The Influence of Apparel E-commerce Companies' Corporate Social Responsibility on Customer Spurious Loyalty-The Mediating Role of Perceived Risks

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Abstract:- *Nowadays, the apparel industry e-commerce is developing rapidly; its corporate social responsibility is an attractive and interesting topic because many researchers found corporate social responsibility can affect consumer behavior. This research aims to find the relationship between apparel e-commerce companies' corporate social responsibility and customer spurious loyalty, to find the mediating effect between perceived risk of apparel e-commerce enterprises' corporate social responsibility and the loyalty of customer and to find a good way to get more loyal customer, in order to increase the income and profit of apparel e-commerce industry. The researcher found that in the apparel industry e-commerce, it is a challenge to ensure that customers have real loyalty. The common point between spurious loyalty and real loyalty is that they both include behavioral loyalty (habitual buying behavior), and the difference is whether there is emotional loyalty. In this industry, the ability to generate consumer loyalty is good for the development of apparel enterprises. The research aimed to find the relationship between apparel e-commerce companies' corporate social responsibility and customer spurious loyalty and to understand the role of perceived risk as a mediating variable. The researcher distributed 800 questionnaires, collected 723 questionnaires and obtained 652 valid questionnaires. After the analysis, the researcher found that some variables of corporate social responsibility negatively affected the perceived risk; corporate social responsibility positively affected customer spurious loyalty, while perceived risk negatively affected customer spurious loyalty; perceived risk played a partial mediating role between corporate social responsibility and spurious loyalty.*

Introduction

Since 1997, e-commerce has entered various areas of the 21st century, which is clearly reflected in the apparel industry (Ebrahimi et al. 2021). After the born of Alibaba and Taobao, the apparel industry has gradually moved to online sales instead of traditional offline sales channels. E-commerce is also more suitable and can satisfy the needs of the market. The expansion of Internet commerce has paved the road for the fast improvement of e-commerce (Guven, 2020). The industry of e-commerce has become almost a new force.

As opportunities appeared in the e-commerce industry, apparel industry various real estate sectors are also looking for better opportunities (Nanda, 2021). After apparel industry had joined the electric industry, in almost every direction, caused the rapid growth of the apparel industry. At the same time, the apparel industry used the network sales model, saving many cost and caused lower price (Tsai, 2018). With the development of the garment industry in e-commerce, the sector has been in an upswing and is growing rapidly. Online shopping has become an integral part of people's lives and is the largest category in the apparel industry. E-commerce for the apparel industry will be driven by the channel shift to digital and will continue to lead the innovation and development of the digital fashion industry.

Due to the development of the apparel industry with E-commerce, it showed much limitation with
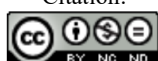
online shopping. Customer only can see words, pictures, videos, and other information of clothing from the computer or cellphone. And that long distance communication may cause apparel e-commerce has the potential to ignore Corporate social responsibility (CSR) for profit. In the apparel industry, there has been many problems with fake advertising, fake sales promotions and poor quality products. Corporate social responsibility (CSR) affects the purchasing behavior of today's customers for performance, as they increasingly focus on CSR. Corporate social responsibility of apparel industry should be paid more attention to know how it affect customer loyalty and their risk perception.

Objectives

The main purposes of this research are three aspects, which are: first of all, this research aimed to find the relationship between apparel e-commerce companies' corporate social responsibility and customer spurious loyalty. Second, the purpose of this study is to find the mediating effect between perceived risk of apparel e-commerce enterprises' corporate social responsibility and the loyalty of customer. The last but not the least, this research also tried to find a good way to get more loyal customer, in order to increase the income and profit of apparel e-commerce industry.

Literature review

Nowadays, electronic commerce (e-commerce) has become more and more essential in the economic driver no matter whether it is in these countries developed or not (Vărzaru & Bocean, 2021). As the largest market where people can shop online, the same can be said for China. Because there is a large labor force, which is poorly paid, and a large capital investment, China's economy has enjoyed rapid growth since the 1980s, although growth has slowed since the economic crisis of 2007. However, e-commerce and other new areas of the economy in order to optimize the industrial upgrading in the cultivation of injected new energy can be seen as countries are from the developing mode of investment and export-driven to upgrade to the innovation and the development of consumption-driven model logo (Zhao & Ruet, 2021). Electronic commerce network connection is for bringing about changes for different areas of China's economy, promoting economic reform. But e-commerce is one way to help China's industrial upgrading and economic growth (Li et al., 2019). The management of electronic commerce affects value.

