

# ELECTRONIC LOYALTY IN THE RELATIONSHIP BETWEEN CONSUMER HABITS, Groupon WEBSITE REPUTATION, AND ONLINE TRUST: A CASE OF THE Groupon TRANSACTION

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## ABSTRACT

Online group buying (Groupon) has become a business phenomenon; it is very popular in recent years. Like other online business forms, customer loyalty, which is one of the most important weapons of businesses, is also a challenge for online Groupon businesses to achieve in the competitive market. This study examined the factors that affect customer loyalty in online group buying based on the Theory of Reasonable Action. The mixed research method was done to achieve the research objectives, of which a survey through self-governing questionnaires with 633 participants. Research results pointed out that consumer habits and Groupon website reputation positively impact customers' online trust. Ultimately, electronic loyalty was a consequence of the online trust in the Groupon site. Some managerial implications were proposed for businesses in the group buying model to build electronic customer loyalty.

**Keywords:** *Groupon, Consumer Habits, Groupon Website Reputation, Online Trust, Electronic Loyalty.*

## 1. INTRODUCTION

In the first five months of 2020, the COVID-19 pandemic broke out and spread around the world. Most of the world is affected by more than 230 countries and territories with reported infections of more than 3 million people and more than 250 thousand deaths [1]. The strict and close control of the government and businesses and people's cooperation has opened up a new opportunity to develop e-commerce businesses. When the government encourages businesses and citizen to switch to the Internet to limit the pandemic's spread, e-commerce is growing rapidly, from 25-30% per year, higher than the world average [2, 3].

With the development of the economy, young people are changing rapidly with completely new habits and thinking. Every 15 to 20 years, the world welcomes a new generation [4]. Now, generation Z is maturing. They began to profoundly impact everything from industries (fast food and cable TV) to other social activities (marriage and home buying). Moreover, today's young people are often more active and tech-savvy than in previous generations. These characteristics have affected how they live, work, shop, and save. Looking at the number of more than 60% of the world's population

under 35 years old, a young generation familiar with the use of technology and the Internet, it can seem that the online transaction market's potential is huge. Besides, the increasing trend of working women also makes consumer goods demand through e-commerce channels to increase [5]. The market potential is the driving force to win and retain the trust of online shopping. Customers' trust is a central factor in exchange relationships, a prerequisite for business performance [6]. This relationship is especially meaningful in an online business environment, where buyers cannot directly contact the seller or the product they intend to buy. "Not seeing is believing" is one of the main reasons preventing consumers from participating in e-commerce. If trust is not built and maintained, online trading will hardly develop. In the context of many risks associated with online shopping, the reputation of the seller becomes a competitive advantage [7]. Thanks to its reputation, online stores like Amazon, eBay, and Alibaba attract many customers to shop and maintain customer acquisition.

With such a large and fast-growing market, it is not surprising that the world's new e-commerce trends are imported into Vietnam quickly, such as selling goods through social networks and payment transactions via mobile devices. The most prominent

among the current e-commerce activities is online group buying, also known as Groupon. Derived from the birth and rapid success of the Groupon website in the US, this model has quickly opened up a new development trend for global e-commerce [8]. The Groupon model operates on the very simple principle that the more customers buy a product/service, the lower its price/service. Group buying is defined as buying from a group of customers who can spend the lowest amount of money and find a way to get the cheapest but best quality product or service [9]. Groupon websites are websites that act as an intermediary between sellers, i.e., manufacturers, retailers, or service providers; and buyers, i.e., customers [10]. With a simple but unique business model, Groupon has brought to millions of customers new shopping options convenient and economical. However, because so many websites operate under the Groupon model, the competition between these sites is increasingly fierce because customers have too many choices. Because of such fierce competition, companies operating under the Groupon model need to have specific strategies to build customer loyalty if they want to survive [11]. The websites need to collect information about the factors that affect loyalty to propose effective strategies for building and maintaining customer loyalty.

Research on consumer behavior has been mainly based on analyzing attitudes' effects, the subjective norm on consumer buying intentions [12]. According to The Theory of Reasoned Action (hereafter TRA theory), attitude is one of the most important factors in determining behavioral intent and referring to how a person feels towards a particular behavior. Two factors influence these attitudes: the strength of beliefs about the outcome of the act performed (i.e., whether the outcome is probable or not) and evaluating the potential outcome (i.e., whether it works or not). Attitudes towards a certain behavior can be positive, negative, or neutral. TRA theory states that there is a direct correlation between attitude and outcome; if one believes that a certain behavior will lead to a desired or favorable outcome, one is more likely to have a positive attitude toward that behavior. Besides, if a person believes that a certain behavior will lead to undesirable or unfavorable results, people will likely have a negative attitude toward that behavior. Therefore, previous research based on TRA theory mainly focused on consumer attitudes and external factors rather than analyzing the consumer backbox. The customers' habit is one of the important antecedences of shopping attitude [13]. The

