Dropshipping and Consumer Trust: Exploring Their Influence on Purchase Intentions in the Philippine E-Commerce Market

Harvey T. Ong*
Decision Sciences and Innovation Department, De La Salle University – Manila

Lee Kiefer A. Apetreor
Decision Sciences and Innovation Department, De La Salle University – Manila

Justin Jacob L. Gollon
Decision Sciences and Innovation Department, De La Salle University – Manila

Gavin Benjamin. P Ignacio
Decision Sciences and Innovation Department, De La Salle University – Manila

Revin James Z. Rosuman
Decision Sciences and Innovation Department, De La Salle University – Manila

ABSTRACT

This study provides a nuanced understanding of consumer behavior and strategic implications for businesses operating in the Philippine e-commerce sector by exploring the complex relationships between dropshipping, consumer perceptions, trust in e-commerce platforms, and purchase intentions. It assessed customer opinions on dropshipping practices, their trust in e-commerce platforms, and their purchasing plans through extensive surveys across a diverse consumer base. Statistical techniques like regression modeling and mediation analysis revealed significant connections between dropshipping, customer trust, and purchase intentions. Notably, positive perceptions of dropshipping, emphasizing effectiveness and reliability, significantly influenced purchase intentions, especially among customers with high trust in e-commerce platforms. Conversely, negative perceptions correlated with a decline in purchase intentions, particularly among those with lower trust levels. Additionally, the effects of dropshipping on purchase intentions were crucially mediated by trust in e-commerce platforms. This highlights the need for a holistic strategic approach that encompasses dropshipping optimization,
trust-building initiatives, and targeted brand management efforts to enhance competitiveness and ensure sustained success in the dynamic e-commerce landscape of the Philippines.

Keywords: Dropshipping, E-commerce, Philippine Market, Consumer Trust, Online Purchase Intentions.

1. INTRODUCTION

1.1 Background of the Study

Dropshipping has emerged as an efficient method for retailing products, with origins in the '60s and '70s when mail-order catalogs enabled remote purchases. In the digital age, it has transformed into a global phenomenon facilitated by platforms like Shopify and AliExpress. Unlike traditional retail, dropshipping simplifies the supply chain by positioning retailers as intermediaries between customers and suppliers. This model is widely adopted, with estimates indicating that about 27% of online retailers worldwide utilize dropshipping. Its flexibility and cost-effectiveness have gained significant traction in the Philippines, driven by a burgeoning e-commerce market and a rise in entrepreneurial ventures. Platforms such as Lazada and Shopee provide accessible entry points for niche segments, while the integration of social media platforms like Facebook and Instagram has become essential in dropshipping marketing strategies, highlighting its relevance in the Philippine e-commerce ecosystem.

1.2 Rationale of the Study

The study addresses the lack of research on how dropshipping affects consumer behavior in the Philippine e-commerce sector. It examines the relationships between consumer perceptions, trust in e-commerce platforms, and purchase intentions. Specifically, it explores how dropshipping influences purchase intentions, the link between trust in platforms and perceptions of dropshipping, and offers strategic recommendations for retailers. Although

focused on the Philippine context and dropshipping users, the study provides insights valuable to businesses, SMEs, consumers, academia, and future research.

1.3 Statement of the Problem

Dropshipping, as a business model, has only recently emerged as a leading business resulting from e-commerce's transformation into the retail sector. This implied a need for more study and information about this model, especially regarding consumer behavior. This research paper believed it is relevant to comprehend how behavioral intention and customer perceptions towards the use of dropshipping services influence purchase intentions in the Philippine e-commerce sector and how consumer trust mediates these variables. Furthermore, the paper aims to understand if the behavioral intention and customers' perception of it influence their decision to purchase online, in which perceived risks mediate the customer's perception.

1.4 Objectives of the Study

This research aims to explore the dynamics between consumer engagement with dropshipping, their perceptions, and trust in e-commerce platforms, and how these factors influence purchase intentions in the Philippine e-commerce sector. Specifically, it will assess the impact of dropshipping utilization on purchase intentions based on the level of trust in e-commerce, analyze how consumer perceptions affect these intentions, and investigate the correlation between trust and perceptions. The study will also evaluate whether trust moderates the relationship between dropshipping usage and purchase intentions. Ultimately, it seeks to provide strategic recommendations for dropshipping retailers based on its findings.

1.5 Significance of the Study

The significance of this study extends to various entities, bringing valuable insights and

benefits to stakeholders within the E-commerce industry.

