

The Effect of E-WOM and Structural Assurances Mediated by Guanxi towards Customer Behavioral Loyalty

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ABSTRACT

In this study, we found that Structural Assurances had positive and significant direct effect on guanxi formation and it had positive and significant indirect effect toward customer loyalty behavior. We also found the facts that e-WoM had a positive and significant direct effect on guanxi formation. Where e-WoM at once had a positive and significant indirect impact on the occurrence of behavioral customer loyalty. In the end, the results of this study indicated that guanxi positively and significantly influenced the occurrence of customer loyalty behavioral when conducting E-Commerce transactions in Indonesia.

Keywords: E-business, e-commerce, e-image, management information systems, online purchase intention, price premium

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INTRODUCTION

The problem of customer loyalty is a very complicated thing. Making a customer want to purchase from the same vendor is not as easy as we may imagine. Especially to motivate potential customers to take initial purchasing; certainly, this is a very challenging situation. Therefore maintaining customer trust and satisfaction consistently, while continuing to improve service quality

is a necessary thing for every entrepreneur. We speculate that there are at least two (2) key factors that entrepreneurs need to continue to maintain in order to maintain customer loyalty as well as, motivating potential customers also to make purchases at such vendor. The factors are E-WoM (Electronic Word of Mouth) (Tran & Strutton, 2019) and Structural Assurances (Belwal & Amireh, 2018). However, specifically in Indonesia, as a country with a collectivist culture (Irawanto, 2011; Mangundjaya, 2013), it has other factors than WoM and assurance that can make a person (a customer in this context) believes in the integrity and reliability of others. Allegedly that factor is *guanxi*, just like a country with the kinship that is quite close to Chinese culture and tradition such as Hong Kong, Taiwan, Malaysia, and Singapore. Indonesian people make interpersonal relationships as an essential aspect of building trust. In a digital business environment, the mechanism of trust building is one of the most important things to be noticed (Paparoidamis et al., 2017; Yang et al., in press).

It is considered that the consumers are at an uncertain situation about precisely who, what, and how is the characteristic of sellers who interact with them over the internet, and vice versa. According to some previous studies by Chiu et al. (2010) and Ribbink et al. (2004) trust is the fundamental aspect of customer loyalty. The question is, how to build customer loyalty instead of customers still not having confidence in un-reputable retailers yet. Of course, this situation is challenging to realize. Then,

we use the concept of interpersonal trust or commonly called as Chinese trust in the case of customer loyalty building mechanism on E-Commerce based retail business in Indonesia. We examine two exogenous latent variables, i.e., E-WoM and Structural Assurances as antecedent variables of *guanxi*. Also, test them simultaneously to obtain the fact whether these variables have a relationship and or influence on the process of customer behavioral loyalty formation in the online channel. It is expected that the results of this study would be useful as a reference to stimulate the emergence of another sustainable customer loyalty research in the context of collectivist cultured society.

LITERATURE REVIEW

Electronic Word of Mouth (E-Wom)

Word of Mouth (WoM) is an essential factor for the creation of goods transaction in the traditional trading mechanism. This matter discussed in the theory of consumer confusion, which is one of the favorite Confusion Reduction Strategy (CRS) mechanisms, is the WoM method (Atmojo et al., 2014). The popularity of WoM as the most reliable and frequently used CRS mechanism has a close relationship with one of the primary human needs. Where, one of the essential needs is the need to connect, keep in touch with each other, or in other words interpreted as the need to socialize. Furthermore, another important aspect of the social interaction dimension that allows humans to stay in touch with each other is

the communication itself. A previous study by Atmojo et al. (2014) found a unique pattern of consumer purchase behavior in the case of the high-involvement product (specific: Smartphone products) in Jakarta. Salesperson played a vital role in the process of product purchase decision making. Communicative and interactive salesperson took a substantial role when influencing people to actually buy something. According to Atmojo et al. (2014), WoM had a psychological impact, in increasing the confidence level of potential customers to make purchases of products/services. Because some consumers believe that salesperson is someone who is considered to have knowledge and more information about products and services offered. The WoM mechanism does not only occur in the traditional business environment with conservative transactions but also occurs on the other side. Like online trust, WoM mechanism also has a virtual form. WoM in a virtual environment is called Electronic Word of Mouth (E-WoM). The process of justification and confirmation of consumer expectation about online merchants pours into online product review and consumer testimonials are some representations of E-WoM (Yoo et al., 2013). Where the dissemination of information through the E-WoM method naturally occurs by itself and has a plot like the spread of a virus (referring viral mechanism). Through E-WoM as an online reference purchase of products or services, of course, will facilitate consumers in justifying the selection and or purchase of products or services. Such

