“How to build trust: Evidence from Thai customers in the latex glove industry”

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Abstract

This paper examined the impact of product quality, perceived risk, and perceived value on customer trust in the latex glove industry of Thailand. It used a structural equation model (SEM) to analyze the association between two or more variables. Data collection was conducted in Thailand during the pandemic of COVID-19. Five hundred people looking for glove protection were invited to join the survey; however, only 384 provided responses were valid enough for the data analysis. According to the empirical results of this study, product quality demonstrated significant and positive impacts on perceived value and trust. In addition, perceived value acted not only as a significant and positive predictor of customer trust but also as a partial mediator between product quality and customer trust. On the other hand, the current results demonstrated that perceived risk had little impact on perceived value and trust, while product quality was the primary benefit for increasing perceived value and trust among customers. Thus, ambiguity among customers was unlikely to demonstrate any serious concern for customer value and trust. Overall, customer trust relied significantly on perceived value through increased product quality.

Keywords

Thailand, quality, risk, value, willingness

JEL Classification

M30, M31

INTRODUCTION

Customer trust is considered a key to business sustainability (Azahari & Nayan, 2020). Mayer et al. (1995) explain that high trust in a product can allow customers to have a strong willingness to purchase that product from a company. Thus, Chimonoma et al. (2013) recommend building more product trust among customers if firms want to achieve high sales performance in the future.

According to Badnjević et al. (2020), many medical products are quite popular among the public since COVID-19 is announced by the WHO as a worldwide pandemic. In addition, Yip and Cacioli (2002) report that latex gloves, which are one of the medical products, can prevent bacteria and viruses’ transmissions. Therefore, Eons Gloves (2021) has revealed that glove production in Thailand has been increased up to 90% for the current market needs. Although many people may highly demand the gloves for their protection, customer trust in this kind of product remains unidentified. Thus, a proper investigation of customer trust in the latex glove industry is very important.

Since customer trust is a key advantage to achieve high sales performance, some suggestions are proposed. For instance, Konuk (2021) argues that people feel confident to buy a product when products are considered to have high quality. In contrast, Van et al. (2020) suggest...
lowering perceived risk among customers so that high trust can be gained. Unlike the above arguments, Yusiana and Widodo (2020) argue that perceived value is the main predictor of customer trust since gaining high product value among the public can lead to high confidence in product possession.

Although previous studies have identified these variables, which individually influence customer trust in different contexts, the systematic impacts of these factors on customer trust have received less attention. The findings of this study possibly help production managers in the latex glove industry to comprehend how product quality, perceived value, and perceived risk are employed to determine customer trust in the glove business and their consequences for managerial strategies to accommodate customer expectations.

1. LITERATURE REVIEW

1.1. Customer trust

Geyskens et al. (1998) define customer trust as an individual’s willingness to establish a future transaction relationship with a firm, so that future risk perception can be minimized. Mosavi et al. (2018), however, define trust as a set of customer beliefs that are related to integrity, benevolence, and the ability of another party, so that the relationship can be fulfilled. First, integrity refers to a belief that firms gain trust from customers after providing a good-faith agreement to customers. After that, ability refers to the competency of firms to work effectively on the services offered to customers. Finally, benevolence refers to the degree to which firms are believed to serve customers well. Customer trust is very important to business success; therefore, numerous studies have been undertaken.

For instance, Putu et al. (2021) tested service quality and employee ethics on customer trust by using SEM Lisrel and multi-group analysis in the banking industry. Lassoued and Hobbs (2015) tested the influence of credibility, competence, benevolence, and reputation on customer trust in the food industry using a structural equation model. Kurniawati and Yaakop (2021) tested the effect of layout, functionality, aesthetic appeal, and financial security on customer trust in the online shopping service industry using path analysis. Baki (2020) tested the influence of reputation, assurance, risk, ease of use, and security on customer trust in the hotel service industry using a two-stage analysis. Sutanto et al. (2020) tested the impact of satisfaction, preference, and adaptive selling on customer trust in the housing development service using generalized structure component analysis. Leung et al. (2020) tested the influence of generalized and restricted reciprocity on customer trust in the e-commerce platform service using the structural equation model. Munawar et al. (2021) tested the effect of congruity and delivery performance on customer trust in the logistics service using a structural equation model. Setiawan et al. (2020) tested the impact of service quality, price fairness, and customer satisfaction on customer trust in the airline industry using a structural equation model. Widyastuti et al. (2019) tested the influence of green marketing and corporate social responsibility on customer trust using a structural equation model.

