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N H Rusdi, I Primiana, E T Sule, M F

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Store Image of Organic Product: Social Responsibility and Trust's Mediator

4

Doni Purnama Alamsyah

Master Degree of Magister Management

Universitas BSI

Bandung, Indonesia

doni.dpa@bsi.ac.id

7

Oda I. B. Hariyanto

Hospitality

AKPAR BSI Bandung

Bandung, Indonesia

oda.oib@bsi.ac.id

Abstract—The study aims to review mediating effect of store image on social responsibility and customer trust on organic products. There are 361 customers of retails in West Java Province that is reviewed by Structural Equation Model approach. The finding is found that social responsibility is unable to improve customer trust directly for organic products. However, store image can mediate the correlation of social responsibility and customer trust for organic products

Keywords— *Social Responsibility; Store Image; Trust.*

I. INTRODUCTION

The changing of customer behavior rapidly, it demands retail to adjust marketing strategy [1]. This case is conducted in order to improve competitiveness of retail by fulfilling customer's needs depend on customer's desire. By developing of environmental issue, customer behavior in the world starts to move on healthy lifestyles, through consumption of environmentally friendly products [2] or green consumerism. Those cases are obviously seen by retail with giving its product choice on organic product like vegetables or organic rice. However in Indonesia today customer trust on organic product has not been optimum, it is marked by there is still low demand of organic product compared conventional product [3]. In fact of organic product movement only dominated in retail, with store image expectation can give customer trust on organic product.

The development of environmental issue, it gives a chance on retail in adopting marketing strategy of environmental-based, this case is commonly called with green marketing strategy [4]. Social responsibility is one of marketing strategy environmental-based, today it starts to be observed by retail with the expectation it can improve customer trust [5]. In which, customer trust is needed to improve customer decision in conducting product purchasing in supermarket retail, included on organic product.

In the newest study, it is stated that customer trust on organic product can be controlled by store image [3]. Besides that, store image can also change customer buying behavior when it is on supermarket retail. Reviewing from phenomena retail, it is assumed that store image can give advantage on environmentally friendly products. So the study focus on moderating effect of store image on the correlation of social responsibility and customer trust.

The review in this study is useful for retail industry in implementing marketing strategy of environmental-based, and also supporting government in facing the issue of "global warming" [6], through the review on environmentally friendly products.

A. Social Responsibility of Retail

Social Responsibility is concept that observes social activities that is conducted by company, in which those cases become company's responsibility [7]. Social responsibility that is part of company reputation [8], sometimes it is equated with corporate social responsibility (CSR) [9]. Remember two of them relate to company's responsibility on caring with surrounding environment. However, social responsibility only relates closely to company's responsibility with social activity, without there is correlation with company business [10]. It is different with CSR that is practically often relates with company business [11].

Retail is one of company kind that is also responsibility conducting social responsibility. So, activity that is conducted by retail also concerns on social and environment [12]. Social responsibility is done by retail through some social activities on surrounding environment. That activity is obviously useful indirectly retail, where its impact on good store image in the eye of customer [13]. Some cases that relates to social responsibility such as supports good causes, is an environmentally responsible company, and maintains high standards in the way it treats people [14].

B. Store Image and Customer Behavior

Retail is a retail business (product) that is conducted to customer directly [15]. Stated by Lin & Liao (2012) "store image is the sum of information and emotional of a consumer to a store characteristics, and other impression form long time". Every product offered by retail obviously has value in the eyes of customer [17], this case relates to store image that is valued by customer. There are some kinds of retails, one of them are supermarket that one of products from organic types [3]. This case that indicates organic product suppliers give its product to supermarket, with the expectation of store image can improve customer's desire to buy organic product [18].

In the previous research has many explained that customer behavior is very related to store image [19]. Trust is one of customer behavior [20], where its impact on customer decision

in selecting retail. It encourages retail to improve store image, through some approaches of marketing strategy. Finally, it is known that store image truly can be mediating variable on customer trust [3].

C. Customer Trust on Environmentally Friendly Product

Customer trust relates to value that is adopted by customer when selecting retail products that can fulfill its needs [21]. It means that customer trust relates to customer needs for product wants. The less of customer truly impacts on customer's interest in selecting product offered by retail [22]. It can be interpreted that every retail needs to keep trust from customer. In organic products, customer trust is feeling that appears from customer based on the result from credibility, benevolence and product ability on environmentally friendly performance (Chen, 2010). Organic product has additional value from conventional product, however the less of customer is not believed. It depends on marketing manager performance in ensuring customer to believe product of his creation [15].

Trust is invisible by eyes, so customer sometimes is giddy with its trust value for product face [24]. The value from customer trust on environmentally friendly products finally get together on environment attributes, where product produced is not bad impact to environment [3].

II. QUANTITATIVE METHOD AND MEASUREMENTS

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

There were 500 customers of retail that became research respondents through questionnaire, in which questionnaire finding result processed by Structural Equation Model (SEM) approach, with analysis tool Lisrel. Variable reviewed included social responsibility; store image and customer trust (Fig. 1)

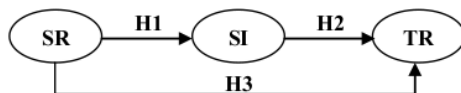


Fig. 1. Research Framework & Hypotheses

Hypothesis:

H1. Social responsibility has positive correlation with store image that sells organic product.