justification may be based on the independent judgment of any party (intrinsic motivation), or consciously conducted by the consumer as a cognitive activity to assess the quality aspects of an online vendor's service or the information of the product or service being sold. Furthermore, in the assessment of intangible aspects (such as service quality, merchant empathy, and vendor friendliness), E-WoM is a crucial reference mechanism. Any positive or negative E-WoM sentiment correlates with the success or failure of the business of the E-Commerce-based business. Moreover, if online businesses has no structural assurances such as legal and physical representation (e.g., office buildings, official business licenses) used as guarantees in reducing the potential for unfriendly consumer sentiment (Pavlou, 2003). Therefore, the creation of positive E-WoM sentiments is a fundamental aspect of online business actors to survive the competition and continue to maintain sustained success (Turilli et al. 2010). According to Yoo et al. (2013) the definition of E-WoM is mentioned as a mechanism of exchange know-how (knowledge) that occurs among consumers. In this study, e-WoM defined as an online information distribution mechanism that occurs among consumers, based on particular intrinsic and extrinsic motivations as an effort to provide the best shopping experience for customers and others. E-WoM measurement indicators in this study were divided into (i) Customer feedbacks regarding vendor service quality, (ii) Customer feedback on the quality and the price of products/services

sold by the vendor, (iii) Review feedbacks on the shopping convenience experience accommodated by the vendor.

Structural Assurances

Structural Assurances stand as representations of physical assets (tangible) and the aspects of business legality. Flavian et al. (2006) proved that physical assets in a traditional environment such as office buildings (brick and mortar) and private land owned were essential factors that could trigger the creation of trust in an online environment. In their research, Flavián et al. (2006) described customer behavior patterns in the banking industry, which tended to be more trusting and had a positive intention when using online banking services launched by the same traditional bank rather than another online banking service which did not have any solid warranty. It can be said that an essential aspect of online trust construction is the reputation of business actors who has a structured warranty (as a guaranteed asset). Because the trust aspect that is formed in the online channel environment is the result of trust transfer and transformation from the traditional environment (Kuan & Bock, 2007). Turilli et al. (2010) added that the tangible aspect was another form of warranty that online businesses could afford to their customers. Where, under certain circumstances, there were matters of dispute, then as a resolution of problem-solving matters related to structural assurances could be used by consumers to claim responsibility from the institution concerned. The definition

of structural assurances by Gefen et al. (2003) was a measure of the success of a vendor based on the ownership of security networks such as legal channels, guarantees, and regulations existing in certain contexts. In this study, structural assurances defined as the ownership of tangible assets from vendors, which could be used to convince consumers that the business models and business processes carried out comply with business regulations applicable to specific jurisdictions. The measurement indicators of structural assurances in this study consisted of (i) Confidence level. Consumers feel secure when transacting with online vendors, as they are protected by independent third-party security agencies. (ii) Confidence level. Consumers feel safe to transact with online vendors because the vendor concerned has a building/physical store in supporting his business. (iii) Confidence level. Consumers feel secure transacted with online vendors because the vendor concerned has an independent website. (iv) Confidence level. Online vendors that transact with consumers already has business licenses from the government in the form of legal entities and has written agreement documents that are protected by law.

Guanxi

In Chinese phrases, guanxi is a combination of two syllables that form a sentence. The syllable “guan” has a meaning as a resistor or can also be regarded as a barrier gate. While “xi” can have a sense of a system or in other words also can be called as the link

(connection). When forming a sentence, the meaning of the word *guanxi* has several definitions, as according to Fan (2002) the meaning of *guanxi* could lead to:

- (a) An inter-personal relationship between groups or individuals. Emotional (emotionally attached) relationships between people who were connected to one another, socializing, communicating and sharing are just examples of the existence of *guanxi*.
- (b) Emotional bonding situations that occurred due to factors of habit. In other words, *guanxi* created in an intense communication atmosphere. In this case, intense communication described as a form of interaction created between close relatives such as relationships between families, relationships between friends, and also colleagues. And, (c) mutual trust arises from experiences that have occurred in the past. Trust arises because of the impression or good experience that certain parties have felt to others. Although only ever experienced relatively little interaction, the good impression that ever created is the initial capital of *guanxi* formation.

