PERCEPTIONS OF TECHNICAL AND SOCIAL PRESENCE TOWARDS CUSTOMERS TRUST AND VALUE: CLICK-AND-BRICK VERSUS PURE-CLICK RETAILERS

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ABSTRACT

Manuscript type: Empirical
Research Aims: Sellers/retailers understand that there is always a risk behind online interaction (e.g., anonymity or proximity) and respond with the multi-platform commercial channel (click-and-brick). Consequently, the click-and-brick (multi-channel) retailers gain, relatively, an immense prominence and rivalry from the pure-click (single-channel) retailers. The present study attempts to measure the impacts of both retailers’ (multi and single) web-features on trust and value perceptions.

Design: Utilising structural equation modelling, the current study recruited 565 experienced respondents to provide primary data.

Research Findings: These empirical findings provide several insights (recommendations) to pure-click retailers in developing and promoting offline presence, thus weathering the competition from multi-channel retailers.

Theoretical Contribution: Past authors propose online loyalty construct into the online consumer behaviour. However, they ultimately concluded that the employed e-service features produced insignificant influence on the patron’s e-loyalty. Instead of the e-loyalty variable, the perceived value construct is introduced in the recent study.

Research Limitation: Limitation of the present study originates from the research scope, which revolves around customer’s perception of a real-life retailer’s brand. The question remains if the retailer’s unresolved negative performance could overwrite the perceived value and make them prone to brand-switching.

Keywords: e-commerce, web-features, perceived trust, perceived value

INTRODUCTION

Internet users have proliferated and grown tremendously over the past two decades (Cho & Kim, 2012). This trend/pattern has further been supported by research bodies’ findings, as can be seen in the Indonesia’s media penetration data acquired by The Nielsen Company (The New Trends amongst..., July 2017). Furthermore, Nielsen finds that the internet user’s proliferation rate has increased steadily in recent years and that Indonesia ranked eighth place as the world’s biggest country in Internet usage (Putri, 2015). The Internet changes the way a customer identifies, communicates, and makes purchase decisions (Cho & Kim, 2012).
According to Divante (2016), business-to-consumers (B2C) e-commerce sales worldwide increased to around $1,700 billion USD by 2015 or experienced annual growth of approximately 16%. By 2015, global retail e-commerce transactions amounted to 7% of the total retail market worldwide (Divante, 2016). Tyco (2014) agreed that e-commerce is rapidly growing its share of the sales channel, while another source forecasted that this trend will further account for $4,051 billion USD or approximately 14.6% of worldwide retail spending by 2020 (eMarketer, 2016). Price Waterhouse Coopers (PWC), in a joint report project with the Economist Intelligence Unit, expected that Asian regions, notably China, will continue to drive global growth in e-commerce and will also be well primed for sales made using mobile devices (m-commerce) and social media (Price Waterhouse Coopers, 2015).

Beginning from 2012 – 2015, the Asia-Pacific region has become the leading region for e-commerce sales (Marketing Interactive, 2015), which represents 33.4% of total online retailing spending (amounts to $1,700 billion USD), compared to 31.7% in North America and 24.6% in Western Europe (Divante, 2016). eMarketer (2016) further predicted that Asia-Pacific will remain the world’s largest retail e-commerce market throughout the forecast period, with sales expected to grow more than twofold to $2.725 trillion USD by 2020 due to the multiplication of the middle class, greater mobile and Internet penetration, growing competition of ecommerce players, and improving logistics and infrastructure. For Indonesia, the Economist Intelligence Unit forecast that retail sales would rise to $639 billion USD in 2018 (Price Waterhouse Coopers, 2015). Indonesia has been attracting an increasing amount of attention to its e-commerce sector, given that almost 90% of Indonesia’s urban population now owns a smartphone (Price Waterhouse Coopers, 2015). According to research provided by regional e-commerce firm Lazada, no more than 7% of Indonesian regular Internet users buy goods online (Price Waterhouse Coopers, 2015). Nielsen also found that e-commerce transactions are still highly concentrated, with the capital city of Jakarta accounting for around 40% of national online sales (Price Waterhouse Coopers, 2015).

Through the advent of the Internet and the ubiquity of technological gadgets, previous research proposed that customers have become familiar with e-tailing (Patrali Chatterjee & Kumar, 2017; Cui & Lai, 2013) and begun to shift their preferences towards online shopping, instead of traditional/conventional shopping, mainly due to its convenience (Chiang & Dholakia, 2003; V. Shankar, Smith, & Rangaswamy, 2003). The pure-click industry, especially retailers, has turned disruptive (Patrali Chatterjee & Kumar, 2017; P. C. Verhoeof, Kannan, & Inman, 2015) and was even once considered as the demise of conventional/pure-brick players (Jin & Kim, 2010). Recently, however, the online realm’s superiority has been diminishing as brick-and-mortar players delve into click-and-brick strategies (Avery et al., 2012; Jin & Kim, 2010). Refusing to lag behind the times, retailers have been considering a multi-channel option/approach as a driver of marketing objectives (e.g., Ansari et al., 2008). Besides the brick-and-mortar players, the multi-channel decision also pertains to the web-players, who should decide whether to expand into the offline environment (Avery, Steenburgh, Deighton, & Caravella, 2012).