consumer habit shows the dependence of customer on the seller and the customers' behavioral belief. Moreover, the reputation of the seller is a good sign of a risky transaction environment. The Groupon business reputation is considered to evaluate previous customers' transaction results [13] to create online customer trust in electronic commerce. Consequently, the consumer habit and Groupon business reputation are the antecedences of attitude toward shopping on the Groupon website. In which the attitude is represented by the online trust of customers [14]. Although electronic loyalty studies have been popularly done in e-commerce [11], social commerce [15], or mobile commerce field [16] in recent years, researches on electronic loyalty for Group-Buying is still limited. Therefore, studying electronic loyalty in the context of Group-Buying will positively contribute to theories related to online consumer behavior.

With the combination of the TRA model, the change in consumer behavior in the Covid-19 pandemic as well as the Groupon context, this study aimed to discover the relationship of a part of TRA in the precise dimensions as the consumer habit, Groupon business reputation, online trust, and electronic loyalty. Hence, the research objectives were:

- This study analyzed the relationship between customers' shopping habits, Groupon business reputation, online trust, and electronic loyalty based on the TRA theory.
- This research contributed to the managerial implications for Groupon businesses to enhance electronic customer loyalty.

The research result would be a basis for further research in online trading studies. Applying TRA theory to research has only emphasized consumer habits, and online corporate reputation is the important premise of online trust, which will lead to online loyalty of enterprise. Therefore, it will be easier to expand research-based TPB theory (Theory Planned Behavior) or TAM theory (Technology Acceptance Model). The following studies can confidently confirm the relationship between consumer habits, Groupon business reputation, online trust, and electronic loyalty. Besides, the empirical results are the basis for proposing useful governance implications for Groupon businesses. Through the research results, solutions can be built to strengthen the long-term relationship between customers and Groupon enterprises in the post-Covid-19 pandemic period.

Besides the introduction, which described the study's reason and purpose, this paper included the other five parts. In the next section, the study presented the Theoretical Background and Research Hypotheses. The research method showed data collection methods, sampling methods, and data processing. Then, the study presented quantitative research results based on the information formed after the data analysis. The study will compare and assess the current situation and propose some governance implications based on the results. Finally, the study concludes on the theoretical and practical contributions, pointing out the limitations and the next research direction.

## 2. LITERATURE REVIEWS

### 2.1 Theoretical Background

TRA model stated that behavioral intention leading to behavior and intention is determined by individual attitudes towards the act and the influence of subjective norms around those acts [17]. In which the Attitude and Subjective Norms are important in behavioral intent. TRA theory is concerned with consumer behavior and identifying their behavioral propensity, which is part of two antecedences. Firstly, it is an attitude toward behavior, i.e., the general perception of preference, e.g., likes or dislikes, will lead to behavior. Secondly, there are subjective norms that influence others, leading to behavior [18]. TRA's primary purpose is to investigate an individual's voluntary behavior by examining its underlying motivation to act. TRA believes that a person's intent to perform the act is the primary predictor of whether they will perform the behavior. Besides, social norms contribute to whether the person performs the behavior. In theory, the intention to perform a certain act predates the actual behavior. This intent is called the behavioral intention and is the result of the belief that performing the act will lead to a particular outcome.

However, human behavior is influenced by their attitudes toward behavior. In a recent study, attitude becomes an important factor in shaping a person's future action. Human attitude is formed by a belief in behavior and evaluating outcomes achieved by performing the act [19]. Since the advent of the Internet and the development of the World Wide Web technology, people's daily activities have also changed, including shopping habits [20]. When the Covid-19 pandemic broke out and spread, online shopping became more explosive; B2C websites, electronic marketplace, and Groupon websites

became the destination to satisfy customers' shopping needs. The consumer habit shows the dependence of customer on the seller and the customers' behavioral belief.

Online commerce carries more risks to consumers than traditional commerce, which is undeniable. Customers can perceive risks about the product, finance, privacy [21], so they feel anxious about online transactions. Hence, the sellers' reputation becomes the seal in an uncertain transaction environment. Based on the TRA theory, the business reputation is an evaluation result, which was assessed by many previous customers in the past [13], and it also creates online customer trust in electronic commerce. As a result, the consumer habit and Groupon business reputation are the antecedences of online trust on the Groupon website, which is a part of customers' attitude [14].