Fan (2002) mentioned that in describing *guanxi*, it was preferable not to translate the word meaning into foreign language translation. It aimed to preserve the meaning of *guanxi* in the real sense. Fan (2002) described *guanxi* as a form of trust,

relationships, and complicated connections, because according to him, *guanxi* not only worked as a relationship without direction but a relationship that had a purpose. So that *guanxi* in business defined as an emotional connection between several people who were connected to each other, socialize, communicate, and shared to reach a specific goal. According to Fan (2002) the image of *guanxi* is categorized into several forms of manifestation, including *guanxi* as connectivity between relations, *guanxi* as a mode of exchange, *guanxi* as an asset or resource, and *guanxi* as a process. Barnes et al. (2011) and Yen et al. (2011) provided the concept of *guanxi* measurements in three dimensional sizes, included *ganqing*, *renqing*, and *xinren*.

Ganqing is defined as a relationship related to emotional level of understanding, connection, and sharing of feelings. Kinship relationships that occurs between vendors and customers in addition to business and work problems regarded as *ganqing*. Furthermore, the sense of empathy that consumers have when they abandon their intention to offer very low price products/ services also go into the realm of *ganqing*. *Renqing* is defined as a feeling that is associated with the sensitivity, sympathy, and understanding of humans to help both morally and in action against each other. The sympathy of a consumer who feels guilty if he does not give a positive recommendation to the seller he subscribes to is one example of *renqing*. Consumers who volunteer to assist sellers in providing important advice and also provides positive feedback can also

be categorized into renqing. In the concept of renqing, the consumer has the belief that the seller is a friend who was not only based on the transactional principle but is based on sincere friendship and does not take unilateral advantage. The Chinese concept of belief is called xinren. A consumer's belief in a vendor that always performs honest deeds and performs well without having to question the intent and purpose behind the actions taken can be defined as xinren. In other words, one's ability to trust others without being based on a particular tendency is a concept called Chinese trust or xinren.

In addition to Barnes et al. (2011), Ou et al. (2014), and Yen et al. (2011) and also had concepts of definitions, dimensions, and measurement indicators of guanxi that had been adapted for in the context of E-Business. According to Ou et al. (2014), guanxi defined as informal relationships that occur between buyers and sellers could form in a digital-based market environment, consisting of mutual understanding, reciprocity, and harmonious relationships. The guanxi dimension consisted of: (a) mutual understanding was defined as the foundation of the guanxi created between the buyer and the seller in the achievement of the business deal. Where to reach the agreement consisted of several requirements that must be fulfilled by both parties. (b) Reciprocal favors were defined as the exchanged of goodwill between the parties (the seller and the buyer) which was the main condition for creating a guanxi. (c) Relationship harmony (a harmonious relationship) was defined as the main raw material needed to obtain

a guanxi relationship (Ou et al., 2014). Creating a harmonious relationship is the main focus of Chinese communications.

Based on the studies that have been done on some guanxi concepts from previous researches, in this study, the concept of guanxi is defined as a kinship relationship based on mutual trust and harmony between two parties to achieve certain business benefits. As for retaining the original concept of guanxi, this research used guanxi concept with dimension of ganging, renqing, and xinren version of Barnes et al. (2011) and Yen et al. (2011) which had been aligned with the concept of Ou et al. (2014). So the dimensions and measurement indicators of guanxi in this study consisted of: The ganging dimension was defined as a sense of mutual understanding based on the emotional ties between two business parties in order to foster and maintain a sustainable business relationship. The ganging measurement indicators in this study such as (i) Kindship rates were intertwined. The more often consumers do business with vendors; it also increased the kinship relationship between them. (ii) The degree of kinship that existed. The kinship that took place between the consumer and the vendor in the business should also occur in everyday life. (iii) The level of consumer support. Consumers will always negotiate in a familial way with the vendor in case of a dispute in business. Renqing dimension in this study defined as the nature of sensitivity, sympathy, and tolerance between the consumer and the vendor as a representation of the exchange of good in a

business relationship based on friendship. The renqing measurement indicators in this study consisted of (iv) Support level. Consumers will always support vendors by doing positive actions to grow the vendor's business growth. (v) Level of regret. Consumers will feel very sorry if they restrain the progress of business from vendors. (vi) Support level. When vendors need help, then voluntarily consumers will provide the needed help and vice versa. Xinren dimension in this study defined as the nature of consumer confidence in vendor performance without being based on a sense of doubt or a certain contrary tendency. The xinren measurement indicators in this study consisted of (vii) Confidence level. Consumers always believe that vendors always act honestly and reliably in performing their performance.

