company (Beneke, Flynn, Greig, & Mukaiwa, 2013). The value adopted by customer on benefit and risk over product will change when they get direct information from the inside of retail (Grewal, Levy, & Kumar, 2009). In the previous study, it is explained that store image has good correlation with customer perceived quality (Chen & Hsieh, 2011), customer perceived risk (Gocek & Beceren, 2012) or even on customer trust (Orth & Green, 2009). Based on those reviews, the research hypothesis is stated as follows:

Hypothesis 4: Customer perceived quality of organic products has positive correlation with store image.

Hypothesis 5: Customer perceived risk of organic products has negative correlation with store image.

Hypothesis 6: Store image has positive correlation with the improvement of customer trust for organic products.

**Quantitative Methods and Measurements**

Quantitative descriptive and causality research was used in this study, through survey to supermarket customers in West Java Province. There were eight supermarkets that sold organic vegetables in West Java Province which were Borma, Griya, Yogya, Superindo, Hero, Carrefour, Hypermart and Lotte Mart. Those supermarkets were spread in four regions in West Java Province, which were the region of Priangan, Purwakarta, Bogor and Cirebon.

Research data was obtained by distributing questionnaire which spread randomly to 500 supermarket customers in four regions of West Java Province. Survey was conducted on February-May 2016. Data processing was conducted by analysis technique using Structure Equation Model (SEM) approach, and also Lisrel analysis tools. Some variables reviewed related to customer perceived quality, customer perceived risk, customer trust and store image. Those analysis are described on research framework (Figure 1).

Every research variable was explained in questionnaire and measured by Likert scale of 1-5, with the range of measurement from...
“sangat tidak setuju” (strongly disagree) to “sangat setuju,” (strongly agree) in each indicator of the research.

Customer perceived on organic vegetables products is customer perceived on product value and all of the additional value, including environmental factor (environmentally friendly) compared to other alternative products (Beneke et al., 2013; Kim & Chung, 2011). The measurement used such as guarantee (origin, brand, label, variety), organoleptic characteristic (firmness, colour, flavour, aroma) and external factors (damage, size, price, freshness) (Martínez-Carrasco, Brugarolas, Martínez-Poveda, Ruiz, & García-Martínez, 2012). Customer perceived risk of organic vegetables products is customer perceived for sacrifice that is conducted by customer to have organic product compared to other products (Horvat & Dosen, 2013; Zeithaml, 1988). The measurement used such as financial risk (price, cost, funding), performance risk (needs, functions, beliefs), and psychosocial risk (stress, dislike, refuse) (Tuu & Olsen, 2012; Yee et al., 2011). Customer trust is feeling that appears for product on environmentally friendly performance (Chen, 2010). The measurement used such as reliable, dependable, trustworthy, expectations, environment protection and safer (Alamsyah & Angliawati, 2015). Store image is a set of information and customer emotional for characteristic and other impression that is assessed in long period (Lin & Liao, 2012). The measurement used such as merchandise (assortment, style, quality), store atmosphere (clean, display, wide, light, sound effect) and promotion (advertising, decoration, discount) (Hsu, Huang, & Swanson, 2010; Theodoridis & Chatzipanagiotou, 2009; Visser, Preez, & Noordwyk, 2006; Yoo & Chang, 2005).

**Model of Study Result**

The empirical result from study related to mediating effect of store image on customer behavior inside the retail were obtained from 361 respondents with valid questionnaires. Data is processed using **Structure Equation Model (SEM)** approach to analyze path analysis from research model. The result of data processing from Lisrel stated that the result of research model testing related to mediating effect of store image (Figure 2).

The result of research construct analysis from all research variables is presented before evaluating research model and have gone through the measuring of validity test and reliability test of research data (Malhotra, 2010). The measurement of Correlation value of each question item with its variable by the provision of its value is more than 0.3 that is assumed appropriate. While reliability test uses value rule from Cronbach’s Alpha, where its value must be bigger than 0.5 to be stated qualified.

An appropriate assessment is found after a test to all research indicators which are perceived quality, perceived risk, customer trust and store image has been done (Table 1). It is assessed from the value of Correlation of each indicator and the value of Cronbach’s Alpha which appropriate with assessment criterion. The value of Loading

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**Figure 1. Research Framework**
Factors of each indicator determined the most dominated measurement which formed the variable research (Malhotra, 2010). It is also supporting the form of correlation from each research variable. On customer perceived quality of products, all of measurements support in form of perceived quality, but the most dominant of Loading Factors value is on organoloepthic characteristic. The characteristic of organic products becomes the important attention to customer, besides other supports that is existed in its environment (Othman & Rahman, 2014). While on perceived risk, the most considered risky for customer in financial risk measurement, remembering price becomes striking distinction (D’Alessandro et al., 2012). If it is reviewed from customer trust value, reliability and trustworthy are two of very important values. Customer will be more believe in reliability and the ability of organic products (Yu-shan Chen, 2010). Whereas, a supporting from store image that has a major role is store atmosphere because it is something that can be felt and affect the customers’ psychology on supermarket retail (Gillani, 2012).