The TRA model predicts and explains the tendency to perform the behavior with a more behavior-oriented attitude than a consumer towards a product or service [22]. In this study, Groupon sites' consumer habits will create many repeat buyers' trust, which will positively affect the Groupon site. Besides, Groupon's business reputation is formed by word of mouth and the Groupon site's quality of service, which will bring positive transaction outcomes for the customer when they shop in groups. Online trust is defined as a consumer's attitude when shopping on the Groupon site, and electronic loyalty can be assessed as a consumer's intention or behavior toward the Groupon site [23]. Figure 1 showed the theoretical model

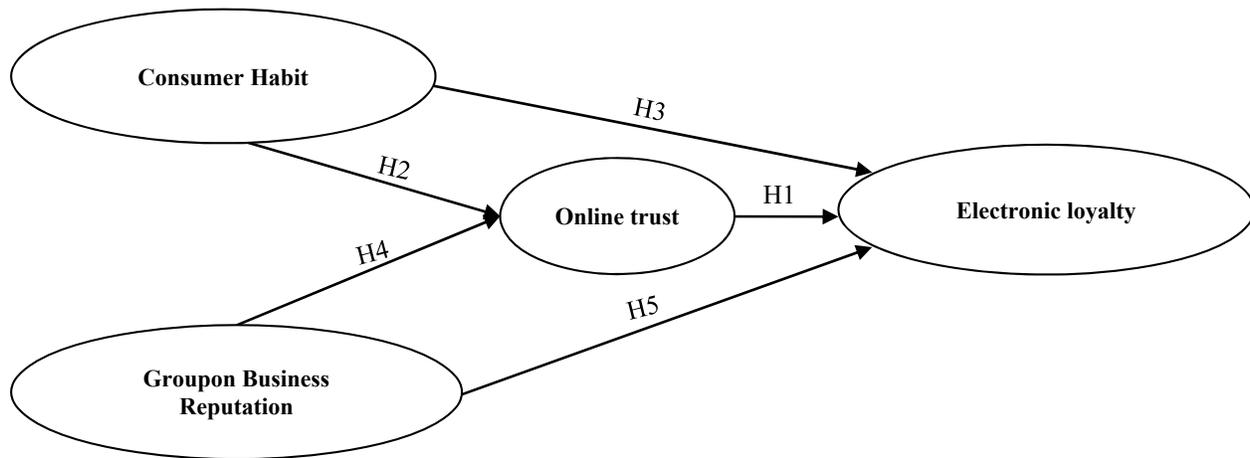


Figure 1: The theoretical model

## 2.2. Research Hypotheses

Customer loyalty is the customer's willingness to continue to buy a supplier's products or services [23, 24]. Electronic loyalty is an extension of brand loyalty from a traditional commerce landscape to online commerce [25]. Electronic loyalty is specifically determined by a customer's favorable attitude toward an online business, resulting in repeat purchases on its sales page [26]. Electronic loyalty positively impacts an online business's profitability by creating long-term customer relationships and reducing the costs of acquiring new customers in the online environment [27, 28]. By encouraging customers to repeat purchases, the company's profits will increase [29].

Online trust is a set of the attitude of a customer with specific online transactions primarily with integrity (trustee honesty and keeping promises), benevolence (trustee caring and motivated for the trustor's benefit), competence (the trustee's ability to execute the trustor's requests), and predictability (the trustee's behavior best shop) [16]. Corbitt *et al.* [30] concluded a positive relationship between trust and loyalty. In which, lack of trust is the cause of discontinued purchases from the website [31]. Reichheld and Scheffer [32] pointed out that trust is one of the key premises of online loyalty. McKnight and Chervany [33] conceptualized a trust-building model in which they demonstrate that consumer trust leads to a willingness to follow advice, share information, and purchase. Bart *et al.* [34] found that trust is an intermediate structure between the features of online sites, consumer characteristics and behavioral intent.

Accordingly, the study proposed the following hypothesis:

*H1: Online Trust positively affects the Electronic Loyalty of customers in Groupon shopping*

Habit is defined as what an individual usually does when they prefer that behavior, which leads to the continuation of the same behavior [35]. The habit has a big impact on how often a customer visits a website. Research also shows that habits will increase the intention to buy the next time through a customer's specific website if the customer has previously purchased on this website. Customers visiting websites are more habitual than comparative evaluations of perceived costs and perceived benefits [16]. Once habits are deepened, people tend to ignore external information or rational comparisons. A Groupon site's shopping habits will create a trust for consumers because they have understood the shopping process or the shopping requirements [36]. Also, accessing and buying from a Groupon site also forms loyalty and continuance intention in the mobile application market [37]. Habit strength is routine when the people do somethings, and habit strength is the mediator in the relationship between satisfaction and loyalty [13]. Hence, this study proposed the hypotheses of H2 and H3:

*H2: Consumer Habit positively affects the Online Trust of customers in Groupon shopping*

*H3: Consumer Habit positively affects Electronic Loyalty of customers in Groupon shopping*