The sharp increase in the internet and new techniques has given method to a new kind of retail media (Paul & Rosenbaum, 2020). Traditional physical retailers are turning to e-commerce as choice online store shopping demands rapid growth in customer numbers. Convenience, availability of various types of products, and discount coupons are just some of the advantages offered by the new online retail environment. As a result of the new media presence, physical and online stores have sharply diverged. On the Internet, for example, consumers cannot touch or see the physical products, customers cannot feel the atmosphere and store ambience, and there is no real store consultant to influence consumer decision-making. Instead, in e-commerce, we have photos, videos, virtual shopping carts, and comment or testimonial pages. We can suppose that these discrepancies conduct deep transformations in client manners. To comprehend these modifications, it is vital to decide the aspects that impact online client behavior and the technology. The significance of this subject has been stressed in earlier reports. As Lasrado et al. (2022) suggested, the role of technology in the exchange between clients and suppliers
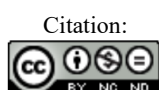
should be exact, not only through electronic media but also in comprehending the crucial characteristics that force patrons to purchase from clear websites.

There are several approaches that can be used in the apparel industry, which can help to understand industries with different business model. Cost is one of the bases of segmentation. A large part of the clothing industry is competitive in cost. In order to achieve the lowest cost, manufacturers usually produce in countries with low labor cost, low transportation cost and long delivery time. Blindly pursuing low cost usually leads to a longer delivery time, because the enterprise tries to minimize costs by a large number of production and transportation (Xu & Rong, 2022). Low cost clothing is usually sold through mass merchants such as K-Mart and Wal Mart. Industry companies choose to keep increasing costs to obtain better quality (appearance, handle, fit and durability) or more fashionable.

The fabric and dress enterprise has multiple outstanding characteristics, which obtain challenges to the performance of e-commerce.

First, and possibly most significant, is the tribulation of accurately representing developments online. Clothing has numerous features in the consumer decision-making process, colors, textures, and fits that are difficult, if not impossible, to convey via virtual means. And, in the case of books, music, and consumer electronics products, the difficulty of characterizing products cannot be easily offset by customer review, industry expert review or comparison based on independent performance evaluation. (although when shopping online, like buying on the catalog, the brand name can help consumers infer or for certain aspects of the quality, especially for repeat purchases or purchase consumers.) These disorders may be more of a deterrent for B2C e-commerce than for B2B, where business partners are more familiar with the forms of communication than individual consumers due to the standards of the color and fabric industries.

The personalization of clothing purchases tends to be emotional, which makes the product difficult to characterize. Clothing purchasing decisions are closely related to individuals' feelings about themselves, their body image, and the image they wish to present. Clothing is a person to the public in order to show his or her self-image and choose to wear "skin", therefore it is closely related to one's sense of self. As a result, emotional factors may seem less important in decisions about buying books, music, food, and electronics.

There is substantial evidence that current B2C websites are unable to adequately describe their products to enable consumers to make valid choices. Most notable is the high rate of returns on products purchased online for apparel. Clothing purchased online has the same rate of return as clothing purchased from catalogs: estimates range from 12 percent to 35 percent if you buy from catalogs, depending on the style and fashion of the product. Specifically, Eddie Bauer (Eddie Bauer) and landers (such as Lands' End) between 12% and 18%, the rate of return on casual dress more fit fashion between 20-28%, the rate of return on haute couture returns as high as 35%. Harris interactive e-commerce pulse company was analyzed and calculated in a consumer is offline for online shopping and spending $and the ratio of the online consumer dollars. The larger the percentage, the more likely an online shopper is to use an online shopping site to gather information about a product rather than make a direct purchase.

Corporate social responsibility is seen as a strategy to overcome the negative effects of the external environment (Dhar et al., 2022). In literature, CSR may be at a mature stage, but from a marketing perspective. Corporate social responsibility has become a new topic for stakeholders and corporations.

In recent years, CSR has become a competitive strategy for companies to increase their profits, customer satisfaction, customer loyalty, corporate reputation, and positive attitude toward their brands (Islam et al., 2021). Stakeholders are increasingly demanding socially responsible initiatives. It was a clear signal to the corporate world that business leaders needed to focus on social issues in their business operations to win the confidence of their customers, and that loyalty could translate into a competitive advantage.