The purpose of the present study is to investigate an empirical model of trust and value constructs and to find empirical evidence on certain features that significantly impact such value-driven decisions. The generated empirical evidence is then expected to assist retailers, mainly pure-click ones, in deciding whether to proceed with offline or physical channel expansion. The authors attempted to explore the perceptions of functional/technical and social presence web-features on customer’s perceived trust and value towards retailer’s e-commerce channel offered by the retailer (e.g., online shopping store).
E-Commerce (General Concept)

In B2C, e-commerce is defined as a marketing channel deployed and managed to nurture and sustain valuable relations with end-consumers (Steinfield et al., 2002). The website constitutes superior (relative to physical platform) elements including no temporal or distance limitations, personalisation, universal access, and so on (Viswanathan, 2005). According to Steinfield et al. (2002), e-commerce could render the concept of distance irrelevant (vendors need not be present geographically) and could opt for third parties outsourcing the handling of customer orders. However, as mentioned by Vasile and Teodorescu (2015), this e-commerce revolution also generated many overestimations. The brick-and-mortar (conventional) vendors then used this electronic commerce bubble as a leverage by incorporating new online (virtual) elements to redefine their business model (Vasile & Teodorescu, 2015). The attention of researchers is ultimately garnered into newer business models and channel integration topics (Vasile & Teodorescu, 2015).

Website Features on Trust Towards Web and Role of Channel Structures

Various authors have shown that website features play a vital role in building customer loyalty to an online merchant (e.g., Chang, Wang, & Yang, 2009). However, an effective web platform should offer the same characteristics that a customer service representative would offer, allowing the customer to psychologically and socially feel the presence of the company’s representative (Toufaily, Soudien, & Ladhari, 2013). Wallace et al. (2004) suggested that customers are more likely to engage in a relationship and build trust and satisfaction (value) when provided with more touch points. In particular, the physical channel is likely to act as a frame of reference (Fernandez-Sabiote & Roman, 2012) for the evaluation of websites.

The physical channel is likely to become a customer’s reference point (Fernandez-Sabiote & Roman, 2012) in evaluating the website features, especially with multi-channel retailer’s enhanced points of contact (quality and quantity). Supphellen and Nysveen (2001) suggested that rather than considering the specific characteristics of a particular website and using this information to form an attitude toward the website, customers directly relate their site assessment to its associated brand. As patrons will more likely compare these different channels (Kwon & Lennon, 2009), the very comparison should form their quality consideration and evaluation (Liao, Yen, & Li, 2011) and eventually engender trust in an online context. In a multi-channel context, Montoya-Weiss et al. (2003) stated that offline sites and awareness

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**Table 1. The proposed research model**

<table>
<thead>
<tr>
<th>CLICK-AND-BRICK OR PURE-CCLICK RETAILERS</th>
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<tbody>
<tr>
<td>PERCEIVED TECHNICAL WEB-FEATURES</td>
</tr>
<tr>
<td>PERCEIVED SOCIAL PRESENCE WEB-FEATURES</td>
</tr>
<tr>
<td>PERCEIVED TRUST</td>
</tr>
<tr>
<td>PERCEIVED VALUE</td>
</tr>
</tbody>
</table>

Source: Combined & adapted from Kim, Xu, & Gupta, 2012; Toufaily & Pons, 2017

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serve as a frame of reference to web-platform and its performance assessment likely due to service depth justification (Wallace et al., 2004).

**Technical Features**

Nantel, Berrada, and Bressolles (2005) defined functional features or characteristics of a website as the core dimensions that operationalise commercial websites (for the common users), including several elements such as security, aesthetics, and so on (Toufaily & Pons, 2017). For online retailers, online service quality becomes a critical means of comprehending whether the retailer relevantly delivers the type, amount, and quality of desired information to customers (S. Kim & Stoel, 2004). Impacts of different channel structures toward customer’s trust perceptions are strongly expected (Toufaily et al., 2013; Toufaily & Pons, 2017). The patrons are expected to realise more interactions due to various channels, and ultimately more satisfaction as well as more affects (Wallace et al., 2004).

In the current research, the authors assigned and measured four dimensions of web-features. The first dimension is the information adequacy (S. J. Barnes & Vidgen, 2002), as it reduces obscure product details and enhances customers’ decision-making process (V. Shankar et al., 2003). The second dimension is the design application on web-feature. The presented elements of web-design refer to the development of an enhanced sensorial environment (Steuer, 1992) beneficial to customers’ convenience or satisfaction (Jin & Kim, 2010). The third element is the ease-of-use of the website and its features. Lastly is the interactivity dimension of the web-feature, which refers to the supports that allow a user to freely alter any kind of details during their interaction with a certain environment/platform (S. J. Barnes & Vidgen, 2002; Bressolles et al., 2007; Steuer, 1992). Therefore, the first hypothesis in the present study is as follows:

**H1:** *Within a click-and-brick context*, the technical (relative to social presence) web-features convey more influence in forming customers’ trust perceptions

**Social Presence Features**

Gefen and Straub (2003) defined social presence as the degree of measuring the capability of a medium in allowing the users to psychologically perceive other parties’ presence. Furthermore, previous research reported that social attributes determine the effectiveness of a website (Toufaily & Pons, 2017). An effective website should enable and promote social presence in the customer-vendor context (Riegelsberger et al., 2003; Toufaily & Pons, 2017) for the features that are required to facilitate human-computer interactions, hence replicating the trust engendered in natural exchanges (Cyr et al., 2007; Steinbruck et al., 2002).