Reputation is related solely to the website's properties and all organizations [38]. A website's reputation describes its understanding and popularity compared to its industry peers [39]. Casaló *et al.* [38] emphasized that the website is just one means of communication between customers and the organization. Besides, reputation is also shown through the degree of consumers recognizing the business's brand identity signs. The reputable companies in the e-commerce field like eBay or Google are typical companies for the conclusion is that "Reputation brings high profit and establishes customer loyalty" [40]. Although Groupon shopping has many many advantages, consumers still have not fully trusted these service providers. Some researchers have divided risks in online transactions into four groups: economic risk (financial loss/loss of money), privacy risks (personal information may be illegally disclosed), security risk (credit card information theft), and ultimately product risk [21]. Business reputation also has a great impact on creating initial trust in consumers. The more famous businesses are, the more they try to protect their reputation; this is the ultimate guarantee for consumers because reputable businesses never accept actions that harm customers. Anderson and Srinivasan [26] pointed out that perceived value is low; customers will tend to look to competitors' products to increase perceived value, reduce loyalty. A Groupon's reputation for quality products and excellent service has helped generate a loyal following of customers who will be extremely unlikely to switch to a competitor's product [38]. Besides, reputation is an indicator of the buyer's role and status; hence, the customer will continue to engage with the Groupon site if it is reputable [41]. Hence, two hypotheses were proposed:

*H4: Groupon business reputation positively affects the Online Trust of customers in Groupon shopping*

*H5: Groupon business reputation positively affects the Electronic Loyalty of customers in Groupon shopping*

Research on the marketing theoretical framework in the traditional environment [42] and the online environment [43] showed that trust is the mediator of the relationship between the business and customer. A Groupon business's shopping habits and reputation will create trust for consumers when they transact on the Groupon website, and trust is also seen as the antecedence of customers'

repurchase and switching ability to new suppliers. Therefore, the study proposed the hypotheses:

*H6: Online trust mediates the relationship between habit and the electronic loyalty of customers in Groupon shopping*

*H7: Online trust mediates the relationship between reputation and the electronic loyalty of customers in Groupon shopping.*

### 3. RESEARCH METHOD

The research summarized consumer buying behavior theories through the textbooks, articles, newspapers, and other information posted on websites to have the relevant literature on the topic. The study also conducted focus group interviews with twelve experts, including four university lecturers in e-commerce, business administration; four managers of the Groupon companies; and four customers who regularly buy goods on Groupon websites. The focus group interview results confirmed the theoretical research model, adjusted the scales for structures in the research, and built the survey questionnaire.

The study surveyed 633 respondents in Ho Chi Minh City using a self-administered questionnaire to collect quantitative analysis data. These respondents are experienced in making purchases at group buying sites, have a certain understanding of the site they purchased, so they have the basic knowledge to answer questions. The method of sampling in quantitative data collection is purposive sampling. The response information was as follows:

- *Gender:* 301 respondents were male (47.6%), and 332 participants were female (52.4%).
- *Age group:* out of 633 samples, there are 36 participants under 18 years old, accounting for 5.7%, 234 participants surveyed aged 18-23 (37%), 185 participants aged 24-45 years old (29.2%), and 178 participants surveyed over 45 years old (28.1%). Thus, with the non-probabilistic sampling method, the research can also find that surveyed participants are concentrated in the age group 18-45, who are most likely to purchase online from the Groupon websites.
- *Income:* 125 participants with incomes below 3 million, accounting for 19.7%. 358 participants with incomes from 3 million to 10 million

account for 56.6%, and the rest 150 participants with incomes over 10 million accounts for 23.7%.

The scale in the study is used and adjusted based on previous studies. The consumer habit scale (HAB) included four items [16], the scale for reputation (REP) had four items [39], the online trust scale (OT) included three items [20], and the electronic loyalty scale (ELOY) included three items [16]. The Likert scale with 5-points was adapted to measure these constructs with 1: total disagree, and 5: total agree. Collected data will be processed using SPSS 23 and SmartPLS 3.7 software according to the procedure recommended by Hair *et al.* [44]. The measurement scale was present in the Appendix.

**4. RESULT**

First, the study will evaluate the reliability and validity of the scale. The condition for a structure to be reliable is to have Cronbach’s Alpha (CA) coefficient greater than or equal to 0.7 [45]. Besides, the convergent value was assessed through Composite Reliability (CR), Average Variance Extracted (AVE), and the Outer loading factor, with CR greater than or equal to 0.7, AVE greater than or equal to 0.5, and Outer loading factor greater than or equal to 0.708 [44]. The results in table 1 and table 2 show that all constructs in this study had reliability and convergent validity. The Cronbach’s Alpha of all constructs’ scales were from 0.868 to 0.938, which were more than the threshold of 0.7. Moreover, the four Composite Reliability of the measurement scale also belonged to a range of 0.919 and 0.940, which was higher than 0.7. Finally, the Average Variance Extracted were from 0.792 to 0.890, which more than 0.5. All outer loading of items were higher than 0.708, which the minimum of outer loading was 0.845 (ELOY1)