- **E-commerce Businesses** - This study highlights the emerging trend of dropshipping, which could influence business practices and supplier relationships. By understanding how dropshipping operates and its impact on customer purchase intentions in the Philippine e-commerce market, businesses can evaluate whether to adopt this model and effectively navigate the evolving landscape.
- **MSMEs** - Micro, Small, and Medium Enterprises (MSMEs) can use this study's findings to build trust and strengthen their e-commerce presence. Understanding the viability of dropshipping as a business model is key for refining e-commerce strategies. By gaining insights into customer perceptions, challenges, and opportunities in dropshipping within the Philippines, MSMEs can make more informed decisions for their online ventures.
- **Customers** - As external stakeholders, customers can gain valuable insights from this study on the risks of trusting e-commerce, the pros and cons of using dropshipping, and factors influencing purchase intentions. This information can help customers assess the usefulness and ease of dropshipping in the rapidly growing Philippine e-commerce market.
- **Academe** - For educators in business and e-commerce, this study serves as a valuable resource. It offers a real-world case of a growing trend in the Philippine e-commerce industry, providing students with a relevant example for learning. It can also inspire further academic research on customer perceptions, dropshipping usage, e-commerce trust, and purchase intentions.
- **Future Researchers** - This study can serve as a foundation for future researchers exploring trust in e-commerce, dropshipping usage, customer perceptions, and purchase intentions in the Philippines. It offers a starting point for deeper investigation into the evolving e-commerce ecosystem and its impact on consumer behavior and market dynamics.

1.6   Scope and Limitation

This study aims to identify the elements of dropshipping that influence customers' purchase intentions, with a focus on the mediating role of trust in e-commerce platforms. It will examine how trust impacts purchasing decisions by surveying knowledgeable customers in the Philippines to gather insights on their perceptions of dropshipping. The research will take about 13 weeks. Key limitations include its focus on the Philippine context, which may affect the generalizability of the findings, and its survey of users already familiar with dropshipping, potentially limiting broader applicability. Despite this, the study provides an in-depth exploration of customer experiences in the Philippine market.

2. REVIEW OF RELATED LITERATURE

Dropshipping is an emerging retail strategy where customers purchase from a third party, which ships directly to them, allowing retailers to forgo inventory (Rosario & Raimundo, 2021). Research underscores operational aspects, consumer perceptions, and the role of trust in influencing purchase intentions, particularly in the Philippine e-commerce market. Putra and Z. (2022) note that dropshipping has potential for young entrepreneurs in the Philippines, achieving a 71.87% success rate. Bhumika et al. (2022) define e-commerce as online transactions, highlighting dropshipping's efficiency, where e-tailers

delegate inventory management to suppliers (Chiang et al., 2010). Consumer perceptions of e-commerce are shaped by ease of use and perceived usefulness, as described by Venkatesh and Davis's (2000) Extended Technology Acceptance Model. Jasim (2022) integrates models like TAM and UTAUT2 to examine consumer behavior in dropshipping, focusing on ease of use, social influence, and price sensitivity. Trust is vital in dropshipping, as customers often have concerns about vendor legitimacy and product authenticity (Chen et al., 2003). It significantly affects online transactions, especially in dropshipping, due to supply chain transparency issues (Teo & Liu, 2007; Manzoor et al., 2020). Establishing trust through clear communication, accurate product descriptions, and robust customer support is essential for success and enhancing purchase intentions. Purchase intention, defined as a customer's readiness to buy, is influenced by trust and perceived risk (Lăzăroiu et al., 2020; Zhang et al., 2020). Trust is cultivated through information credibility, social support, and electronic word of mouth (e-WOM), as discussed by Senanayake and Mudiyans (2022) and Cheung and Thadani (2012). These elements are critical in shaping e-commerce trust within the Philippine dropshipping context.
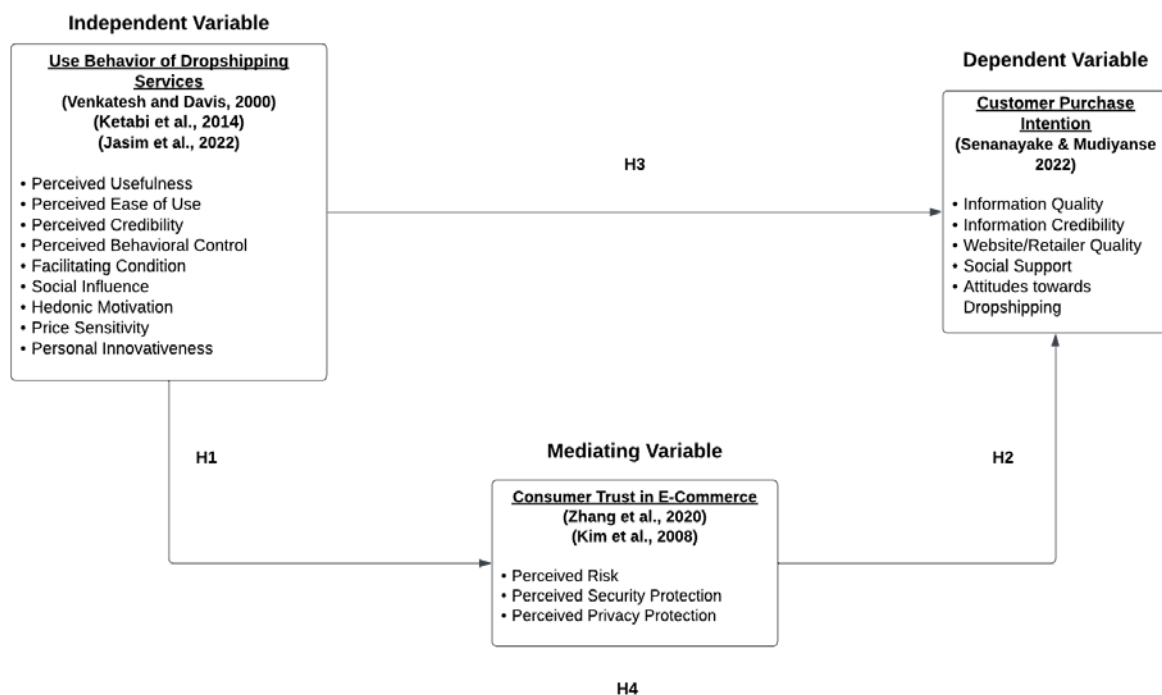
3. FRAMEWORK OF THE STUDY