Reviews written (especially by customers) on the Internet, called online reviews, are considered as a capable means of facilitating the interaction occurring in the online context (Duan, Gu, & Whinston, 2008; Mangold & Smith, 2012; Zhao, Wang, Guo, & Law, 2015). Online reviews are deemed as able to alleviate uncertainty and risk in e-commerce practices, including visitation to the retailer’s online platform (Lee & Ma, 2012). Due to lack of physical presence, the influence of social attributes becomes more prominent (relative to their equivalents) towards single channel retailers (Toufaily et al., 2013). Consequently, a greater social-presence influence on perceived trust should prevail more obviously for single channel retailers (Toufaily & Pons, 2017).

**H2:** *Within a pure-click context*, the social presence (relative to technical) web-features convey more influence in forming customers’ trust perceptions

**Trust Perception Towards Web-Platforms Across Different Channel Structures**

The lack of credibility or integrity on opportunist e-commerce players has long been a recurring issue, despite its cruciality in maintaining a beneficial relationship with the patrons (Kim,
Xu, & Koh, 2004; F. F. Reichheld & Scheffter, 2000). There seems to be evidence displaying the increase of occurrence and damage of consumer deception in line with the growing existence of e-commerce (Grazioli & Jarvenpaa, 2000). As customers perceive more trust, they will hold more confidence in sustaining a business relationship with the vendors whom they believe, and it ultimately produces more benefits and value (Kim et al., 2012).

Regardless of a patron’s extent/level of experience with a particular retailer, the notion of trust perceptions stands true and relevant; repeat buyers retrieve the values of retailer’s current performance level and compare it to their initial trust level (Singh & Sirdeshmukh, 2000). Repeat or previous buyers enhance their perceived trust through acquired values from recurrent interactions with retailers, in addition to quality features presented on web-platforms (Kim et al., 2004). Multi-channel retailers should more likely benefit from their physical existence, relative to their single-channel counterparts, in developing trust perceptions among the patrons (Kwon & Lennon, 2009).

H3: Customers of click-and-brick retailers perceive a greater extent of perceived trust in comparison with customers of pure-click retailers.

Value Concept Across Different Channel Structures

Previous authors proposed an online loyalty construct to gain further insight into online consumer behaviour (Toufaily & Pons, 2017). However, these authors concluded that the employed e-service features produced insignificant influence on the patron’s e-loyalty, thus emphasising the inadequacy of the construct in deriving or predicting a behaviour expectancy (Cui & Lai, 2013; Sirdeshmukh et al., 2002) and in maintaining the sustainable trust-based relationship (Toufaily & Pons, 2017). In exchange of the e-loyalty variable, the perceived value construct is introduced (Figure 1) as it could better delineate consumer behaviour (Kim et al., 2012; Parasuraman et al., 2005; Zeithaml et al., 2002) through the goal and action conceptual framework (Alhabeeb, 2007; Parasuraman et al., 2005; Sirdeshmukh et al., 2002).

Sirdeshmukh et al. (2002), deriving from Zeithaml (1988), defined value as the consumer’s perception of the benefits minus the costs of maintaining an ongoing relationship with a service provider. Customers will hold more confidence (trust perceptions) in sustaining a business relationship with vendors they believe, hence realising more benefits and value (Kim et al., 2012). With the assistance of their physical channels (e.g., stores), multichannel retailers have greater opportunity to facilitate more interaction with their customers through the increased channel assortments (Wallace, Giese, & Johnson, 2004). Therefore, multi-channel customers have more opportunities to confirm their expectations and easily derive more affects and values (Oliver, 1980).

Moreover, from the perspective of goal and action identity theories, value is considered as a more significant aim which becomes an underlying factor within any interactions conducted (Sirdeshmukh et al., 2002). The role of perceived value as a reference or foundation for delivering actions has been empirically discussed in the context of marketing (Woodruff, 1997). Humans (including their roles as customers or users) are considered as natural value seekers who desire and search for values, as maximum as possible, embedded in their exchanges and relationships (Alhabeeb, 2007). This customer value notion/construct then becomes the underlying foundation that develops marketing as value-adding business frameworks and practices (Sirdeshmukh et al., 2002).

The theories provide justification as to why values become a preceding construct in prompting customers’ actions and ultimately recurring behaviour, which is better termed as loyalty. Benefiting from the perception of trust, customers will hold more confidence in sustaining business relationships with the vendors they believe (H. W. Kim et al., 2012). The perceived trust,
henceforth, enhances the net acquisition utility due to the non-economic cost (i.e., time, effort, or opportunistic behaviour), saving and generating more value perception (i.e., more utility), thus explaining patrons’ behaviours (H. W. Kim et al., 2012). Rational costumers are then expected to lean and rely on retailers that have been able or proven to deliver more perceived values (H. W. Kim et al., 2012).