*Table 1. Cronbach’s Alpha, Composite Reliability, Average Variance Extracted*

|                             | Cronbach’s Alpha | Composite Reliability | Average Variance Extracted |
|-----------------------------|------------------|-----------------------|----------------------------|
| Electronic Loyalty          | 0.868            | 0.919                 | 0.792                      |
| Consumer Habit              | 0.917            | 0.932                 | 0.803                      |
| Online Trust                | 0.938            | 0.940                 | 0.890                      |
| Groupon Business Reputation | 0.882            | 0.927                 | 0.809                      |

*Table 2: Outer loading values*

|       | Electronic Loyalty | Habit | Online Trust | Reputation |
|-------|--------------------|-------|--------------|------------|
| ELOY1 | 0.845              |       |              |            |
| ELOY2 | 0.942              |       |              |            |
| ELOY3 | 0.881              |       |              |            |
| HAB1  |                    | 0.850 |              |            |
| HAB2  |                    | 0.853 |              |            |
| HAB3  |                    | 0.958 |              |            |
| HAB4  |                    | 0.919 |              |            |
| OT1   |                    |       | 0.947        |            |
| OT2   |                    |       | 0.940        |            |
| OT3   |                    |       | 0.943        |            |
| REP1  |                    |       |              | 0.892      |
| REP2  |                    |       |              | 0.884      |
| REP3  |                    |       |              | 0.922      |

Furthermore, the study evaluated the discriminant validity between structures through the heterotrait-monotrait ratio of correlation (HTMT). The threshold of the HTMT is less than 0.85. Therefore, the research results in Table 3 indicate that the research constructs achieved discriminant validity.

*Table 3: HTMT values*

|              | Electronic Loyalty | Habit | Online Trust |
|--------------|--------------------|-------|--------------|
| Habit        | 0.732              |       |              |
| Online Trust | 0.863              | 0.762 |              |
| Reputation   | 0.763              | 0.497 | 0.574        |

Next, the study will evaluate the PLS-SEM model and test the research hypotheses. In this process, the study examined the multicollinearity phenomenon, evaluate the R<sup>2</sup> values, f<sup>2</sup> values, Q<sup>2</sup> values, and finally evaluate the path coefficients in the research model. Multicollinearity is a phenomenon that usually occurs when there is a high correlation between two or more independent variables in the regression model. In other words, an independent variable can be used to predict others. When the independent variable A gives away, the independent variable B increases, and vice versa, A decreases. The assessment will result in redundant information generating, falsifying the results. This study used the Variance inflation factor (VIF) to evaluate the multicollinearity phenomenon. According to Table

4, the VIF coefficients are all less than 3, so there is no multicollinearity phenomenon between the independent variables.

Table 4: VIF values

|              | Electronic Loyalty | Online Trust |
|--------------|--------------------|--------------|
| Habit        | 2.040              | 1.253        |
| Online Trust | 2.242              |              |
| Reputation   | 1.400              | 1.253        |

Besides, the study also evaluated the coefficient  $R^2$ , which is greater than or equal to 0.5. According to Table 5, the  $R^2_{ELOY}$  is 0.714, which means that 71.4% of the change in electronic loyalty is due to consumer habits, the Groupon website reputation, and the customer's online trust. Moreover, 55.4% of online trust change depends on the Groupon site's habits and reputation ( $R^2_{OT} = 0.554$ ).

The study also evaluated effect size  $f^2$ , with threshold  $f^2$  being small, medium, large, corresponding, 0.02, and 0.15, and 0.35. According to Table 6, we have an effect size of HAB on ELOY is small ( $f^2 = 0.039$ ),  $f^2$  of REP on ELOY is average (0.291),  $f^2$  of OT on ELOY is large (0.38). Moreover, the  $f^2$  of HAB to OT is large (0.629); the  $f^2$  of REP to OT is small (0.118). Besides, the study also

evaluates the predictability via  $Q^2$  value. With  $Q^2_{ELOY} = 0.554$  and  $Q^2_{OT} = 0.486$ , both of  $Q^2$  were greater than 0; hence, exogenous variables are highly predictable for endogenous variables.

Table 5:  $R^2$  values,  $Q^2$  values

|                    | $R^2$ | $Q^2 (=1-SSE/SSO)$ |
|--------------------|-------|--------------------|
| Electronic Loyalty | 0.714 | 0.554              |
| Habit              |       |                    |
| Online Trust       | 0.554 | 0.486              |
| Reputation         |       |                    |

Table 6.  $f^2$  values

|              | Electronic Loyalty | Online Trust |
|--------------|--------------------|--------------|
| Habit        | 0.039              | 0.629        |
| Online Trust | 0.380              |              |
| Reputation   | 0.291              | 0.118        |

The study assessed the relationship between the model's constructs and research hypotheses by the results in Table 7. All relationships in the research model were congruent, with all Beta > 0, and the research hypotheses were accepted at a 99% confidence level.