Behavioral E-Loyalty

Behavior-based customer loyalty (behavioral loyalty) was an intention or actual action of a customer to make visits and repeat purchases from a particular vendor Jarvis et al. (2006), and Sharifi and Esfidani (2014). For example, a customer purchases Samsung branded TV products and feels specific benefits of the product he/she purchases. Sometime later, when the customer is about to purchase a mobile phone, she decides to buy a Samsung branded phone product because she has had a good experience with the Samsung brand. Based on the behavior shown by the consumer then she is said to have loyalty to the Samsung brand behaviorally. Sharifi and Esfidani (2014)

defined behavioral loyalty as a conative or action aspect as a form of the realization of the cognitive (emotional) and affective components (emotions) to make a visit or purchased on a particular vendor. The consumer's conative attitude had a favorable cognitive construction to the reliability and integrity of the vendor in his thinking, so based on the perception, it believed would be the determining factor of making the purchase decision. Perceptive perceptions that arise repeatedly would make consumers also had the affective construction that could lead to emotional bonds between consumers and vendors. So, that in the end, the accumulation of these attitudes would build the intrinsic motivation of consumers to share the shopping experience gained by referencing specific vendors who had been believed to be reliable of their performance.

Yoo et al. (2013) defined behavioral loyalty as the behavior of visits and repeat purchases made by consumers against particular vendors. Behavior-based loyalty measured based on a measurement indicator that was consumer commitment not to shop through the services of other vendors. Which means the actions of consumers to not switch from vendors subscribed to competitors is one representation of customer loyalty conative attitude. Furthermore, Toufaily et al. (2013) defined behavioral loyalty as the intention as well as the actual action of consumer attitudes in making visits and purchases on specific vendors. Behavioral loyalty in this study defined as the intention or action as a form of the realization of attitudes owned by consumers to make visits

and repeated purchases of specific vendors. After some adjustments to the concept study, the behavioral loyalty measurement indicator in this study consisted of three (3) indicators, including: (i) the level of commitment to not switch to the competitor's vendor. As long as the quality of service provided by the subscriber vendor always shows the best standard, the consumer will not switch to the competitor's vendor. (ii) The level of commitment not to switch to competitor despite the selling price of products is higher than the competitor. Although subscribed vendors apply higher prices than competitors, consumers will not shift to the other destination of shopping. (iii) Participation in commenting/award. Consumers will always provide positive reviews of products/services and performance that come from vendor subscription. Including level of defense, when knowing that a subscribed vendor is being hit with issues related to bad reputation, the consumer is not hesitant to make an appropriate defense.

According to the theoretical framework we used, then the proposed hypotheses in this research were:

H1: Guanxi positively and significantly influence towards the behavioral loyalty of consumers when conducting E-Commerce transactions.

H2: Structural assurances positively and significantly influence towards the guanxi creation of consumers when conducting E-Commerce transactions.

H3: E-WoM positively and significantly influence towards the guanxi creation of consumers when conducting E-Commerce transactions.

MATERIALS AND METHODS

This research used convenience sampling method in collecting data. The convenience sampling method perceived most appropriate considering that E-Commerce customers were spread in various regions and were in particular geographical conditions. A large number of subscribers connected to the Internet caused the customer population in the context of this research to always be dynamic. So the convenience sampling method was one of the most proper solutions applied by Herington and Weaven (2007), Mukherjee and Nath (2007), Kim et al. (2009), and Sahney et al. (2013). The characteristics of sampled respondents were Indonesian E-Commerce customers who had made an online purchase at least twice from the same vendor. Alternatively, in other words, the respondents were experienced buyers. For data collection instruments, we used hybrid mode questionnaire surveys; where the questionnaires that we disseminate were printed and online documents (Google docs). For measurement scale, we used the Likert scale with interval scale of 1-5 (very low-very high). Then, Likert scale which was still a qualitative scale we transformed into a quantitative scale using the method of successive interval (MSI). The purpose of using the MSI method was

to obtain a more objective and detailed weighting score. As for data cleaning, we used the Mahalanobis Distance approach as a method of controlling outliers. Outliers were one of the obstacles that could inhibit the objectivity of research if not controlled appropriately, so cleaning the data from obstacles would make the results more accurate analysis (Mahalanobis, 1930; Stevens et al., 2013). After we cleaned the data, the next process was testing the structural model and hypothesis. Then, the process of testing was used a method of Structural Equation Modeling-Partial Least Squares (SEM-PLS). The primary reason for using SEM-PLS as an analytical tool was due to the nature of this research which was explorative research and had a dynamic sample (Hair et al., 2016; Kwong & Kwong, 2013; Latan et al., 2016).