Utilising the perspective of the goal and action identity concept, value becomes more significant as an underlying driver of every interaction (Sirdeshmukh et al., 2002). The significance of perceived value as a foundation for delivering actions has been discussed in the marketing context (Woodruff, 1997), for customers always desire and search for values whenever acceptable or possible (Alhabeeb, 2007). The theories delineate the appropriateness of perceived values in prompting customers’ actions and recurring behaviours (i.e., loyalty). Perceiving more trust, customers will hold more confidence in sustaining relationships with respectable retailers (H. W. Kim et al., 2012). Rationally behaved costumers should therefore remain as the patrons of a website that delivers superior values (H. W. Kim et al., 2012). In conclusion, perceived value (i.e., net satisfaction) is considered a better predictor of consumer behaviour (Wallace et al., 2004), and multiple channel retailers could capitalise on these findings. Interestingly, as the value construct becomes a valid, utilitarian driver of consumer behaviour and actions, it is also expected that value-driven decisions are equally significant and important to repeated buyers who generate a pool of satisfaction through recurring interactions (therefore inducing loyalty dimension), as well as potential buyers who attempt to locate any signals that enable them to anchor their trust as a sign of potential value if they decide to interact with these retailers (who seem credible and worthy of their trust at a glance).

H4: Customers of click-and-brick retailers perceive a greater value perception vis-à-vis customers of pure-click retailers.

**RESEARCH METHODS**

Website features and social presence were independent variables (predictors) employed in the current research. The impact of technical features has been discussed in previous research on technical elements (Palmer, 2002; Aladwani and Palvia, 2002). Nantel et al. (2005) defined functional features or characteristics of a website as the core dimensions that operationalise commercial features or characteristics of a website as the core dimensions that operationalise commercial websites (for the common users), including several elements such as security, aesthetics, and so on (Toufaily & Pons, 2017). Despite the importance of technical dimension to nurture relationships, social attributes of a website should also be accounted for, as it is expected to be as (or more) beneficial as the former one (Toufaily & Pons, 2017).

Most of the previous research discussed and put emphasis only on the technical dimension of websites (Palmer, 2002; Aladwani & Palvia, 2002). Online platforms, striving to be more effective, should consider adding the social elements that promote a socially conducive environment within the website (Toufaily et al., 2013). Unfortunately, the online-based exchange process is technically constrained by the technicalities of the platform (Gefen & Straub, 2003). Therefore, previous research has accommodated the social presence element as the determinant of online (e.g., retailer’s website) trust, enjoyment, utility, satisfaction (value), intention, and loyalty (e.g., Cyr et al., 2007; Hassanein et al., 2009; Holzwarth et al., 2006). Other literature also participated in demonstrating that social presence, in substituting the vendor representative’s presence and role, empirically raised and enhanced the trust perceived by customers (Keeling et al., 2010).

Regarding the social presence variable in this current research, the pure player’s social features are considered more significant to generate perceived trust towards the retailer’s online platform, for physical element is not provided (Toufaily & Pons, 2017). Moreover, spatial separation, which prevails between customers and providers, may gradually deplete any trust per-
ceptions derived from social affinity (Toufaily & Pons, 2017). As social cues embedded, the social proximity is developed, trust perceptions could be restored (Toufaily & Pons, 2017).

For the dependent variable, the present study measures the customers value element and employs customers trust variable as a mediating or intervening variable in measuring the customer value. In addition, the classification of click-and-brick and pure-click retailers is characterised with a retailer’s physical channel presence or existence (e.g., official outlet or pop-up stores). A portfolio of channels catering to more patrons could enhance the evaluation of a retailer’s website and eventually enable customers’ expectations to more likely be confirmed (Toufaily & Pons, 2017).

Malhotra (2010) defined population as the combination of every similar element with a set of identical characteristics, which covers the entire universe of marketing research interests. The respondent population of this study consisted of the previous users or patrons of online fashion/clothing item retailers. Internet-based surveys were conducted to acquire the needed primary data for the current research.

In this research, the nonprobability sampling technique was used, namely convenience sampling. Utilising this method, the author hired the group of subjects consisting of several respondents who could be conveniently recruited (i.e., geographically located near the immediate vicinity of author) and were willing to participate in the survey (i.e., agreed to participate despite initially knowing their participation would not be compensated). The raw data obtained from the conveniently hired subjects were utilised in the current study.

RESULTS AND DISCUSSION

To ensure the comprehension of the questionnaire and to confirm the screening questions (i.e., classifying the subjects into two groups: click-and-brick and pure-click subjects), a semantic/wording check was conducted before the pre-test and main phase of data collection (Toufaily & Pons, 2017) and was conducted in a sequential mechanism until there was no additional insights or improvements generated from three people successively. The wording check/test was conducted on several potential respondents who shared similar characteristics with the population of research subjects through a sequential process (e.g., feedback collection followed with alteration process before collecting more feedback on the improved version of survey, forming a reiteration cycle). This cycle was iterated until no further comment/advice obtained from three successive respondents (i.e., indicating a reasonable level of semantic comprehension). The subsequent step of compiling required data for the necessary pre-test phase could be executed only after satisfying the previous wording check.

Sample Demographics

As many as 565 subjects with previous experience as patrons participated in the current research through accessing the online survey. To elaborate, the research subjects’ demographic data can be arranged into the following classifications: Gender; Age; Latest Occupation; Education; Monthly Spending; Purchasing Frequency; Retail Switching; and Perceived Satisfaction (or Dissatisfaction).