Although many variables have been tested on customer trust in different service and product industries, the influence of proposed variables (perceived value, perceived risk, and product quality) on customer trust with a systematic model is not well tested in the current literature, especially in the latex glove product industry.

1.2. Product quality and perceived value

Akolaa et al. (2021) define product quality as the perspective of a level to which a product meets customer expectations. Regardless of service marketing, Snoj et al. (2004) highlight product quality as a perceived quality that refers to customer judgment about firms’ overall excellence or superiority. Semuel and Chandra (2014) also explain that consumers normally assess the quality of a product based on extrinsic and intrinsic attributes (e.g., appearance, size, color, taste, and scent).

Product quality and perceived value appear to be inextricably linked (Konuk, 2019; Suttikun & Meeprom, 2021). According to the quality concept
of Konuk (2019) in the restaurant industry, when customers believe a product provides them with such significant benefits (taste, health, and attractiveness), they appear to have extremely favorable attitudes toward restaurants. Additionally, Tuncer et al. (2021) also explain that high quality can increase the degree of customers’ perceived value, which indicates how critical service is to their consumption.

According to current marketing literature, product quality and perceived value appear to have a significant association. For instance, Tukiran et al. (2021) found that boosting perceived quality might increase perceived value in the education sphere. Researching a commemorative product market, Suttikun and Meeprom (2021) also support the idea that high perceived quality of goods can result in a high perceived value among customers.

1.3. Product quality and customer trust

Regardless of the conceptual distinctions between product quality and customer trust, Akolaa et al. (2021) indicate product quality as an assessment of current product experiences, whilst Mosavi et al. (2018) argue that customer trust appears to be associated with future product use among customers. However, Mohammed and Shahin (2020) explain that trust among individuals can persuade them to purchase or continue purchasing a product if the product quality exceeds their expectations. Jacoby (2002) also supports that this instance may illustrate how a change in the quality of a product or service can affect client trust. The suggestion-organism-response theory of Jacoby (2002) in service marketing suggests that an individual’s judgment or decision is impacted by his or her appraisal. According to Konuk (2021), in the restaurant industry clients trust a restaurant when the food and beverage quality meets their expectations (tasty and healthful).

The current marketing literature also mentions the connection between perceived quality of product/service and customer trust. For instance, Chan et al. (2020) studying online service marketing revealed that if customers consider the service to be high quality, those customers probably have high trust in the current service and firm. Syafriiani et al. (2021) also support that better quality can gain high customer trust.

1.4. Perceived risk and perceived value

Peter and Ryan (1976) define perceived risk as an individual’s uncertainty that results from the personal assessment of the current situation. Similarly, Pangaribuan et al. (2021) define perceived risk as an individual’s perspective on different risks existing in a certain consumer situation. Tezer et al. (2021) identify four dimensions of perceived risk, namely finance, social, performance, physic, and psychology. Wh and Cc (2021) argue that if these dimensions of perceived risk grow larger, uncertainty also grows larger and leads to unfavorable results in customer purchase decisions on products or services.

Regardless of the distinction between perceived risk and perceived value, Jun (2020) argue that perceived risk reflects customers’ assessment of the degree of uncertainty and consequence, whereas Bashir et al. (2020) explain that perceived value continues to place a premium on perceived benefits. Despite these apparent contradictions between the two variables, Piri and Lotfizadeh (2016) reveal that perceived risk appears to be related to perceived value in a major way. According to the fintech platform adoption theory, Xie et al. (2021) explain that a lack of confidence in a product can result in a less favorable attitude toward adoption. Thus, Li et al. (2020) also support that high perceived risk discourages individuals’ perceived value.

According to the current marketing literature, perceived risk has been identified as a predictor of perceived value. For instance, Aufegger et al. (2021) revealed that high perceived risk leads to low perceived value in the generic drug industry. Similarly, Li et al. (2020) who support that perceived risk significantly influences perceived value in the pesticide product industry.