Table 7. PLS-SEM result

|   | Beta  | P Values | Result    |
|---|-------|----------|-----------|
| Online Trust -> Electronic Loyalty (H1) | 0.494 | 0.000    | Supported |
| Habit -> Online Trust (H2)              | 0.593 | 0.000    | Supported |
| Habit -> Electronic Loyalty (H3)        | 0.152 | 0.000    | Supported |
| Reputation -> Online Trust (H4)         | 0.257 | 0.000    | Supported |
| Reputation -> Electronic Loyalty (H5)   | 0.341 | 0.000    | Supported |

The mediating relationship of online trust (OT) in the relationship between (1) habit (HAB) and the electronic loyalty (ELOY), as well as (2) reputation (REP) and the electronic loyalty (ELOY) were tested based on four criteria [46]:

- Criterion (1): HAB/REP had significant impacts on OT
- Criterion (2): OT had a significant impact on ELOY
- Criterion (3): HAB/REP had significant impacts on ELOY

- Criterion (4): The impact of HAB/REP on ELOY was insignificant or decreased under OT's impact.

According to Table 8, HAB had a significant impact on OT (beta = 0.593, p-value = 0.00 < 0.05) and REP had a significant impact on OT (beta = 0.257, p-value = 0.00 < 0.05). Thus, the criterion 1 was satisfied that HAB/REP had significant impact on OT. At the same time, OT significantly impacted on ELOY, when Beta = 0.494 (p-value = 0.00 < 0.05), therefore, it met the criterion 2.

Table 8. The result of Criterion (1) and Criterion (2)

|            | Criterion 1 |      | Criterion 2 |      |
|------------|-------------|------|-------------|------|
|            | Beta        | Sig. | Beta        | sig. |
| HAB -> OT  | 0.593       | 0.00 |             |      |
| REP -> OT  | 0.257       | 0.00 |             |      |
| OT -> ELOY |             |      | 0.494       | 0.00 |

In table 9, criterion 3 was fulfilled when the HAB had a significant positive effect on ELOY with Beta = 0.445 (p-value = 0.00), the REP had a significant positive impact on ELOY with Beta = 0.468 (p-value = 0.00). Finally, the impact of HAB and REP on ELOY under the effects of OT was reduced, though statistically significant; the Beta of HAB -> OT -> ELOY was 0.292 (p-value = 0.00) < 0.445 and REP -> OT -> ELOY had the Beta of 0.127 (p-value = 0.000) < 0.468.

Thus, online trust was the partial mediator of consumer habit, Groupon business Reputation on customers' Electronic Loyalty in Groupon shopping.

Table 9. The result of Criterion (3) and Criterion (4)

|                   | Criterion 3 |      | Criterion 4 |      |
|-------------------|-------------|------|-------------|------|
|                   | Beta        | sig. | Beta        | sig. |
| HAB -> ELOY       | 0.445       | 0.00 |             |      |
| REP -> ELOY       | 0.468       | 0.00 |             |      |
| HAB -> OT -> ELOY |             |      | 0.293       | 0.00 |
| REP -> OT -> ELOY |             |      | 0.127       | 0.00 |

### 5. DISCUSSION

COVID-19 pandemic has greatly affected transaction activities and human life [47]. The advent and development of new forms of transaction, for example, group buying, has brought many benefits to consumers. However, when realizing the benefits and attraction that Groupon brings, the number of businesses in this field was born and created fierce competition. Therefore, loyalty becomes an important asset for Groupon business. This research combines qualitative and quantitative research to uncover the relationship between consumer habits, Groupon site reputation, online trust, and online consumer loyalty to a Groupon business. As shown in Figure 2, quantitative research results have shown that all research hypotheses are accepted with a 99% confidence level.

First, online trust had a positive effect on electronic loyalty to Groupon websites (Beta = 0.494 > 0, sig = 0.000 < 0.001), so hypothesis H1 is supported. This result is consistent with previous research when online buyers have confidence in the business to continue buying a business's products in the future or introduce to other customers about its products [48]. Customers' trust in the business also creates a great customer lifetime for the business, though they buy products or use services from the business during their entire lifetime [41]. The trust factor has a strong impact on creating loyalty for e-commerce customers or online service customers [26, 39].