Among these subjects, 105 were male and 460 (81% of total respondents) were female. The whole samples’ average age level was 23.5 years old. Around 98% of the respondents belonged within a range of 16-45 years old. Students and private employees formed the majority of occupations among the respondents, followed by civil (public) servants and self-employed professionals. The majority of current subjects (276 samples or 48.8%) graduated from senior high school, followed by 211 (37.3%) who completed the undergraduate level. Precisely 172 individuals (30.4%) were numbered as the middle-class with monthly spending ranged from above IDR 2 million until exactly IDR 5 million.
**Frequency:** In a six-month period, all subjects had patronised retailers’ online platforms around three times (3.06) on average. Most of them (179 respondents or 31.7%) actually conducted two purchasing activities (i.e., once every three months within the last six months) prior to their participation in the current research, and 19.6% of total participants had purchased retailers three times (i.e., once every two months). Around 53.6% of those who purchased twice previously were from Group 2 (pure-click patrons), while 61.3% of patrons with three previous purchases were from Group 1 (click-and-brick patrons). Additionally, 5.7% of samples claimed six product invoices in a six-month period (i.e., purchasing once a month on average) and 65.6% of these subjects conducted previous purchases at multi-channel providers (classified as Group 1). Meanwhile, only 6.3% of samples had patronised more than once per month.

**Retailer Switching:** Group Switching 2 consisted of 336 samples or 59.5% of total subjects who have switched preference over several vendors (i.e., switchers) within a six-month period. Among Switching 2 group, approx. 55% were of Group 1 (click-and-brick or multi-channel patrons). Therefore, the percentage figure indicated that two out of five individuals (approximately 40.5%) chose not to be capricious (i.e., non-switchers or Group Switching 1). Around 54.1% of non-switchers were associated with Group 2 (pure-click or single channel patrons).

**Satisfaction Level:** Satisfaction level reached 85.5% of total respondents (483 samples) across different types of retailers (i.e., multi-channel vs. single channel). Although multi-channel retailers generated more satisfied patrons (50.3% of satisfied respondents within the Group 1 vs. 49.7% in Group 2), their share of unsatisfied patrons also increased simultaneously (57.3% of unsatisfied samples within Group 1 vs. 42.7% in Group 2). This suggest that while multi-channel generates more satisfaction, it also creates dissatisfaction more easily due to the more varied combination of touch points with customers (i.e., higher probability of failing customers across different channels).

On the other hand, lower dissatisfaction among the single channel patrons also implies that only relying on technical features is enough to satisfy the single channel customers more easily, as they have a more task-oriented perspective when interacting with single channel sellers. It is also relatively harder to displease them, as long as you can maintain a good level of technical features, compared to multi-channel, which should ensure more elements to fulfill higher expectations and higher satisfaction from multi-channel patrons; hence, it is easier to generate dissatisfaction among multi-channel customers. The notion which states how harder it is to displease single channel users has also been supported within the previous discussion. Description in the Retailer Switching section proposed that around 54% of non-switchers were associated with Group 2 (pure-click or single channel patrons).

**Hypotheses Testing (First and Second)**

**Click-and-Brick Group** — Each group of samples was assigned to each structural model testing in preparation of hypotheses testing. The click-and-brick (multi-channel) group consisted of 290 samples. The CFA on multi-channel group supported a reasonable fit between the measured scales and the proposed paths of the structural model. Chi-square (degrees of freedom) 1690.39 (518); CFI 0.91; NNFI 0.90; IFI 0.91. Every measured variable, within respective samples, retained significant figures of factor loading on p-value < 0.05 (T-value > 1.96). As shown in Table 1, the relevant paths to Hypotheses 1 and 2 (technical to perceived trust and social presence to perceived trust) generated significant estimates at p-value < 0.05 (T-value > 1.96), therefore fully supporting Hypothesis 1 (i.e., more significant impact of technical features in establishing trust perceptions within the click-and-brick context).

**Pure-Click Group** — The remaining 275 samples were assigned as the pure-click (single channel/pure online) group. Similar to the predecessor group (i.e., multi-channel), the CFA on the single channel group supported a reasona-
ble fit between the measured scales and the proposed paths of the structural model. Chi-square (degrees of freedom) 1562.99 (517); CFI 0.91; NNFI 0.90; IFI 0.91. Every measured variable, within respective samples, retained significant figures of factor loading on p-value < 0.05 (T-value > 1.96). Further scrutiny of Table 1 suggests that only a single relevant path (instead of two) of the hypotheses testing stage generated significant estimates at p-value < 0.05 (T-value > 1.96). Thus, Hypothesis 2 is not supported (i.e., less, instead of more, significant impact of social presence features in generating trust perceptions within the pure-click context).

### Hypotheses Testing (Third and Fourth)

Consulting the tables below, the means of perceived trust (Table 2) and value perception (Table 3) constructs conveyed statistically significant discrepancies (of mean figures between the two groups) in favour of the multi-channel group. Significant findings were evaluated based on T-statistic and p-values less than the 1-tail significance level (alpha 0.025) and thus supported the third and fourth hypotheses (i.e., greater trust perceptions towards the website and greater perceived value among the patrons of multi-channel retailers).