1.5. Perceived risk and customer trust

In conceptual comparison, Jun (2020) considers perceived risk as an individuals’ uncertain-
ty and the consequence of a product or service, while Mosavi et al. (2018) view customer trust as the precondition for making and preserving the connections between a firm and customers in the long run. Based on the risk-benefit-trust theory, Park et al. (2019) explain that if individuals are faced with strong uncertainty assumptions and assessments with firms, their confidence to buy becomes lower. Although the concept of customer trust may involve sharing some certain degree of risk with firms (Usman, 2015; Yang et al., 2015), a high degree of risk found in a product or service may result in low customer trust to buy a product or service (Ilhamalimy & Ali, 2021) because the position of high risk may place customers in a vulnerable position (Hong, 2015).

Previous studies mention perceived risk as an influencer on customer trust. For instance, Ilhamalimy and Ali (2021) identify perceived risk as the main factor in customer trust in the online shopping service. According to Concepcion and Orillano (2020), perceived risk remains a negative predictor of customer trust in the e-commerce service.

1.6. Perceived value and customer trust

According to Lam et al. (2004), perceived value is conceptualized as a customer’s assessment of the comparison between sacrifice and benefits with a given product option from the sellers. Likewise, Dam (2020) also supports perceived value as the trade-off between product quality and price. According to the multi-dimensional approach of Bajs (2015), perceived value consists of three values, namely functionality, emotion, and society. First, social value refers to perceived quality, which is obtained from another particular social group (Sun et al., 2017). Second, emotional value refers to benefits that are derived by customers from their feelings or affection for the brand (Srivastava & Dey, 2016). Finally, functional value refers to the utility which emerges from the expected performance and quality concept of a product (Eskafi et al., 2013).

Chae et al. (2020) argue that perceived value remains a central focus on perceived benefits of product utility, while Mosavi et al. (2018) indicate customer trust as a central focus of the future relationship between firms and customers. According to the online service theory of Sharma and Klein (2020), customer confidence in purchasing a particular service can respond positively if a service is considered to have high benefits for customer utilization. In addition, Cheung et al. (2015) also explain that when products are positively viewed among customers, customers’ willingness to purchase these products rises (Chen, 2013; Cheung et al., 2015).

Customer trust can be influenced by perceived value. For instance, Chae et al. (2020) have found that the high perceived value of products leads to high customer trust in online brand shopping. Likewise, Sharma and Klein (2020) agree that firms can gain high customer trust when a product reveals high value to customers.

### 2. AIMS AND HYPOTHESES

In light of this, the study attempts to fill the research gap in the contemporary literature by developing a research model to identify the antecedents that affect customer trust in the latex glove industry of Thailand.

Thus, this paper aims to investigate the systematic impacts of product quality, perceived risk, and perceived value on customer trust in the latex glove industry of Thailand. According to the above discussions in the marketing literature, the following hypotheses are proposed (Figure 1):

- **H1:** High product quality increases perceived value.
- **H2:** High product quality increases customer trust.
- **H3:** High perceived risk reduces perceived value.
- **H4:** High perceived risk reduces customer trust.
- **H5:** High perceived value increases customer trust.
3. METHODS

3.1. Sample size and data collection

To comply with the current objective of the study, the survey was conducted on people who were seeking gloves to wear. The study implemented the convenience sampling technique to collect data in Thailand. Therefore, 500 people with diverse backgrounds (gender, age, education, and geographical locations) were contacted through some popular social media such as Facebook, Discord community, and Instagram to join the online surveys. When reaching a target respondent, he/she was asked for consent; the confidential policy protecting their personal information was also explained. When a respondent agreed to complete the survey, the survey procedures were explained and the google survey link was dropped to them. Finally, answers from 500 respondents were collected by the end of October 2021. In fact, the study only accepted the data of 384 respondents for data analysis, after completing the data validation process.

3.2. Measurement construct

The measurement of each variable in the current study was originally built based on previous literature. First, the measurement of product quality was built based on Das (2014). Second, the measurement of perceived risk was built based on Bhukya and Singh (2015). Next, the measurement of perceived value was built based on Mosavi et al. (2018). Last but not least, the measurement of customer trust was built based on Rupprecht et al. (2020). Furthermore, the respondents filled in the survey by using a 5-point Likert scale, which ranges from 1 (strongly disagree) to 5 (strongly agree). Babakus and Mangold (1992) explained that the current rating technique provided an acceptable time to finish a survey, which significantly lowered respondent frustration and stress. In addition, Garland (1991) also recommends using this technique because it provides a clear boundary between negative and positive answers by offering a mid-point (3 = neutral); thus, the respondents could answer precisely based on their individual degrees of feeling on the matter.

