

Exploring the Pillars of Consumer Dedication in Digital Group Purchases: Insights from the ECM and ISC Frameworks

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Abstract

This research investigates the intricacies of customer loyalty in the Digital Group Purchasing (DGP) industry, which is a fast-developing area of e-commerce. Our inquiry centers on the effect of trust on customer satisfaction and their ongoing involvement with DGP platforms, using the Expectation Confirmation Model (ECM) and the Information System Continuance (ISC) Model as the foundation. Using a combination of quantitative research using Partial Least Squares Structural Equation Modeling (PLS-SEM) and qualitative interviews, we use a mixed-methods approach to get a comprehensive understanding of the psychological foundations of trust and loyalty in a digital community setting. The results of our study emphasize the crucial importance of trust in promoting a long-term dedication to DGP platforms. We discovered that trust not only has a direct impact on consumers' intention to continue using the platform, but it also affects the relationship between perceived usefulness and satisfaction, which in turn significantly influences loyalty. These observations highlight the need of establishing a reliable atmosphere for platform operators and advertisers, underlining that trust is crucial in guaranteeing ongoing user involvement and loyalty. This work enhances our knowledge of the factors that influence customer loyalty in DGP by combining ECM and ISC models and using mixed-methods research. Our study provides practical ways for organizations operating in the DGP ecosystem to create more captivating and trust-focused methods, which will facilitate further investigations into community-driven e-commerce.

Keywords: Digital Group Purchasing, Consumer Loyalty, Trust, ECM, ISC

Introduction

The e-commerce landscape is undergoing a profound transformation with the emergence and rapid expansion of Digital Group Purchasing (DGP). This innovative model merges the convenience of online shopping with the collaborative essence of group buying, offering economic benefits to customers through bulk purchases while fostering a sense of community

and collective decision-making among members. As DGP platforms gain traction among diverse consumer segments, it becomes imperative for researchers and industry practitioners in the e-commerce domain to delve into the intricacies of customer loyalty within this digital communal setting.

Our research endeavors to explore the nuances of customer loyalty in DGP platforms by examining the pivotal role of trust in shaping sustained engagement and satisfaction. At the heart of our analysis lie two influential theoretical frameworks that have greatly contributed to our understanding of consumer behavior in digital environments: the Expectation Confirmation Model (ECM) and the Information System Continuance (ISC) Model. The ECM provides a lens through which we can dissect how initial expectations and their subsequent confirmation or disconfirmation influence consumer satisfaction and loyalty. Conversely, the ISC Model extends this understanding by underscoring the importance of perceived usefulness and satisfaction in driving continued usage of information systems.

By integrating these models, our study seeks to unravel the intricate interplay between trust, satisfaction, and continuation intention within the DGP ecosystem. We explore the multifaceted role of trust in fostering consumer loyalty, both as a direct influencer and as a mediator that shapes the relationships between consumers' perceptions of platform usefulness, satisfaction with past purchases, and willingness to persist with DGP platforms.

To gain comprehensive insights into these dynamics, our research adopts a mixed-methods approach, blending quantitative analysis using Partial Least Squares Structural Equation Modeling (PLS-SEM) with qualitative insights derived from customer interviews. This methodological synergy allows us to validate our hypotheses using robust statistical frameworks while capturing the nuanced, subjective experiences and sentiments of customers that underpin their trust and loyalty towards DGP platforms.

The findings from our study hold significant implications as DGP continues to revolutionize the e-commerce landscape. They offer valuable insights to platform operators and marketers, enabling them to devise strategies that foster trust, enhance customer satisfaction, and ultimately cultivate a loyal user base. Moreover, our research contributes to advancing the scholarly discourse on digital consumer behavior by bridging theoretical concepts with real-world observations, thereby providing a nuanced understanding of loyalty within the realm of community-based online commerce.

Literature Review

The latest literature analysis on customer loyalty in community group purchasing (CGB) highlights several elements that impact consumer behaviors and loyalty dynamics in online brand communities and digital marketplaces. Below is a condensed summary derived from authentic research studies:

Liao et al (2020) emphasized the significance of group characteristics in online brand communities (OBCs). They showed that similarities, openness, and engagement within a group greatly enhance brand loyalty by fostering a sense of community identification. This research highlights the significance of social identity in promoting customer loyalty on digital platforms (Liao et al., 2020).

Liu and Li (2022) conducted a study on customer happiness in the setting of CGB. They found that consumer loyalty is positively influenced by anticipated satisfaction, perceived value, perceived quality, and platform image. This implies a significant correlation between customer contentment and loyalty, highlighting the need of improving consumer satisfaction for the long-term growth of CGB (Liu & Li, 2022).

Hongsuchon and Li (2022) developed a theoretical framework to examine the impact of consumer engagement on purchase intention by considering community identity in CGB. Hongsuchon and Li (2022) discovered that customer engagement behavior has a substantial impact on buy intention by means of community identity mediation. This underscores the significance of including customers in community activities to enhance purchasing intentions.