The empirical findings (and the first and second hypotheses testing) suggest that social presence is more essential for multi-channel retailers in sustaining the relationship with their patrons. Despite the essence of functional or technical website features in ensuring website or online platform operationalisation, a pure technical-centric website will not be as effective as another that diligently addresses the technical and social dimensions concurrently. Social presence features (e.g., images, photographs, or online reviews), however, could nurture perceived

### Table 1. Comparison of Both Structural Models (Click-and-Brick vs. Pure-Click)

<table>
<thead>
<tr>
<th>Causal Relationships</th>
<th>Estimate (T-value) of Multi Players</th>
<th>Estimate (T-value) of Single Players</th>
</tr>
</thead>
<tbody>
<tr>
<td>Technical→ Perceived Trust</td>
<td>0.63 (9.39)</td>
<td>0.86 (8.78)</td>
</tr>
<tr>
<td>Social Presence→Perceived Trust</td>
<td>0.36 (5.83)</td>
<td>0.11 (1.26) (less than 1.96)</td>
</tr>
<tr>
<td>Perceived Trust→Perceived Value</td>
<td>0.94 (18.43)</td>
<td>0.98 (16.11)</td>
</tr>
</tbody>
</table>

### Table 2. Means Comparison (Perceived Trust Construct)

<table>
<thead>
<tr>
<th></th>
<th>Levene’s Fisher (Sig.)</th>
<th>Absolute Means</th>
<th>T-stat</th>
<th>p-value (2-tailed)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Multi-channel</td>
<td></td>
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<tr>
<td>(N=290)</td>
<td></td>
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</tr>
<tr>
<td>Trust 1</td>
<td>0.35 (0.851)</td>
<td>3.90</td>
<td>3.260</td>
<td>0.001</td>
</tr>
<tr>
<td>Trust 2</td>
<td>0.137 (0.711)</td>
<td>4.00</td>
<td>4.791</td>
<td>0.000</td>
</tr>
<tr>
<td>Trust 3</td>
<td>1.300 (0.255)</td>
<td>3.92</td>
<td>4.624</td>
<td>0.000</td>
</tr>
<tr>
<td>Trust 4</td>
<td>0.788 (0.375)</td>
<td>3.97</td>
<td>3.756</td>
<td>0.000</td>
</tr>
<tr>
<td>Trust 5</td>
<td>3.259 (0.072)</td>
<td>3.99</td>
<td>4.836</td>
<td>0.000</td>
</tr>
<tr>
<td>Trust 6</td>
<td>2.031 (0.155)</td>
<td>3.94</td>
<td>5.363</td>
<td>0.000</td>
</tr>
<tr>
<td>Single channel</td>
<td></td>
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<tr>
<td>(N=275)</td>
<td></td>
<td></td>
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</tr>
<tr>
<td>Trust 1</td>
<td>0.35 (0.851)</td>
<td>3.63</td>
<td>3.260</td>
<td>0.001</td>
</tr>
<tr>
<td>Trust 2</td>
<td>0.137 (0.711)</td>
<td>3.60</td>
<td>4.791</td>
<td>0.000</td>
</tr>
<tr>
<td>Trust 3</td>
<td>1.300 (0.255)</td>
<td>3.53</td>
<td>4.624</td>
<td>0.000</td>
</tr>
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<td>Trust 4</td>
<td>0.788 (0.375)</td>
<td>3.65</td>
<td>3.756</td>
<td>0.000</td>
</tr>
<tr>
<td>Trust 5</td>
<td>3.259 (0.072)</td>
<td>3.64</td>
<td>4.836</td>
<td>0.000</td>
</tr>
<tr>
<td>Trust 6</td>
<td>2.031 (0.155)</td>
<td>3.50</td>
<td>5.363</td>
<td>0.000</td>
</tr>
</tbody>
</table>

### Table 3. Means Comparison (Perceived Value Construct)

<table>
<thead>
<tr>
<th></th>
<th>Levene’s Fisher (Sig.)</th>
<th>Absolute Means</th>
<th>T-stat</th>
<th>p-value (2-tailed)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Multi-channel</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(N=290)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Value 1</td>
<td>2.606 (0.107)</td>
<td>3.90</td>
<td>4.433</td>
<td>0.000</td>
</tr>
<tr>
<td>Value 2</td>
<td>1.627 (0.203)</td>
<td>3.90</td>
<td>5.480</td>
<td>0.000</td>
</tr>
<tr>
<td>Value 3</td>
<td>0.001 (0.976)</td>
<td>3.99</td>
<td>6.208</td>
<td>0.000</td>
</tr>
<tr>
<td>Single channel</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(N=275)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Value 1</td>
<td>2.606 (0.107)</td>
<td>3.57</td>
<td>4.433</td>
<td>0.000</td>
</tr>
<tr>
<td>Value 2</td>
<td>1.627 (0.203)</td>
<td>3.49</td>
<td>5.480</td>
<td>0.000</td>
</tr>
<tr>
<td>Value 3</td>
<td>0.001 (0.976)</td>
<td>3.44</td>
<td>6.208</td>
<td>0.000</td>
</tr>
</tbody>
</table>
trust formation on a multi-channel retailer’s website. It is therefore reasonable for social signals to be established (Cyr et al., 2007; F. F. Reichheld & Schefter, 2000; Toufaily & Pons, 2017; Toufaily et al., 2013).

Alternatively speaking, technical features are not the sole decisive factor to engender trust perceptions, despite its reliable positive trend in describing consumer behaviour, particularly trust formation (Bressolles et al., 2007; Cui & Lai, 2013; Ananthanarayanan Parasuraman et al., 2005; Wolfinbarger & Gilly, 2003). One explanation is that as long as the technical features operate regularly or normally, technical superiority (i.e., the latest version or patch of interface or any incongruence such as an enormous idle bandwidth for low traffic platforms) is of lower concern/prioritisation for multi-channel customers. Technical stability during the exchange process, such as low frequency of downtime, is regularly or normally expected as multi-channel retailers have committed themselves to maintaining an expected level of service across both channels. Stable performance of technical dimension (rather than instability of high performing technology, which is unduly) becomes a point of parity instead of a point of differentiation, which is very likely derived from the ubiquity of online retailer platforms (Patrali Chatterjee & Kumar, 2017; Cui & Lai, 2013).