3.3. Structural equation model measurement

First, confirmatory factor analysis (CFA) and goodness of fit indicators were used to test the validity of the measurement model (Table 1). Some model indices were examined: CMIN/df measure, GFI, CFI, NFI, AGFI, RMSEA, and PCLOSE. According to the threshold recommendation of Hu and Bentler (1999), all of the fit indicators in

Figure 1. Customer trust model

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![Figure 1. Customer trust model](image-url)
the model passed the thresholds after adjusting modification. Therefore, the measurement of the model in this study is at the acceptable level (Table 1) because all of the indices passed the threshold.

The summary of the measurement model, variables, and items are reported in Table 2. First, the loading factor scores ranged from 0.79 to 0.91 and were acceptable, as they were all above 0.5. Next, each construct contained content reliability since all of the Cronbach’s alpha scores were above 0.7 (Mosavi et al., 2018). The scores of composite reliability (CR) ranged from 0.874 to 0.925 and were acceptable since these scores were all above 0.7 (Ibrahim & Aljarah, 2018). Likewise, the scores of AVE ranged from 0.654 to 0.768 and were also acceptable as they were all above 0.5 (Fornell & Larcker, 1981). As a result, all of the values produced in the current analysis showed an acceptable indication of the convergent in the measurement model. Thus, the regressions in the structural equation model (SEM) were generated in Figure 2.

Table 1. Confirmatory factor analysis and model fit

<table>
<thead>
<tr>
<th>Indicators</th>
<th>Index</th>
<th>Thresholds</th>
</tr>
</thead>
<tbody>
<tr>
<td>Before Modification</td>
<td>After Modification</td>
<td>CMIN/df</td>
</tr>
<tr>
<td>GFI</td>
<td>0.899</td>
<td>0.928</td>
</tr>
<tr>
<td>NFI</td>
<td>0.903</td>
<td>0.962</td>
</tr>
<tr>
<td>CFI</td>
<td>0.903</td>
<td>0.983</td>
</tr>
<tr>
<td>AGFI</td>
<td>0.885</td>
<td>0.906</td>
</tr>
<tr>
<td>RMSEA</td>
<td>0.078</td>
<td>0.049</td>
</tr>
<tr>
<td>PCLOSE</td>
<td>0.000</td>
<td>0.123</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Index</th>
<th>Thresholds</th>
</tr>
</thead>
<tbody>
<tr>
<td>&lt; 3</td>
<td></td>
</tr>
</tbody>
</table>

4. RESULTS AND DISCUSSION

The results were generated using the SEM. The strengths of both direct and indirect impacts are briefly provided in both Figure 2 and Table 3.

4.1. Discussions of the effects on perceived value

Product quality showed a positive association with perceived value ($\beta = 0.88, p < 0.001$), which supports $H1$. Strong product quality led to greater customer perceived value. Similarly, Konuk (2019) supported that the products seemed to be valuable among customers when they highly benefited customer daily consumption. A positive customer perspective on a firm’s latex glove products was likely if the product quality reached a significant level of perceived benefits (preventing bacteria and virus transmissions).

On the other hand, perceived risk showed a non-significant impact on perceived value ($\beta =$

Table 2. SEM model measurement

<table>
<thead>
<tr>
<th>Latent Construct</th>
<th>Items</th>
<th>Loading Factor</th>
<th>Cronbach’s alpha</th>
<th>CR</th>
<th>AVE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Product Quality</td>
<td>PQ1: Good quality</td>
<td>0.84</td>
<td>0.801</td>
<td>0.902</td>
<td>0.682</td>
</tr>
<tr>
<td></td>
<td>PQ2: Good features</td>
<td>0.85</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>PQ3: Reliable products</td>
<td>0.79</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>PQ4: Having consistent quality</td>
<td>0.86</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Perceived Risk</td>
<td>PR1: Unreliable brand name</td>
<td>0.90</td>
<td>0.793</td>
<td>0.883</td>
<td>0.713</td>
</tr>
<tr>
<td></td>
<td>PR2: Negative effects on health</td>
<td>0.91</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>PR3: Uncomfortable to buy</td>
<td>0.84</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>PR4: Low performance</td>
<td>0.87</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Perceived Value</td>
<td>PV1: Good for usage</td>
<td>0.87</td>
<td>0.906</td>
<td>0.874</td>
<td>0.654</td>
</tr>
<tr>
<td></td>
<td>PV2: Having more benefits to usage</td>
<td>0.84</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>PV3: Having high protection</td>
<td>0.83</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>PV4: Having similar price compared to other gloves</td>
<td>0.80</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Customer Trust</td>
<td>T1: Reliable for usage</td>
<td>0.90</td>
<td>0.851</td>
<td>0.925</td>
<td>0.768</td>
</tr>
<tr>
<td></td>
<td>T2: Honestly produced</td>
<td>0.86</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>T3: Good products for users</td>
<td>0.82</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>T4: Already passed the requirements</td>
<td>0.84</td>
<td></td>
<td></td>
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</tr>
</tbody>
</table>
–0.04, p > 0.05), which rejects H3. In contrast, the current findings could be rationally explained based on the current impacts of product quality on perceived risk and perceived value. As high product quality could significantly lower a customer’s degree of uncertainty, customers definitely acknowledge the value of products. Therefore, the value that was already perceived on the glove products may not have been affected by perceived risk since customers were likely to demonstrate their low uncertainty on products (Chen & Chang, 2005; Kim & Lennon, 2013).