RESULTS AND DISCUSSIONS

From the data collection process, a total of 289 questionnaires filled. From the returned questionnaire then we tested the outliers and obtained 256 valid answers. Based on valid data, there was composition of 131 female respondents and 125 male respondents. The majority of respondents were dominated by respondents with age range 18-30 years (68%), followed by age range 35-50 years (18%), and the rest were respondents with age range > 50 years. Discussion of sampling method, with non-probability sampling approach with convenience sampling method, was the most appropriate analytical approach in the context of this research. In Figure 1, we described the inner model processing using Smart-PLS software.

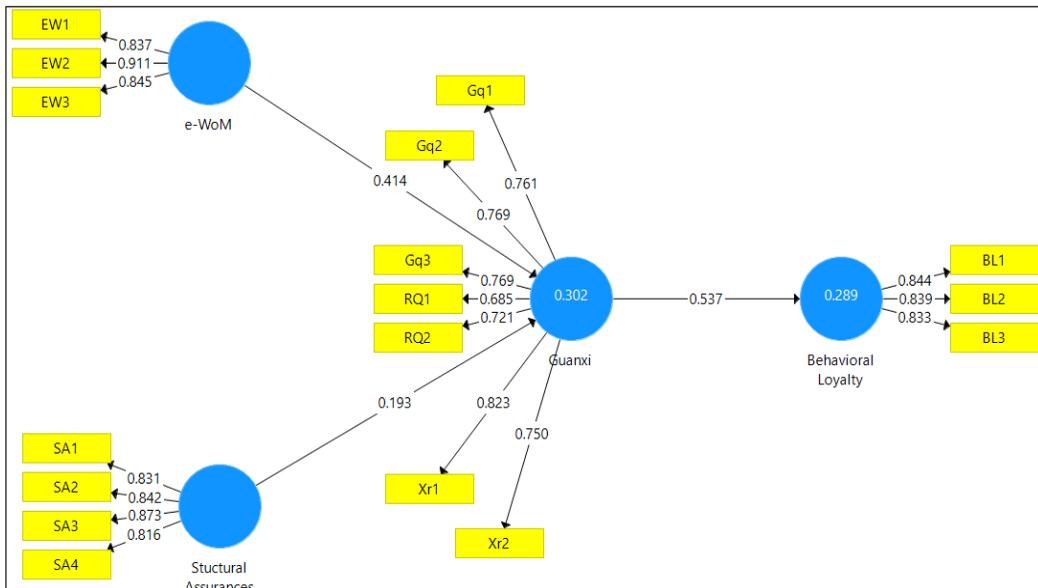


Figure 1. Inner model for path coefficient and coefficient of determination R²

Table 1
Determination coef. value

Variable/R ²	Guanxi	Behavioral Loyalty
R ²	0.289	0.302
R ² Adjusted	0.286	0.297

Notes: R² = 0.75 = Substantial; R² = 0.50 = Moderate; R² = 0.25 = Weak (Hair et al. 2010; Kwong & Kwong, 2013)

R² = 0.67 = Substantial; R² = 0.33 = Moderate; R² = 0.19 = Weak (Chin, 1998)

Based on the coefficient R² shown in Table 1 it can be said that the guanxi variable weakly explained the occurrence of 28.9% variance in behavioral loyalty. Moreover, the E-WoM and Structural Assurances variables explained the 30.2% variance in guanxi. The results showed in Figure 1 shows that the guanxi variable has the most robust correlation with the behavioral loyalty variable with the path coefficient value of 0.537. It followed by the correlation between E-WoM and guanxi with path coefficient value of 0.414. So the weakest correlation was shown by structural assurances to guanxi with path coefficient value of 0.193. Table 2 shows the results of reflective outer model.