In addition, relatively higher impact (i.e., higher extent of prioritisation) of social features could also likely be one of the perpetrators that “absorbs” or “alleviates” the otherwise convergent impact of technical features in establishing trust perceptions among the multi-channel customers (single channel customers fail to identify significant causality between social presence and trust). As the presence of the physical channel nurtures higher confidence, derived from higher assurance property represented by the existence of offline stores (Montoya-Weiss et al., 2003), more exchanges could be expected. This, eventually, enables the customers to capture more values through varied commercial channels, which further cater to their characterised needs and wants (Fernandez-Sabiote & Roman, 2012), and encourages them to retain the business relationship (Thorbjørnsen & Supphellen, 2004). Consequently, increased value realisation leads to better assessment (F. Reichheld, 2006), which could be shared in the form of social presence (e.g., online reviews), and to more social presence confirmation (Toufaily & Pons, 2017) by additional customers who rely/depend on the established social signals. Better assessment, such as reviews (which is possibly an extension of physical channel assessment), could then reinforce customers’ perceived trust on retailers’ websites through confirming the provided social presence features or through referring to the performance itself (Wallace et al., 2004), hence making the channel assessment (physical in particular) prevail over the social presence (Supphellen & Nysveen, 2001).

It is reasonable to expect the division of influence towards trust generation from the relatively beneficial social attributes. Social signals that sustain social relationships (a human with other humans) could be replicated within the Web 2.0 context, which capitalises on interaction benefits (Cyr et al., 2007; Toufaily & Pons, 2017). The purpose of social cues embedded within the website is to convey a more humane environment, comparable with a natural human exchange, hence increasing the website effectiveness in retaining customers through presentable social dimension (Toufaily & Pons, 2017). The assessment of social presence features seems to be relatively less among the single channel customers, hence the insignificant estimates of social presence on perceived trust to a website. The single channel customers’ assessment/consideration on social presence features seems to be relatively less influential, suggesting a tendency of this type of customer to be more task-oriented in dealing with single-channel retailers’ e-commerce platforms. These single channel customers might develop scepticism against facilitated social attributes (e.g., online reviews), for they could purposely set a low default expectation. Having no other options, the single channel patrons fully shift
their evaluations solely on technical dimension. Therefore, social presence features are not considered the main determinant of website adoption to most single-channel customers.

Furthermore, a relatively lesser emphasis on social presence features could likely be derived from the brand switching (i.e., loyalty) pattern established among the single channel customers, as there is 55% (151 out of 275 subjects) of total single customers who have repeatedly switched among retailers/providers. Among the remaining 45% (124/275) loyal single channel customers, only 41% (51 samples generated by subtracting 73 one-time buyers among single channel customers from 124 total loyal single customers) were repeated patrons (i.e., with more than one previous purchases) or approx. 19% of all single channel customers. Therefore, to most single-channel customers who were also disloyal (55% of total single customers), social presence features were not of high prioritization in determining website preference/adoption.

The reasoning might be derived from their indifference (scepticism) towards social presence features (e.g., online reviews) facilitated by single channel retailers, as opposed to the multi-channel group. These customers placed a relatively low tier of initial expectation, as they attempted to mitigate the possibility of experiencing huge disappointment due to physical separation with the single channel vendors (e.g., lack of assurance mechanism if interacting with abroad online retailers). With less opportunity to confirm the retailers’ performance due to lower default confidence and compounded by insufficient alternative means (Montoya-Weiss et al., 2003), single-channel customers will hardly expect the social presence to be relevant (e.g., fewer reviews generated by international shoppers) or beneficial (e.g., deceptive/opportunistic reviews written with ulterior motives). Having no other indicators to depend on, the single channel patrons were fully influenced by technical dimension (e.g., sufficient information, usable interface, creative/engaging contents, degree of interactivity, etc.) or other factors found on a pertinent website. Bearing huge risk, the patrons then strive hardly to search extremely reliable providers (as the huge return they expect). Subsequently, they will project any trust perceptions as well as derived satisfaction and values (of finding a dependable retailer) into the sole dimension (i.e., technical). The risky behaviour (i.e., possible disloyalty originated from solely relying on a single channel) explains the higher estimates found on the structural model. Approximately 87 % of total single channel customers were of the satisfied group and will more likely establish perceived trust solely through the technical features assessment.

In accordance with the procured empirical findings, the third and fourth hypotheses were supported. Between the two categories of groups (click-and-brick versus pure-click), both generated means of perceived trust and perceived value contrasted significantly in favour of the multi-channel group. Multi-channel retailers cultivate their efforts in capitalising different channels to deliver and maintain a better service portfolio (Wallace et al., 2004) in order to exhibit a greater level of commitment (e.g., empowering customers to proactively engage the retailers) and integrity (Toufaily & Pons, 2017). Furthermore, as the trust generally precedes any committed relationships (Fullerton, 2011), customers will perceive more trust in multi-channel retailers (the website in particular) who endeavour to build commitment. Apparently, existing knowledge (brand or other physical cues, for instance) could be extended to an online platform and thus attempt to lessen newly derived incongruence or incompatibility between different substances (Kwon & Lennon, 2009). As perception of trust and confidence levels increase, customers will benefit from this “anchored” reference point and proceed to sustain business relationships with reliable retailers (H. W. Kim et al., 2012; Montoya-Weiss et al., 2003).

