E-News Brand Trust: An Empirical Study on Selected Newspapers in Indonesia

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ABSTRACT

This paper aims at determining the effect of e-news brand trust and the consequences of e-news brand trust. The model used in this study were tested on two news brands online, namely Detik.com and Kompas.com. Total sample of this study is accounted for 418 respondents, of which 239 respondents are kompas.com reader and 179 respondents' reader of Detik.com. Results of this study indicate that both Detik.com and Kompas.com such as e-news brand attributes have positive and significant impact on e-news brand experience, e-news brand attributes have a positive and significant impact on e-news brand loyalty, e-news brand experience has a negative effect but not significant to the customer confusion, customer confusion, has a negative but not significant effect on e-news brand trust, e-news brand experience has the effect on either e-news brand trust, or e-news brand loyalty.

Keywords: Customer Experience, E-News Brand, E-News Brand Attribute, E-News Brand Experience, E-News Brand Loyalty, E-News Brand Trust

INTRODUCTION

Various challenges faced by many competed companies such as Television company, radio company, newspapers company, magazines company, advertising agencies and other advertisers are now forced to redefine how they reach consumers and still relevant (Harden & Heyman, 2009). Some well-known brands, such as Tribune Co., New York Time, Tucson Citizen, Boston and many brands of newspaper in the USA were closed because they have no ability to fund their operations. This was because of the decline in sales circulation. Even some leading brands of daily newspapers distribute paper for free. To overcome this problem, some companies switch to digital or we call it as “e-news brands”.

At the level of competition and the slug-gish industrial growth, it is necessary effort to increase consumer’s loyalty. To keep customers loyalty, some printed media brands create online versions of printed media. In Indonesia, some newspaper companies are competing to switch from printed to the digital version. For example, kompas.com, detik.com, koran.tempo.com, republika.co.id, and so on. Consumers are given the easiness in accessing digital newspapers, because we can access these digital newspapers through a desktop computer, laptop, and smart

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mobile phone. Therefore, consumers enjoy more flexibility in accessing it.

The use of internet media makes business more powerful (Simeon, 1999). The traditional business shortcomings are able to be solved by internet. By means of internet, buyers and sellers can transact interactively, directly and by real time. (Brynjolfsson & Smith, 2000; Butler & Peppard, 1998; Griffin & Krampf, 1998), furthermore, it is flexible, fast, inexpensive (Simeon, 1999), easy navigation (Holloway & Beatty, 2003, 2008), information speed (Kracher, Corritore, & Wiedenbeck, 2005). Although the use of internet has many strengths, however, there are several weaknesses of internet for instance Gommans, Krishnan, and Scheffold (2001) contend that the online environment basically cannot be touched, sensed, and cannot interact with the salesperson. Some researchers describe that the weaknesses of internet can be in the form of uncertainty about vendor behavior, hacker risk (McKnight, Choudhury, & Kacmar, 2002), monetry loss risk, privacy risk (Pavlou, 2003). The said shortcomings of internet need trustworthy relationship between consumers and producers, between sellers and buyers.

Previous researchers contend that trustworthy is a key success factor in the online market and on e-commerce. (Ha, 2004; McKnight, Choudhury, et al., 2002; Tanrikulu & Celilbatur, 2013). Failure in engaging trust relationship on online media causes consumers will be reluctant to adopt e-commerce.(Ribbink, van Riel, Liljander, & Streukens, 2004). Trustworthy develops long-term relationship (Morgan & Hunt, 1994), and company’s performance as well (Ha, 2004). Trustworthy is considered to develop online business community (Nolan, Brizland, & Macaulay, 2007), online retailer (Holloway & Beatty, 2003; Mukherjee & Nath, 2007), online purchasing (Tanrikulu & Celilbatur, 2013), online auctions (Nadler & Kros, 2010), online games (Gao, 2005) and so forth. Our research objective is to get to know an empirical study on selected online newspapers in Indonesia e-news brand trust.

Therefore, the purpose of this study is to investigate several questions as follows:

Q1: To what extent that e-news brand attribute affect e-news brand experience?
Q2: To what extent that e-news brand attribute affect to the e-news brand loyalty?
Q3: To what extent that e-news brand experience affect to the e-news brand loyalty?
Q4: To what extent that e-news brand customer confusion to the e-news brand trust?
Q5: To what extent that e-news brand experience affect to the e-news brand trust?
Q5: To what extent that e-news brand trust affect to the e-news brand loyalty?

LITERATURE REVIEW

E-News Brand

Brand is the heart of the marketing and business strategy for a combination of them that identify and differentiate our products with competitors. Brand is a name that has the power to influence the market (Kapferer, 2008). In their study, de Chernatony and Riley (1998) conclude that there are 12 categories to define the brand. The brand is as: (1) a legal instrument, (2) logo, (3) company, (4) shorthand, (5) risk reducer; (6) identity system; (7) image in consumers’ minds, (8) value system; (9) personality; (10) relationship; (11) adding value, and (12) evolving entity.

E-brand or brand online is often referred to arise from the development of communications and information technology (Morgan-Thomas & Veloutsou, 2013). Many companies try to follow the digital age, so they do branding via online media. We call online newspaper as e-news brand. We define e-news brand as a name in the form of an online newspaper that provides a variety of information and news openly.

E-News Brand Attribute

Attribute is defined as a description of the inherent characteristics of the product or service (Keller, 1993) or what consumers think about products or services. Attributes are divided into two types: intrinsic and extrinsic attributes. Intrinsic attributes are attributes that are associated with the product / brand. Extrinsic attributes are
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