Based on the results presented in Table 2, with rho_A > 0.4 and Cronbach value α > 0.7, the measurement model in this study has a good individual value of reliability. And the results have met the requirements of confirmatory research required (Kwong

& Kwong, 2013; Latan et al., 2016). The value of Composite Reliability of all indicators in the level > 0.6 indicates that the measurement model used has met the expected criteria. According to Latan et al. (2016), Kwong and Kwong (2013), regarding the convergent validity, the required Average Variance Extracted (AVE) threshold value is suggested in the level > 0.5. In this study the research variables have been > 0.5, thus that the existing convergent validity can be confirmed its validity. Table 3 shows the Fornell-Larcker Criterion analysis results to measure discriminant validity.

To measure the discriminant validity the square root of each AVE value is required. Where, the results are set forth in Table 3 which contains the Fornell-Larcker analysis. Note that these * values have a greater value than the correlation values of the other variables in each column. In example behavioral loyalty in column 1 has

Table 2
The results of reflective outer model measurement

Latent Var.	Cronbach α	rho_A	Composite Reliability	Average Variance Extracted (AVE)
Behavioral loyalty	0.791	0.798	0.877	0.703
Guanxi	0.874	0.882	0.903	0.570
Structural Assurances	0.862	0.866	0.906	0.707
e-WoM	0.831	0.835	0.899	0.748

Table 3
The Fornel-Larcker Criterion Analysis for discriminant validity measurement

Latent Var.	Behavioral loyalty	Guanxi	Structural Assurances	E-WoM
Behavioral loyalty	0.839*			
Guanxi	0.537	0.755*		
Structural Assurances	0.275	0.435	0.841*	
E-WoM	0.418	0.527	0.583	0.865*

a value (0.839) greater than guanxi (0.537), structural assurances (0.275), and E-WoM (0.418).

Bootstrapping

With a total sample of 256 records, in the bootstrapping procedure we used a sub-sample of 5000 data, two-tailed test, no-sign changes, and complete bootstrapping. In this calculation process, we used memory heap setting of 2048 MB. The inner model results from the bootstrapping analysis can be seen in Figure 2.

Table 4 describes the path coefficient values in the inner model after bootstrapping. To measure the significance level of the path coefficient on the inner & outer model, Kwong and Kwong (2013) compared the value of T-statistics with the critical t-value with the following conditions: (A) calculation analysis using two-tailed t-test. (B) For the 10% significance level, the t-value critical value used is 1.65. (C) For the 1% significance level, the t-value critical value used is 2.58. (D) For the 5% significance level, the t-value critical value