To conclude this section, several recommendations to both multi-channel and single-channel managers are provided as well as the discus-
sions pertaining to the each of proposed recommendations.

☐ For both multi-channel and single channel managers: Exploration of more and better social presence features, which can be classified into Web 2.0 elements. Consider an interactive commentary or reviewing initiatives, such as Disqus, which is intended for facilitation of a more interactive (e.g., embedded notifications feature) community (instead of regular, web-log based commentary features). This consideration also enables the retailers to provide responses or clarifications in a relatively shorter time gap, increasing the performance of technical dimension even further (information, interface design, usability, and interactivity elements).

Consider establishing an official social networking site account for combining the feedback mechanism into the SNS platform, allowing for greater likelihood of experience sharing towards patrons’ cliques or followers (accommodating the possibility of referral mechanism and brand community). Alternatively, consider GPS-based sensoric initiatives to push notifications on personal gadgets or handhelds whenever new important updates are posted to a website or, much better, whenever the patrons come within a certain radius of the nearest physical store(s) delivering special offers. The last two suggestions could be classified into a mobile-technological initiative (Web 4.0 feature).

☐ For both multi-channel and single channel managers: Reasonable and relatable investment/improvement on technical features excellence, with exception to the investment of technological initiatives, which could define a new baseline within the retailing industry. Included within this recommendation are regular expenses on maintenance, “updates patching,” or allowances on contingencies (e.g., cracking, Distributed Denial of Service, defacing, etc.), but not including any strategical investments related to performance or sustainability indicators (e.g., investment on more secured/improved domains or investment on significant bandwidth capacity in accordance to increased average traffic volumes).

☐ For single channel managers: Due to the limited benefits that could be derived from continuous investments on technical attributes, it would be much more prudent to consider an investment project to commence a strategy in promoting the pure-click (single channel) retailer’s physical exposure and awareness, therefore providing a positive disconfirmation effect. In adapting and capitalising on multiple channels’ structure, which benefits their multi-channel equivalents, the managers of single channel retailers may consider establishing a pop-up (temporary) store once or twice a year, allowing a greater extent of physical channel exposure and awareness and ultimately leading to more opportunities of generating patrons’ positive confirmations.

Other suggestions include participation in prominent fashion shows (i.e., the catwalks) involving a sponsorship project for a national or even multi-national entity’s professional attire (imitating the sport team sponsorship program conducted by manufacturers such as Nike, Adidas, etc.), as well as establishing “presence or awareness” initiatives (e.g., running a campaign to introduce a special line of clothing items that are manufactured with sustainable materials such as sustainably-planted cotton, etc.) to target a special young-adult segment of customers who are not only stylish, yet would also prefer to do any effort to save the planet, no matter how insignificant (particularly young workforces of a sophisticated society within a developed country).

Another alternative involves the single channel retailer’s consideration or discretion in creating an alliance with a single or several convenience store chains, instead of pooling enormous funds from several sources (in case of full-fledged investments to properties on strategic locations). As such, it would be advisable to consider a budgetary project to finance this initiative accordingly.
CONCLUSION

The empirical findings (i.e., the first and second hypotheses) suggest that social presence is more essential for multi-channel retailers in sustaining the relationship with their patrons. Despite the essence of functional or technical website features, a pure technical-centric website will not be as effective, therefore, as another that diligently address the technical and social dimensions concurrently.

The limitation is derived from the fact that wording/semantic check of the present study was conducted in the author’s local language (Bahasa Indonesia) in order to ensure the comprehension of measurement items. This might slightly alter the wording of original measurement items written in English (in case the Bahasa version of measurement is to be translated back into English) despite the author’s personal efforts to maintain the identical meanings found in the original measurement items.

Another limitation exists in the form of customers’ previous negative experiences, as they interact with real-life brands in repeated exchanges that generated a pool of perceived value. Although customers mainly remain loyal with a certain retailer due to a derived pool of value, the question remains if the retailer’s unresolved negative performance could overwrite the perceived value and make customers prone to brand-switching.

Further exploration in combining both technical and social quality attributes of the website is encouraged to retail managers, with greater emphasis on social attributes or trust-inducing initiatives towards multi-channel managers. The implications on the future research are to conduct causal-based (i.e., experimental) research to establish empirical evidence of value significance on potential customers (i.e., those without prior perceptions generated from the previous engagement with the real-life retailer brands).

A recommendation for future research is to take into consideration the retailer’s origin and whether they expanded their pure online channel with offline or physical stores, or vice versa (i.e., a traditional brick-and-mortar retailer who expands with an online platform, or even integrates them into an omnichannel initiative).

Another beneficial idea to expand the present study is to create further research that compares two or three equal retailers (e.g., in terms of marketing strategy, especially channel integration, supply chain strategy, sales volume, product lines and features, brand equity, and combination of other dimensions).

Ultimately, future studies might attempt to adopt the hedonistic dimension of value construct, as to further explore the pleasure-driven intention and behaviours (i.e., patrons decide on an action or a retailer based on other motives that are not of utilitarian focus).

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