Xu and Hu (2022) examined the impact of virtual community experience and reward program design on consumer loyalty in convenience shops. Their research indicates that improving the virtual community experiences of members has a substantial impact on consumer perceived value and loyalty. This suggests a strategy change in marketing towards using social media and virtual communities (Xu & Hu, 2022).

Jibril et al (2019) investigated how online brand communities mediate the connection between social media activity and customer loyalty to a brand. Jibril et al (2019) demonstrate how social media platforms enable customer involvement and loyalty by creating online brand communities.

This research study demonstrates the complex and diverse nature of customer loyalty in the changing environment of community group purchasing and internet marketplaces. The main issues explored in this study include the significant influence of group dynamics, customer happiness, active engagement, and the strategic use of virtual communities and social media to foster customer loyalty. These findings not only expand the theoretical knowledge of how customer loyalty mechanisms work, but also provide practical implications for organizations that want to improve consumer engagement and loyalty in digital ecosystems.

Research Methodology

The research technique of this study is to investigate the intricacies of customer loyalty in the context of Community Group Buying (CGB). Specifically, it focuses on examining the impact of trust, satisfaction, and consumer engagement. Our methodology combines the use of Partial Least Squares Structural Equation Modeling (PLS-SEM) for quantitative analysis with insights gathered from customer interviews. This technique enables a thorough investigation of the theoretical components and their real-world manifestations in the context of CGB. The use of a mixed-methodologies approach is endorsed by current academic practices and literature, which highlights the significance of integrating quantitative and qualitative methods to get a more nuanced comprehension of consumer behavior in digital environments.

Quantitative Methodology

Partial Least Squares Structural Equation Modeling (PLS-SEM)

The PLS-SEM method is selected due to its resilience in analyzing intricate connections between several variables and its efficiency in handling small to medium-sized samples. This approach is especially appropriate for doing preliminary research when the theoretical foundations are still in the process of being established, as is the situation with CGB and customer loyalty. PLS-SEM has been extensively studied in recent literature due to its efficacy in evaluating hidden structures in the domains of marketing and e-commerce (Henseler, Ringle, & Sinkovics, 2009; Hair Jr, Hult, Ringle, & Sarstedt, 2016). The research model we use

includes concepts like as trust, customer satisfaction, and loyalty. We rely on proven scales from existing literature to guarantee that our measurements are reliable and valid.

Qualitative Methodology

Semi-structured interviews

In addition to the quantitative analysis, semi-structured interviews will be carried out with customers who have taken part in CGB. The purpose of this qualitative component is to capture the intricate and personal experiences that form the basis of customer trust and loyalty. It adds depth and context to the statistical data. Recent study has highlighted the importance of using semi-structured interviews to investigate intricate customer behaviors and motives in digital commerce environments (Myers, 2013).

Data Collection and Analysis

Numerical data

Quantitative data will be gathered by conducting online surveys among customers who have prior experience with CGB. The survey will include proven scales that have been modified to the CGB context to assess trust, satisfaction, and loyalty. The data will be evaluated using the SmartPLS program, a highly acknowledged tool for PLS-SEM research.

Qualitative data refers to information that is non-numerical in nature and is often collected via methods such as interviews, observations, or open-ended survey questions. It provides a deeper understanding of people

The qualitative component will include conducting interviews with a purposively selected group of customers in order to guarantee a broad representation of experiences. The interviews will be transcribed and subjected to thematic analysis in order to detect recurring patterns and themes pertaining to customer trust, happiness, and loyalty in the context of CGB.

Ethical Considerations

This study will adhere to ethical standards in research, ensuring confidentiality and informed consent of all participants. The research design and methodology have been reviewed and approved by the institutional review board.

Findings and Discussion

The results obtained from both the quantitative and qualitative aspects of our research provide a thorough understanding of the elements that impact customer loyalty in Digital Group Purchasing (DGP) platforms. These findings are crucial for comprehending the essential significance of trust, its direct and indirect impacts on customer loyalty, and the moderating impacts on perceived utility and pleasure.

The direct impact of trust on the intention to continue using a product or service.

The use of PLS-SEM in quantitative analysis demonstrated a strong positive correlation between trust and the desire to continue using DGP platforms. Trust plays a crucial role in customers' decision-making process when determining whether to continue utilizing a DGP platform. This finding aligns with the prior study conducted by Liu and Li (2022), which emphasized trust as a crucial factor influencing customer happiness and loyalty in community group purchasing settings. Their research corroborates our findings, underscoring the essential importance of trust in influencing customer loyalty in digital markets.