Building customer loyalty has become a major objective as high customer loyalty translates into retaining existing customers (Al-Hawary & Al-Fassed, 2022). It is more efficient, in terms of cost and revenue, to retain existing customers than to attract new ones. Most prior work on customer loyalty includes satisfaction, trust, commitment, and conversion disorder. While many studies have shown the importance of inertia, relatively little research has been done on customer loyalty with this in mind.

Research Hypothesis

Corporate social responsibility and corporate performance relationships have been extensively discussed by researchers. However, an important research gap that has yet to be explored is the relationship between CSR measures and customer loyalty in the e-commerce environment of the apparel industry. This study discusses the internal mechanisms of CSR affecting customer loyalty, with reference to resource-based theory and stakeholder theory, corporate reputation, customer satisfaction, and customer trust. In recent years, the construction of customer loyalty has become an important task for researchers and practitioners. Scholars have identified key determinants of customer loyalty, including customer satisfaction and trust, as well as service quality, as responsible. E-commerce has done some research, mainly on loyalty in the apparel industry, but there are still some areas to explore. Therefore, we need some more in-depth understanding to validate customer loyalty as a building's willingness to use. According to these articles, we make the following assumptions:

H1: The Corporate social responsibility of Apparel E-commerce companies has a significant positive impact on Spurious Loyalty of Customers in China.

Most importantly, the relationship between CSR and fake customer loyalty depends on the power of customer trust and commitment to CSR in the apparel business. If customers do not trust the company, there is no satisfaction, no commitment, and it is difficult to generate loyalty, even if it is a false loyalty. Often, a customer's perceived risk to a product or company can significantly affect their trust, satisfaction or commitment to the company.

Perceived risk can be defined as the lack of customer trust and purchase of a good or service due to awareness of potential adverse effects. Perceived risk is considered an important factor in customer behavior. Perceived risk theory (PRT) in the field of research believes that perceived risk is a combination of several dimensions. These include performance, financial, social, psychological, security, privacy, and physical risks. These dimensions have been exploited and even developed by many researchers. According to Gemunden, the total risk and reduced predictive value of each dimension in a graph strongly depend on the class of goods or services. Since the first goal of this study is to investigate the perceived risk dimension of IB influence, the following review of the literature in this area is presented. Thus, in other contexts, perceived risk can strengthen or weaken the relationship between CSR and false customer loyalty. According to these articles, we make the following assumptions:

H2: Customer perceived risk is playing a mediating role between corporate social responsibility and spurious customer loyalty toward apparel E-commerce companies.
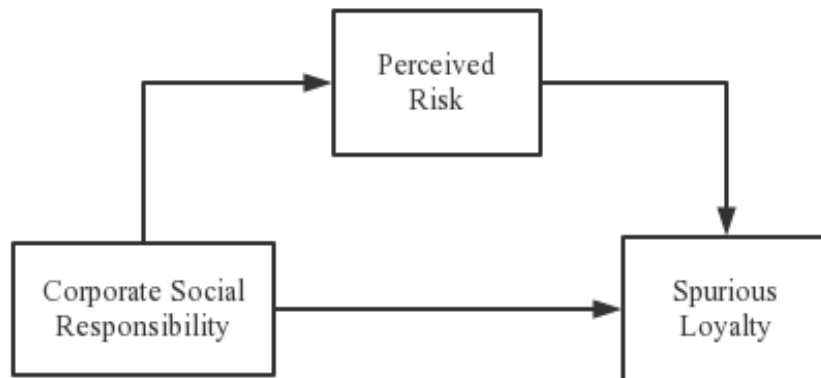

Figure 1: Research conceptual framework

Research Methods

This research used survey way to distribute 800 questionnaires, collected 723 questionnaires and obtained 652 valid questionnaires. After the analysis, the researcher found that some variables of corporate social responsibility negatively affected the perceived risk; corporate social responsibility positively affected customer spurious loyalty, while perceived risk negatively affected customer spurious loyalty; perceived risk played a partial mediating role between corporate social responsibility and spurious loyalty.