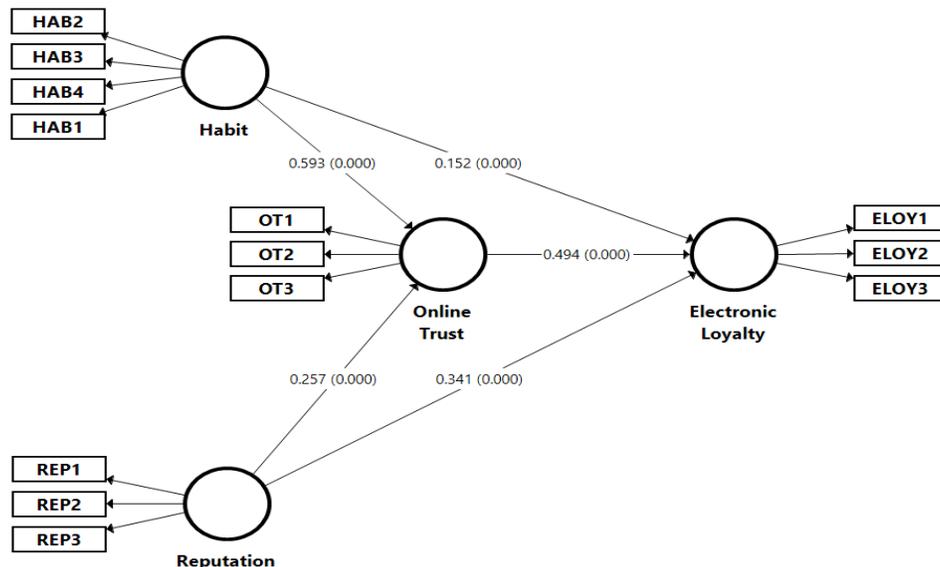


Figure 2: Research results

Second, consumer habits have a positive effect on both online trust ( $\text{Beta} = 0.593 > 0$ ,  $\text{sig.} = 0.000 < 0.001$ ), and electronic loyalty ( $\text{Beta} = 0.152 > 0$ ,  $\text{sig.} = 0.000 < 0.001$ ) in the context of group buying on the Internet; therefore, the hypotheses of H2 and H3 were accepted in the 99% of confidence level. The customers acquire consumption habits through visiting the website, buying products/services on the website many times are formed [36]. Understanding the buying rules resulting from Groupon repeated purchases on the same page creates a buyer's confidence when visiting and shopping on a page, thus proficiency, routine. Shopping will create an online trust for consumers. Besides, shopping habits also lead to frequent and repeat purchases for the same website [49]. When the economy started to recover after the Covid-19 pandemic, consumers have formed an online shopping habit and continue to maintain this habit for a long time to come. Although, within a short period, consumers' shopping habits have changed rapidly from direct to online shopping. Group retailers, in particular, have had to sprint to convert, to meet the new needs of customers, while at the same time supporting people to purchase essential food fully and safely during pandemic.

Third, Groupon's reputation has a positive effect on both online trust ( $\text{Beta} = 0.257 > 0$ ,  $\text{sig.} = 0.00 < 0.001$ ), and electronic loyalty ( $\text{Beta} = 0.341 > 0$ ,  $\text{sig.} = 0.00 < 0.001$ ). Hence, the H4 and H5 were supported at 99% confidence level. Reputation has the highest influence on customer loyalty using online services [39]. Online shopping is considered to be a trend chosen by consumers shortly. However, to get a perfect online shopping service experience, users should consider choosing an online Groupon marketplace from reputable brands with experience operating in this field. Besides, reputation will also create trust and comfort for buyers when they do not have to spend too much time deciding to choose a group buying service provider.

Finally, the result pointed out that online trust was a partial mediator of the relationship between consumer habits as well as the Groupon website reputation, and electronic loyalty. The hypotheses of H6, H7 were supported. Customer trust plays an intermediate role in the relationship between brand experience and loyalty [50]. Moreover, the trust was evaluated the mediating role of customer loyalty in the presence of corporate social identity in financial institutions [51]. In many Groupon cases, especially in a fierce competition market, the business's habits and reputation will not completely affect customers'

electronic loyalty to the Groupon site. Therefore, online trust plays a mediator role in connecting and retaining customers in the business.

In today's business environment, when all business information is easy to look up, comments on the quality of products and services and customer care activities are easily shared and spread. Corporate information transparency is the decisive factor of trust at breakneck speed. When the e-commerce market still has to live with both good and bad things, that is not enough if Groupon enterprises stop at the level of commitment to the quality of goods with a clear origin, brand name. Therefore, online businesses must pay attention to other support services. In the battle for customer confidence, service competition is the ace in the growth of group businesses. For example, online retailers are working to shorten delivery times, from day to day, down to the hour, and now to speed per minute. The research had theoretical and practical contributions.