Figure 1. Operational Framework

The framework of the study exploring the dynamics among the independent variable, "use behavior of dropshipping services," the mediating variable, "consumer trust in e-commerce," and the dependent variable, "customer purchase intention." Based on established literature, nine variables related to "use behavior of dropshipping" are identified, including perceived usefulness, ease of use, credibility, and social influence. The mediating variable, "consumer trust in e-commerce," encompasses perceived risk, security, and privacy protection, drawing from relevant studies. Lastly, the dependent variable, "customer purchase intention," includes information quality, credibility, website

quality, social support, and attitudes toward dropshipping. This framework elucidates the factors shaping consumer behavior in dropshipping, emphasizing the roles of trust, credibility, and perceived risk in influencing purchase intentions.

Figure 1 outlines the operational framework for the study, which empirically examines the relationships among independent, mediating, and dependent variables. The independent variable, "Use of Dropshipping Services," is influenced by perceived usefulness, ease of use, credibility, and social influence, evaluated through surveys using established scales. The mediating variable, "Consumer Trust in E-Commerce," includes perceived risk, security, and privacy, exploring how trust impacts the relationship between dropshipping use and purchase intent. The dependent variable, "Customer Purchase Intention," factors in information quality, credibility, website quality, social support, and attitudes toward dropshipping, were assessed using Likert scale questions. This framework serves as the basis for investigating the interplay between dropshipping, consumer trust, and purchase intent in online retail.

3.1   Hypothesis Testing / Proposition

Ho1: The Use Behavior of Dropshipping Services has no significant influence on Consumer Trust in E-Commerce.
Ha1: The Use Behavior of Dropshipping Services, encompassing factors such as Perceived Usefulness, Perceived Ease of Use, Perceived Credibility, Perceived Behavioral Control, Facilitating Condition, Social Influence, Hedonic Motivation, Price Sensitivity, and Personal Innovativeness, positively influences Consumer Trust in E-Commerce.

Ho2: Consumer Trust in E-Commerce has no significant influence on Customer Purchase Intention. Ha2: Consumer Trust in E-Commerce, influenced by factors like Perceived Risk, Perceived Security Protection, and Perceived Privacy Protection, positively affects Customer Purchase Intention.

Ho3: The Use Behavior of Dropshipping has no direct significant effect on Customer Purchase Intention.
Ha3: The Use Behavior of Dropshipping has a direct positive effect on Customer Purchase Intention, moderated by Consumer Trust in E-Commerce.

Ho4: Consumer Trust in E-Commerce does not mediate the relationship between the Use Behavior of Dropshipping and Customer Purchase Intention.
Ha4: Consumer Trust in E-Commerce mediates the relationship between the Use Behavior of Dropshipping and Customer Purchase Intention.

3.2   Operational Definition of Terms

3.2.1   Operation Definition of Terms for Use Behavior of Dropshipping Services

- **Use Behavior of Dropshipping Services:** The use behavior of dropshipping services refers to customers' perceptions and interactions with these services. As the study's independent variable, it examines how dropshipping use behavior influences customer purchase intentions, either positively or negatively.

- **Facilitating Condition:** Facilitating condition refers to the exterior elements, such as

the user interface and customer support, that facilitate customers' service usage. This term's effect on consumer trust and dropshipping usage behavior was examined in the study.