Results and Discussion

According to results, in terms of gender, there are 435 female customer (66.72%) and 217 male customer (33.28%). The main age level of respondents is come from Under 30 years old; they have 250 people with 38.34%. The second group is aged between 30-40 years old group, they have 233 people with 35.736%. The number of people with Bachelor's Degree is the largest, 259, accounting for 39.724%. In terms of position, most of them are employee with 225, account 34.509%. and in terms of Working Experience, most of them working between 1-5 years with 235 people (36.043%) or less than 1 year with 211 people (32.362%).

Table 1 Demographic Information

Variables	Options	Frequency	Percentage (%)
Gender	Male	435	66.718
	Female	217	33.282
Age	Under 30 years old	250	38.344
	30-40 years old	233	35.736
	41-50 years old	98	15.031
	More than 50 years old	71	10.890
Education Level	High School or others	80	12.270
	College	219	33.589
	Bachelor's Degree	259	39.724
	Master's Degree and Above	94	14.417
Position	Senior Executive	24	3.681
	Division Manager	121	18.558
	Supervisor	112	17.178
	Employees	225	34.509
Working Experience	Less than 1 year	211	32.362
	1 year-5 years	235	36.043
	5 years-10 years	79	12.117
	More than 10 years	127	19.479

According to the following Table 2, researcher found that the p-value both more than 0.05, which means the hypothesis is not supported, there are not differences in Corporate Social Responsibility, Perceived risk, and Spurious Loyalty among customer with different backgrounds (gender) for the apparel e-commerce customer.

Table 2 Gender Difference with T Test

Variable	Male		Female		t	p-value
	M	SD	M	SD		
Corporate Social Responsibility	2.458	1.156	2.337	.833	0.542	0.878
Perceived risk	3.214	1.007	3.806	.867	1.026	0.305
Spurious Loyalty	2.838	1.078	2.070	.847	0.871	0.384

According to following Table 3, researcher found that the F value both significant, that means the hypothesis is supported, there is differences in Corporate Social Responsibility, Perceived risk, and Spurious Loyalty among customer with different backgrounds (age) for the apparel e-commerce customer.

Table 3 Customer' Age Difference with ANOVA Analysis

Variable	Corporate Social Responsibility		Perceived risk		Spurious Loyalty	
	M	SD	M	SD	M	SD
Under 25 years old	2.317	0.751	3.626	0.750	2.181	0.899
26-30 years old	2.612	0.792	3.979	0.847	2.421	0.964
30-35 years old	2.394	0.715	3.670	0.724	2.561	0.928
36-40years old	2.643	0.821	3.502	0.962	2.129	0.935

Variable	Corporate Social Responsibility		Perceived risk		Spurious Loyalty	
	M	SD	M	SD	M	SD
P-value	0.255		0.709		0.573	
F-Value	1.356		0.547		0.633	

According to following Table 4, researcher found that the p-value both more than 0.05, which means the hypothesis is not supported, there are not differences in Corporate Social Responsibility, Perceived risk, and Spurious Loyalty among customer with different backgrounds (Education Level) for the apparel e-commerce customer.

Table 4 Education Level Difference with ANOVA Analysis

Variable	Corporate Social Responsibility		Perceived risk		Spurious Loyalty	
	M	SD	M	SD	M	SD
High School or others	2.657	0.821	3.626	0.812	2.281	0.761
College	2.514	0.713	3.979	0.782	2.879	0.811
Bachelor's Degree	2.434	0.761	3.670	0.735	2.769	0.753
Master's Degree and Above	2.514	0.713	3.979	0.782	2.879	0.811
P-value	0.705		0.438		0.727	
F-Value	0.467		0.906		0.436	

According to following Table 5, researcher found that the F value both are not significant, that means the hypothesis is not supported, there is no differences in Corporate Social Responsibility, Perceived risk, and Spurious Loyalty among customer with different backgrounds (Position) for the apparel e-commerce customer.

Table 5 Customer' Position Difference with ANOVA Analysis

Variable	Corporate Social Responsibility		Perceived risk		Spurious Loyalty	
	M	SD	M	SD	M	SD
Senior Executive	2.657	0.601	3.326	0.542	2.326	0.636
Division Manager	2.424	0.543	3.479	0.622	2.479	0.554
Supervisor	2.434	0.622	3.570	0.521	2.663	0.551
Employees	2.363	0.526	3.602	0.662	2.721	0.643
P-value	0.378		0.397		0.808	
F Value	1.033		0.991		0.324	

According to following Table 6, researcher found that the F value are not both significant, that means the hypothesis is not supported. F value is not significant for Corporate Social Responsibility, Perceived risk and Loyalty. So, there is no differences in Corporate Social Responsibility Perceived risk and Spurious Loyalty among customer with different backgrounds (Working Experience) for the apparel e-commerce customer.