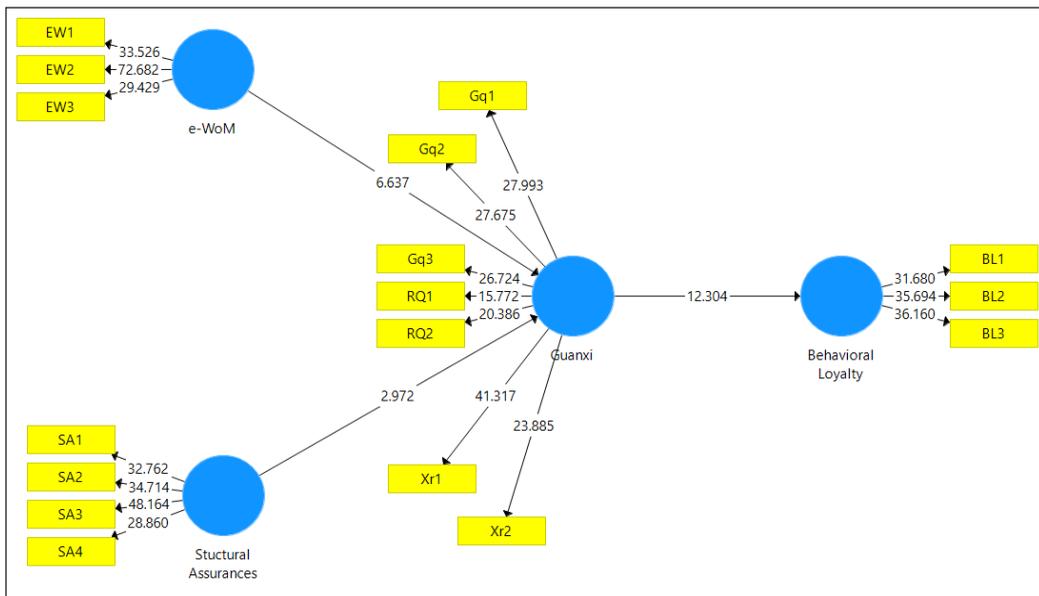


Figure 2. Inner model after the bootstrapping procedure

Table 4
Path coefficient values in inner model after bootstrapping

Latent Var.	Original Sample	Sample Mean	STDEV	T-Statistics	p-Values
Guanxi → Behavior Loyalty	0.537	0.54	0.044	12.304	0.000
Structural Assurances → Guanxi	0.193	0.195	0.065	2.972	0.003
E-WoM → Guanxi	0.414	0.413	0.062	6.637	0.000

used is 1.96. Based on the value of the path coefficient in Table 4 with reference to the level of significance of 5%, the path coefficient in the inner model that has a correlation and statistically significance with each other is the relation between guanxi → behavior loyalty; with coefficient value of 12.304 (p-values < 0.05). Then followed by the relation between structural assurances → guanxi with coefficient value of 2.972 (p-values < 0.05). And the last one is E-WoM → guanxi with coefficient value of 6.637 (p-values < 0.05).

Hypothesis Testing (Total Effects)

The hypothesis testing in this study displayed the results of total effects after the bootstrapping procedure. The results can be seen in Table 5.

Based on the total value of the effects presented in Table 5, it can be said that:

H1: Guanxi positively and significantly influence towards the behavioral loyalty of consumers in conducting E-Commerce transactions. (H1 accepted, p-values significant at [0.000] < 0.05 and < 0.01 respectively).

H2: Structural assurances positively and significantly influence towards the guanxi creation of consumers in conducting E-Commerce transactions. (H2 accepted, p-values significant at [0.000] < 0.05 and < 0.01 respectively).

H3: E-WoM positively and significantly influence towards the guanxi creation of consumers in conducting E-Commerce transactions. (H3 accepted, p-values significant at [0.000] < 0.05 and < 0.01 respectively).

Table 5
Total effects for hypotheses testing

Latent Var.	Original Sample	Sample Mean	STDEV	T-Statistics	p-Values
Guanxi → Behavior Loyalty	0.537	0.54	0.044	12.304	0.000**
Structural Assurances → Behavior Loyalty	0.104	0.106	0.037	2.798	0.005**
Structural Assurances → Guanxi	0.193	0.195	0.065	2.972	0.003**
E-WoM → Behavioral Loyalty	0.223	0.224	0.042	5.314	0.000**
E-WoM → Guanxi	0.414	0.413	0.062	6.637	0.000**

Notes: **, * Statistically significant at the level 1% and 5%

CONCLUSIONS

The results from hypothesis testing can be said that the three proposed hypotheses were accepted. In this research, it was found that structural assurances had positive and significant direct effect on guanxi formation with T-statistics value 2,972 (p-values < 0.05) and positive and significant indirect effect toward customer loyalty behavior with T-statistics value 2,798 (p-values < 0.05). We also found the facts that E-WoM had a positive and significant direct effect on guanxi formation with a T-statistics value of 6,637 (p-values < 0.05). Where, E-WoM at once had a positive and significant indirect impact on the occurrence of behavioral customer loyalty with the value of T-statistics of 5.314 (p-values < 0.05). In the end, the results of this study indicated that guanxi positively and significantly influenced the occurrence of customer behavioral loyalty when conducting E-Commerce transactions. This was shown by the value of T-statistics of 12.304 (p-values < 0.05).

The nature of this research was more focused on E-Commerce retailers with limited resources. In other words, this study aimed to find the critical success factors that needed accommodate by small retailers. We had empirically tested where E-WoM and Structural Assurances factors played an essential role in the process of guanxi creation in the context of hybrid C2C2B (customer to customer to business) retail E-Commerce. Similarly, guanxi was needed by lower-middle-scale retailers to build behavior-based loyalty from their customers. It can be said that to start an

E-Commerce business, retailers needed to pay attention to the aspects of legality and also the quality of adequate services. The goal was to build an interpersonal trust construct from the consumer that ultimately led to a repeat purchase decision. Even if a small retailer did not need to have a physical building that used as protection for transactions. However, independent third-party accreditation licenses urgently needed were considered to build a trusted and reliable business image by consumer perspectives. Furthermore, good service performance could strengthen and accelerate the growth of quality recognition from the E-Commerce ecosystems.

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