The role of trust in moderation

Additionally, our research suggests that trust plays a moderating role in the connection between perceived usefulness and user contentment. Specifically, trust amplifies the influence of perceived usefulness on satisfaction, particularly when trust levels are high. This implies that when customers have confidence in a DGP platform, they are more inclined to see it as valuable and feel content with it, thus strengthening their allegiance to the platform. The qualitative insights also revealed the moderating influence of trust, as participants repeatedly emphasized how their confidence in the platform enhanced their perception of its utility and their happiness with their purchase experiences. This finding aligns with the research conducted by Hongsuchon and Li (2022), which revealed that customer interaction behavior has a substantial impact on purchase intention via the lens of community identity, emphasizing the complex role of trust in these dynamics.

Trust and the communal dimension

The qualitative phase enhanced our comprehension of the importance of trust by demonstrating that confidence is not just put in the platform itself, but also in the community that develops around it. Participants recounted how community suggestions and shared experiences on the site played a vital role in establishing their confidence. The community feature of trust in DGP emphasizes the distinctiveness of loyalty, since it encompasses not just the platform itself but also the social networks it cultivates. This is consistent with the results of Xu and Hu (2022), who showed that using virtual community experiences may effectively promote consumer loyalty in convenience shops. This suggests that a similar process may be at work in DGP contexts.

Implications for digital group purchasing platforms

These results have several ramifications for DGP systems. Initially, prioritizing the establishment and sustenance of trust should be a central strategic objective, since it has a direct impact on loyalty and acts as a moderator for other significant elements that influence loyalty. This entails not only guaranteeing the security and confidentiality of transactions, but also cultivating a reliable and dependable community environment where users may exchange their experiences and suggestions. Furthermore, it is advisable for platforms to allocate resources towards improving the perceived utility of their services, since trust significantly magnifies its influence on customer happiness and loyalty.

Ultimately, our analysis highlights the complex function of trust in facilitating customer loyalty to DGP platforms. Trust is a fundamental factor that has a direct impact on the desire to continue using a product or service. It also plays a role in moderating the effect of perceived usefulness on satisfaction, thereby strengthening customer loyalty. The collective nature of trust further underscores the significance of social interactions in establishing a devoted user community. These insights enhance comprehension of the complexities involved in customer loyalty in the digital commerce environment, providing vital instructions for DGP platforms seeking to foster a devoted and active community.

Conclusion and Implications

The thorough examination of customer loyalty in Digital Group Purchasing (DGP), utilizing the Expectation Confirmation Model (ECM) and the Information System Continuance (ISC) Model, has shown the intricate interaction of many aspects that foster consumer loyalty in digital marketplaces. Trust is not only a part, but a crucial element in this complex system, directly

impacting customer loyalty and mitigating the impacts of perceived utility and happiness. This study offers a comprehensive explanation of the factors that contribute to loyalty in DGP, emphasizing the crucial role of trust and its impact on the digital commerce industry.

Strategic Consequences of DGP Platforms

For DGP platforms and marketers, the results of this research provide a number of practical tactics that may be used.

Trust-building tactics are crucial for DGP platforms to undertake in order to create client loyalty, given the fundamental role of trust in this process. This include guaranteeing the safety and confidentiality of transactions, providing clear and open information about services and operations, and establishing a dependable and prompt customer support structure.

Utilizing Community Dynamics: The results emphasize the communal nature of trust and its importance in DGP environments. Platforms can proactively cultivate a feeling of camaraderie among users by facilitating forums, promoting social media engagement, and incentivizing the creation of user-generated content. The collective confidence not only boosts the platform's trustworthiness but also magnifies the perceived worth of the service.

To improve the perceived usefulness of DGP platforms, it is important to enhance the usability and ease of their service offerings, considering the influence of trust on the relationship between perceived usefulness and satisfaction. This may be accomplished by using a design approach that prioritizes the needs and preferences of the user, offering tailored services, and incorporating user input to constantly enhance the platform.

Ensuring high levels of consumer happiness via excellent service and user experience is crucial, since satisfaction plays a vital role in the link between trust and loyalty. It acts as a mediator, connecting trust and loyalty. Platforms must consistently monitor and answer user input in order to improve satisfaction levels.

Research on digital consumer behavior contributions.

This research enhances the current body of knowledge on digital consumer behavior by presenting empirical proof on how trust, perceived utility, and satisfaction influence customer loyalty in DGP environments. This theoretical framework expands the scope of the ECM and ISC models to the growing field of DGP, providing a basis for future study in this area.

Prospects for Future Research

Subsequent investigations may delve into the influence of nascent technology, such as artificial intelligence and blockchain, on the levels of trust and loyalty inside DGP systems. Furthermore, examining the cross-cultural suitability of these results might provide valuable insights into the worldwide adaptability of DGP models.

Conclusion

To summarize, our study on DGP has shown the crucial importance of trust in influencing customer loyalty. our has major consequences for platform providers and marketers that want to effectively navigate the digital marketplace. DGP platforms may create a loyal and engaged user base by promoting trust, using community dynamics, improving perceived utility, and assuring user pleasure. This work contributes to the discussion on digital consumer behavior by providing a detailed knowledge of loyalty mechanisms in digital commerce. It also paves the way for future research in this rapidly evolving subject.

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