Table 6 customer' Working Experience Difference with ANOVA Analysis

Variable	Corporate Social Responsibility		Perceived risk		Spurious Loyalty	
	M	SD	M	SD	M	SD
Less than 1 year	2.467	0.621	3.626	0.812	2.281	0.661
1 year-5 years	2.324	0.613	3.979	0.782	2.879	0.611
5 years-10 years	2.434	0.522	3.570	0.821	2.663	0.651
More than 10 years	2.363	0.626	3.602	0.762	2.721	0.543
P-value	0.208		0.303		0.229	
F Value	1.520		1.216		1.443	

According to following table 7, this study used Pearson Correlation Analysis to check whether the coefficients of the three variables of Corporate Social Responsibility, Perceived risk, and Spurious Loyalty among customer for the apparel e-commerce customer. According to following table, researcher found that there is a significant positive relationship between the Corporate Social Responsibility and Spurious Loyalty, because the result value between Corporate Social Responsibility and Spurious Loyalty is 0.534 and significant. Then, researcher also found that there is a negative relationship between Corporate Social Responsibility and Perceived risk toward the customer for the apparel e-commerce customer, because the value is -0.624 and significant. Research also found that, there is a negative relationship between Perceived risk and Spurious Loyalty toward the customer for the apparel e-commerce customer, because the value is -0.501 and significant.

Table 7 Relationship Analysis Between Corporate Social Responsibility and Spurious Loyalty

	Corporate Social Responsibility	Perceived risk	Spurious Loyalty
Corporate Social Responsibility	1		
Perceived risk	-.624**	1	
Spurious Loyalty	.534**	-.501**	1

According to table 8, researcher found that there is a negative relationship between Corporate Social Responsibility and Perceived risk, and there is a positive relationship between Corporate Social Responsibility and Spurious Loyalty, and there is a negative relationship between Perceived risk and Spurious Loyalty. Then, based on the model 4, researcher found that the value changed from 0.577 to 0.412, and from -0.658 to -0.625, the F value is significant also, so research conclude that, Perceived risk is playing a mediating role between Corporate Social Responsibility and Spurious Loyalty. This is also supported hypothesis, which is consistent with some previous studies.

Table 8 Regression Analysis between Corporate Social Responsibility, Perceived risk and Spurious Loyalty

	Dependent Variable : Spurious Loyalty				
	Model 1 Spurious Loyalty	Model 2 Perceived risk	Model 3 Spurious Loyalty	Model 4 Spurious Loyalty	VVIF
Corporate Social Responsibility	0.577***	-0.652***		0.412***	0.072
Perceived risk			-0.658***	-0.625***	0.072
R^2	0.277	0.164	0.467	0.478	
Adjusted R^2	0.274	0.161	0.465	0.476	
F	34.125***	23.015***	248.223***	122.037***	

Assumption verification

According to above results, the hypothesis 1 was supported. Researcher found that there is a positive relationship between corporate social responsibility and spurious customer loyalty toward apparel E-commerce companies. According to table 7, researcher found that the relationship between corporate social responsibility and spurious customer loyalty is 0.534, that means they have positive relationship. For other parts, the relationship between corporate social responsibility and perceived risk is -0.624, that means they have negative relationship between corporate social responsibility and perceived risk. And the relationship between perceived risk and spurious customer loyalty is -0.501, that means they have negative relationship between perceived risk and spurious customer loyalty.

According to above results, the hypothesis 2 was supported, researcher found that customer perceived risk is playing a mediating role between corporate social responsibility and spurious customer loyalty toward apparel E-commerce companies. According to table 8, researcher found that the value changed from 0.577 to 0.412, and from -0.658 to -0.625, that means perceived risk will reduce the spurious loyalty of customer even the company have good corporate social responsibility.

Conclusion and recommendations

According to results, researcher found that customer perceived risk is playing a mediating role between corporate social responsibility and spurious customer loyalty toward apparel E-commerce companies. According to above results, researcher found that customer perceived risk is playing a mediating role between corporate social responsibility and spurious customer loyalty toward apparel E-commerce companies.

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