4.2. Discussions of the effects on customer trust

First, perceived value showed a positive association with customer trust (β = 0.71, p < 0.001), which supports H5. Likewise, Chen (2013), Cheung et al. (2015), and Sharma and Klein (2020) agreed that the value which customers had given to the latex glove products indicated how important the products were for preventing the spread of bacteria and viruses. As product value emerged, customers showed a higher level of trust and thus willingness to include the product in their future consumption.

Second, product quality showed a positive association with customer trust (β = 0.23, p < 0.001), which supports H2. A better quality of latex glove product could demonstrate a more promising performance and thus satisfy customer demands, which could clear all suspicions and other perceived risks concerning the latex glove product. Similarly, Jacoby (2002) agrees that high-quality products significantly gained high trust from customers. Furthermore, perceived value partially mediated the association between product quality and trust (Table 3). Thus, the attitudes of customers regarding trust seemed to rely on the degree of product value perceived by customers.

Finally, perceived risk showed a negative association with customer trust (β = –0.04, p > 0.05), and a non-significant association with customer trust, which rejects H4. According to the current empirical results of this study, since customers considered high product quality as the main focus of their concerns, their perspectives on product risk seemed to be of no concern. Moreover, the high performance of latex glove products may have already gained not only high value among customers but also high trust among customers. Jacoby (2002) and Mohammed and Shahin (2020) also explain that if a product is considered to have a high and accurate performance, customers have no suspicion of the current firm’s products. Therefore, any current uncertainty of the unexpected product risk appeared to not affect customer trust.

To sum up, the hypotheses testing results are recorded in Table 3. Thus, three hypotheses were accepted whereas two hypotheses were rejected (hypotheses 3 and 4).
CONCLUSION

The current study examined customer trust in Thailand’s latex glove industry. Original and innovative marketing insights, which offer a notion of future customer trust, have been derived from the results of this study. The results firstly have indicated that product quality significantly affects perceived value whereas perceived risk does not show any significant effect on perceived value. Finally, customer trust is significantly influenced by both product quality and perceived value, except perceived risk. In comparison, the influence of perceived value on customer trust is stronger than product quality, since perceived value partially mediates the relationship between product quality and customer trust. Therefore, the attitudes based on customer trust rely substantially on the degree of customer’s perceived value through improvements in the quality of the glove.

Although the study’s primary purpose was met, limitations remain. For example, the study’s data were gathered based on self-assessment; thus, there was some inaccurate information provided by the respondents. Therefore, any future study should employ a different data collection technique that minimizes any likelihood of bias, such as interviewing the respondents face to face and using structural questions. Second, the findings are based on the viewpoints of Thai people. As a result, it may be difficult to extrapolate the findings to other countries. Thus, a future study should include an international survey. Finally, because the findings are limited to the latex glove sector, they may be difficult to transfer to other contexts, such as the hotel or restaurant industries. Therefore, a new study is needed to employ similar factors in the investigation of various sectors.

AUTHOR CONTRIBUTIONS

Conceptualization: Teerasak Jindabot.
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Methodology: Teerasak Jindabot.
Project administration: Wanamina Bostan Ali.
Validation: Long Kim, Wanamina Bostan Ali.
Visualization: Wanamina Bostan Ali.
Writing – original draft: Long Kim.
Writing – review & editing: Pattarawadee Maijan.
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