Executive Summary

How Online Trust and Online Brand Equity Translate Online- and Omni-Channel-Specific Instruments into Repurchase Intentions
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Omni-channel retailers offer a seamless experience across channels but increasingly compete with online players. In the fashion retail sector, for example, ten of the top 20 firms worldwide are purely online players. Therefore this study examines omni-channel retailers’ online activities; worldwide mostly previous brick-and-mortar firms’ find it challenging to detect the most effective online instruments by referring to their relative effects and to mechanisms translating them into consumer behaviour. A systematic process based on a full literature review guided the selection of online-channel-specific instruments (e.g., online aesthetic appeal and online service as well as websites ease of use or security/privacy) and omni-channel-specific instruments characterize for omni-channel retailers and consumer journeys (e.g., online-offline integration services or channel consistency) as determinants of online and offline repurchase intentions.

Moreover, in research on online activities or purely online players, trust is the most often studied mechanism, engaged by instruments and important for behaviour (i.e., websites’ delivery of confidence or reliability). However, the authors believe that brands are more important to consumer behaviour than trust, congruent with two top firms in the fashion retail sector, namely Zara and H&M that view consumer-based retail brand equity as a core competence. This study therefore examines the relative effects of the instruments on behaviour mediated by online trust and online brand equity (i.e., associations of a retailer’s website as a strong, attractive, unique, and favourable brand). The authors study important competing roles and interdependencies of both moderators that are assumed or even obvious, but not reciprocally conceptualized or tested.

The authors hypothesize the indirect effects of the instruments and test them (as well as the direct effects) in a sequential mediation study. They conceptualize and test the reciprocal effects
of trust and brand equity in a cross-lagged panel study based on longitudinal data of 493 consumer evaluations of leading fashion retailers in three waves over a period of ten months. Importantly, cross-channel repurchase intention is differentiated.

The results provide new empirical evidence of a different relative importance of the instruments and of online trust versus online brand equity. The findings have direct implications for managers interested in understanding which instruments most affect consumer outcomes. An unnoticed relative importance of the studied and further instruments and mechanisms that translate them into consumer behaviour may result in misinterpretation of market studies on single instruments, believe in limited cross-sectional study results, brief conclusions or ineffective investments in the increasing competition with purely online players, for example. The respective insights are definitely beneficial for firms that use instruments based on intuition of ad hoc tests.