About the theoretical contribution, this research applied a partial section of the TRA model to analyze the relationship between consumer habit, Groupon website reputation, online trust, and electronic loyalty in the Groupon context. The result pointed out that the consumer habit and Groupon website reputation had a positive impact on online trust, as well as the online trust positive effect on electronic loyalty with a Groupon website. Moreover, the online trust in a Groupon transaction was proved as a mediator in the relationship between (1) habit and electronic loyalty, (2) Groupon website reputation and electronic loyalty. Hence, online trust was the same role as trust in a traditional transaction.

This research proposed some managerial implications for Groupon businesses to improve service quality and electronic loyalty in practice. As an incident occurs, customer service staff must actively coordinate with the supplier to solve whether the goods or service value is very small. This solution will make the customer more satisfied and more believe in the business. The Groupon businesses need to provide goods and services that corrected what they advertised to caring for complaints settlement, customer feedback, and confidentiality of customers' personal information will give customers a sense of trust. Strongly trust the website when shopping online in groups, customers appreciate the importance of the website's deal. Besides, website managers can increase habits by organizing many advertising programs, prize-winning contests, coupons to attract the customer to

access the website many times so that the habits of visiting the website in them are formed and increasingly enhanced the habits of visiting websites that customers love are also highly appreciated. The manager needs to have advertising campaigns and highlight its positive aspects and increase the Groupon website's reputation. Additionally, vendors and websites also pay attention to creating a reputation by collecting prestigious awards, such as awards for brand products or services.

## 6. CONCLUSION

Groupon is a group buying model. Many people believe that Groupon is a development form of e-commerce, specifically the 4th model of e-commerce. Many people think that Groupon is a development form of e-commerce, specifically the 4th model of e-commerce - the world is called B2T (Business To Team), after B2B (Business To Business), B2C (Business To Customer), C2C (Customer To Customer) [10]. This model is a combination model between e-commerce and advertisement. This model's principle of operation is that one item per day is discounted; each item must reach a certain number of buyers to receive a discount. With the fierce competition between many online business methods today, if Groupon cannot find their differentiation, they cannot make a difference compared to other online businesses. being able to capture market share means no profit, the ultimate goal of e-commerce business,

Unlike in the past, disloyal young customers are becoming more common. When buying the product, they consider a lot about where and when they buy. They are even willing to change the brand for a better quality experience. Notably, customers also consider the value they get when they spend money to buy products, not merely looking at the price. Next, they are interested in quality, functionality, and especially simplicity and convenience. Therefore, online shopping is gradually becoming a habit, not just a trend many years ago. It can be seen that the digital economy is changing the shopping habits of consumers in many industries. Hence, Groupon businesses must be making positive changes to keep pace with consumption habits. It is changing thinking, improving management capacity, and product quality to retain customers.

Based on the TRA model, the research developed the theoretical model include consumer habit, which is based on behavioral belief, Groupon business reputation (Evaluation of Results), Online trust

(Attitude toward Behavior), and Electronic loyalty (Intention). The study's result pointed out that these are the positive impact of online trust on the customers' electronic loyalty when they shop on the Group website. Moreover, the customer shopping habit and Group business reputation positively affected the customers' online trust. Lastly, online trust was a partial mediator in the relationship between consumer habits, Groupon business reputation, and electronic loyalty.

Research efforts cannot fully overcome the limitations of the study. Non-probability sampling can reduce the representativeness of the study results. This study surveyed customers participating in group purchasing in Vietnam, a country with many limitations in group purchasing perception, so the research results may not be very relevant as applying different cultural areas and income levels. The studies related to electronic loyalty in Vietnam and worldwide still depend on traditional loyalty concepts. Therefore, further research on the loyalty of customers who buy in groups on the Internet should broaden the sampling method and sample size to achieve general research results. Besides, research on electronic loyalty with content and form appropriate to group purchasing is important and necessary in further researches.

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**APPENDIX. MEASUREMENT SCALE**

*(X) is the website Groupon, which has been shopped most frequently by respondents*

**Consumer habits [13]**

HAB1. X is the Groupon website that I often access when I access the Internet

HAB2. X is the Groupon website that I love when I shop

HAB3. X is the Groupon website that I first access every time I need to shop online

HAB4. I often buy deals from this Groupon X website

**Reputation [33]**

REP1. The X Groupon website is one of the most famous websites in the industry

REP2. The X Groupon website is famous for providing good quality deals

REP3. The X Groupon website is well-known for handling issues related to deal errors

**Online Trust [10]**

OT1. Experience has let me know; the X Groupon website is honest

OT2. Based on experience, I have found that the X Groupon website is very customer-oriented needs.

OT3. This X Groupon website is reliable in online shopping

**Electronic Loyalty [13]**

ELOY1. I will encourage my friends to shop on the X Groupon website

ELOY2. I continue to buy on this Groupon X website regardless of my friends who recommend other sites

ELOY3. I will always talk well about this X Groupon website to my relatives.