In research finding (Figure 2), it is explained that there is correlation of each research variable. The research model is also conducted by Hypothesis Test, where there are six research hypotheses which all of them have significant value (support) (Table 2).

**The Correlation of Customer Perceived Quality and Risk for Organic Vegetables**

The research finding explained that there is a negative correlation between customer perceived quality with customer perceived risk for organic products. Part of this study is in line with the previous study by Beneke et al. (2013), and distinguished in the customer’s view on the interest to buy private label product. The meaning implies in this research finding that for organic products or other products, between quality and risk, have a linkage when it is assessed by customer.

Vegetables farmers as organic vegetables suppliers for supermarket need to observe product quality and distribution system to supermarket and its extended marketing area, in order to be able to compete with conventional products, besides the support from supermarket on organic product information. The customer perceived risk of products is still assumed quite high due to the price differences. However, those cases can be controlled when knowledge of customer on organic products increased (Alamsyah & Angliawati, 2015).

**The Improvement of Customer Trust for Organic Vegetables**

Customer trust becomes an important thing needed by company (Victor, Jorie, & Sumarauw, 2015). The research finding is explained that there is positive correlation of perceived quality on customer trust. The finding can be interpreted that customer trust will improve when company can improve product quality, so customer perceived of products will also be improved. In line with the opinion of Chinomona et al. (2013), there is close relationship between customer perceived quality for products with customer trust. Reviewing of those study showed that customer trust will improve on organic vegetables products when customers think and feel them as product with better quality.

Customer trust will be lessen if there is other customer behavior which perceived risk (Yu-Shan Chen & Chang, 2012). It seems...
Table 1
Result of Research Variable Test

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Table 2
Value of Path Coefficients

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From research finding that perceived risk has negative correlation with customer trust. So farmer as producer of organic vegetables and retail as seller need to observe perceived risk assessed by customer for products they faced. Reviewing from customer perceived quality and risk on customer trust, it seems in line with previous study from (Beneke et al., 2013), except there is different view on products. This finding completes previous studies, where customer trust will improve when company can control customer behavior.
of perceived quality and risk of products, along with other values that has impact on customer trust, such as the store image to improve customer trust (Orth & Green, 2009).

**Mediating Effect of Store Image on Customer Trust**

It has been discussed before that there is good correlation between customer perceived quality and customer perceived risk (Chen & Hsieh, 2011), or with customer trust (Orth & Green, 2009). However, in-depth study of this research is the mediating effect of store image, for customer behavior. Reviewing from research finding, it seems that the correlation value of perceived quality directly on customer trust is smaller compared to correlation through mediating of store image (figure 2).

The results showed that store image can be a mediation between customer perceived quality of organic products with customer trust, with direct correlation value smaller than indirect correlation value. The findings from mediating of store image for the correlation of perceived risk with customer trust is smaller in direct value. This full mediating model is become the main findings in the study (Hayes, 2013), with the assumption that store image can be a true mediation between customer perceived quality and risk with customer trust on organic vegetables products.

**Conclusions**

Organic vegetables have absolute value which is perceived by customer with assessments from the side of quality and risk. Customer selection for organic vegetables could be lessen due to comparison of customer perceived quality and risk on organic products. The customer still assesses the high sacrifice for organic vegetables because of its high price which inappropriate with customer desire. As the result of customer perceived quality, although it has been higher from perceived risk, in fact it has not still able to improve customer trust on organic products.

However, research finding could answer those problems, one of which is the improvement of customers’ trust that can be conducted by helping mediating of store image. The store image can actually be formed by customer perceived quality and customer perceived risk of products, and it can influence customer trust as well. The implication of this study can be served as input for the next research which said that store image, empirically, can be a mediation and change customer behavior both directly and indirectly, particularly, which related to customers’ commitment (Lavorata, 2014) or the improvement effort for private label products (Mejri & Bhatli, 2014). Both are not stated in the recent studies. Besides that, this study’s result is very useful in improving customer’s desire in consuming organic products, and also supports government’s effort in facing “global warming” issue through study focus on environmentally friendly products.

**References**