H2. Store image has positive correlation with customer trust on organic product.

H3. Social responsibility has positive correlation with customer trust on organic product.

Every research variable was explained in questionnaire, to measure those variables were using Likert scale which was 1-5. Where its measurement from "disagree" until "agree", from each indicator which was on each research indicator. Social Responsibility (SR) was retail concept in observing social activity and its environment that became its responsibility [7]. The case that became consideration such as social responsibility which was supports good causes, was an environmentally responsible company, and maintains high standards in the way it treated people [14]. Store Image (SI) was a set of information and customer emotional for characteristic and other impression that was assessed in long period [16]. The measurement used such as merchandise (assortment, style, quality), store atmosphere (clean, display, wide, light, sound effect) and promotion (advertising, decoration, discount) [25]–[28]. Customer Trust (TR) was feeling that appeared for product on environmentally friendly performance (Chen, 2010). The measurement used such as reliable, dependable, trustworthy, expectations, environment protection and safer [29].

III. RESULTS AND DISCUSSIONS

The finding is obtained 361 respondents that valid data of questionnaire, then conducted research model analysis through Structural Equation Model. Before conducting analysis on research model conducted validity and reliability test, the result of all research constructs stated valid and reliable. Terminated with research hypothesis test, where hypothesis test result found significantly (support) for all correlation, except social responsibility on customer trust. For more detail it is stated on Table 1.

TABLE 1. HYPOTHESIS TEST RESULT

| Hypothesis | Path Coefficients | t-value | Results |
|------------|-------------------|---------|-----------|
| SR→SI H1 | 0.17 | 3.90 | Support |
| SR→TR H2 | 0.13 | 1.95 | Unsupport |
| SI→TR H3 | 0.80 | 7.19 | Support |

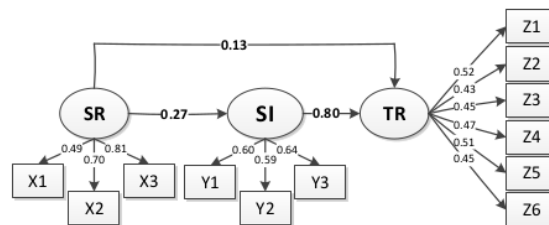


Fig. 2. Research Finding Model of Store Image Moderating

In Fig 2, shows that social responsibility has positive correlation with store image, both with customer trust. Besides that store image has also positive correlation with customer trust. But according to Table 1, the correlation of social responsibility is not significant to customer trust directly. It means that store image can mediate the correlation of social responsibility with customer trust.

A. The Correlation of Social Responsibility with Store Image

Finding research (Fig. 2) explains that there is correlation between social responsibility with store image. That finding is in line with previous review, where customer will evaluate good from store image when those industries give attention in surrounding environment [30]. Social responsibility is social activity that run of each retail, with the expectation the business runs and supports by surrounding environment. It is not too standard rules that stated government in social responsibility activity, all of them are giving back to retail. As result, this activity is rarely conducted to retail business, so sometimes it is not too get feeling of the benefit by surrounding environment. However by founding the correlation between social responsibility with store image, becomes policy input especially retail in marketing strategy relates to social responsibility.

B. Mediating of Store Image and Customer Trust

Customer trust becomes the core in this study, where research finding stated can be influenced better by store image than social responsibility (Fig.2). If it is reviewed, a part of this study seems the same with a part of previous research, particular of organic products, that differentiates store image fully supported by customer perceived quality [3].

In store image reviews merchandise, store atmosphere and promotion. Though only a small part for retail strategy applies for organic product, but the fact influences directly on customer trust level on organic product. The whole of measurement become the important attention to customer and evoke customer behavior when they are on retail. So it is assumed important for retail to keep notice store image, in order to improve customer trust for product offered.

C. Unsupporting of Social Responsibility on Customer Trust

Another part from the research that becomes discussion is directly correlation from social responsibility with customer trust. In which its result correlates but the value is very low, those result depend on Table 1, where it is not encouraging the correlation between social responsibilities with customer trust for organic products. This case can be interpreted that social responsibility cannot be strategy in improving customer trust for product offered by retail. A part from this research finding argues the previous research, especially for retail [31], it assumed cultural difference on society in a country becomes the cause of study result difference.

IV. CONCLUSION AND LIMITATIONS

Customer trust for organic product that offered by retail is trully determined by implementation of social responsibility, but it is needed mediation from store image. Full mediation from store image becomes the important part in this study, like finding in the previous study, especially retail [3]. Research model finding can be input for retail industry in determining social responsibility strategy. Besides for government in determining society caring on environmentally friendly

products, through information improvement relates to organic product.

This study has limitation, where it does not review from the side of customer caring for environmentally friendly product (green awareness), that also becomes apart on customer trust for organic product [32]. Besides that, it needs there is research model changing, remember social responsibility cannot influence indirectly customer trust on organic product.

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