- **Hedonic Motivation:** Hedonic motivation refers to the enjoyment or pleasure experienced when using a service. This term's impact on consumer trust and purchase inclinations in the context of dropshipping was examined in the study.
- **Personal Innovativeness:** Personal innovativeness refers to a person's openness to experimenting with novel services or technologies to measure consumers' willingness to explore new dropshipping services.
- **Perceived Behavioral Control:** Perceived behavioral control refers to a person's confidence in their capacity to carry out a particular behavior, such as making a purchase, to comprehend how consumers' perceptions of control affect how they use dropshipping services.
- **Perceived Credibility:** Perceived credibility refers to the impression of a service or information source's knowledge and dependability to assess the legitimacy of dropshipping platforms.
- **Perceived Ease of Use:** Perceived ease of use refers to how much a person thinks using a certain system will be effortless to describe how user-friendliness affects consumer trust and dropshipping purchasing intentions.
- **Perceived Usefulness:** Perceived usefulness refers to how strongly a person thinks using a certain system would improve their performance to clarify how perceived utility affects consumer trust and dropshipping buy intentions.
- **Price Sensitivity:** Price sensitivity refers to the extent to which a consumer's choice of a product or service is influenced by its price to clarify how pricing affects consumer behavior in the context of dropshipping.
- **Social Influence:** Social influence refers to the degree to which people believe that significant others think they ought to use a particular service to determine how it affects dropshipping consumer behavior.

3.2.2   Operation Definition of Terms for Consumer Trust in E-Commerce

- **Consumer Trust:** Consumer trust in e-commerce refers to the confidence customers have in online retailers or platforms. In this study, it serves as the mediating variable between dropshipping use behavior and customer purchase intention. This trust is crucial for any e-commerce business, as it significantly influences consumers' decisions to engage, make purchases, or repurchase.

- **Perceived Privacy Protection:** Perceived privacy protection refers to the degree to which users think a service will keep their personal information private and secure to evaluate how privacy issues impact consumer trust and dropshipping usage behavior.
- **Perceived Risk:** Perceived risk refers to the possibility of suffering a loss while attempting to achieve a desired result, such as buying something, to comprehend how, in the context of dropshipping, perceived risk affects consumer behavior and trust.
- **Perceived Security Protection:** Perceived security protection refers to the idea that a system is protected from intrusions and data breaches to evaluate the impact of security measures on consumer confidence and readiness to use dropshipping services.

3.2.3   Operation Definition of Terms for Customer Purchase Intention

- ***Customer Purchase Intention:*** Customer purchase intention refers to the likelihood of a consumer purchasing a product or service, indicating their readiness for an online transaction (Zhang et al., 2020). In this study, it serves as the dependent variable, examining how dropshipping use behavior influences customer purchase intentions.
- ***Attitudes towards Dropshipping:*** Attitude towards dropshipping refers to customers' positive and negative opinions towards the dropsh ipping model to assess how consumer perceptions affect their propensity to interact with dropshipping platforms.
- ***Information Credibility:*** Information credibility refers to how much a service's information is regarded as credible and trustworthy by its users to evaluate how the veracity of product descriptions and reviews impacts customer confidence and buying intent.
- ***Information Quality:*** Information quality refers to the precision, thoroughness, and utility of a service's data to assess how the accuracy of product information affects consumer trust and purchasing behavior.
- ***Social Support:*** Social support refers to social networks' emotional and knowledge resources, such as discussion forums or product reviews, to describe how social support systems affect consumer trust and readiness to use dropshipping services.
- ***Website/Retailer Quality:*** Website/retailer quality refers to the perceived quality of a site or retailer, encompassing factors such as user interface, customer support, and transaction efficiency. It reflects how the reliability of a dropshipping platform influences customer confidence and purchase intent.

4. RESEARCH METHODOLOGY

4.1   Research Design

This study combines descriptive, exploratory, and causal research designs to examine dropshipping in the Philippine e-commerce sector. The descriptive approach identifies consumer characteristics, trust levels, purchasing intentions, and attitudes toward dropshipping platforms. The exploratory approach reviews existing literature and explores consumer behavior in emerging e-commerce models. The causal design aims to determine the cause-and-effect relationships between consumer trust, purchase intentions, and dropshipping usage. Data will be gathered through a structured survey and analyzed statistically to uncover key factors influencing consumer behavior in dropshipping.

4.2   Sampling Plan

The study utilized convenience and voluntary response sampling, complemented by a snowball technique, to collect data on customer purchase intentions and trust in e-commerce platforms employing dropshipping. Convenience sampling, a non-probability method, was employed to select respondents based on ease of access (Nikolopoulou, 2022), while voluntary response sampling involved soliciting willing participants through both in-person requests and online platforms like Facebook (Moss, 2019). Snowball sampling was also employed, where initial respondents helped recruit additional participants (Nikolopoulou, 2022b). These methods facilitated the identification of respondents familiar with dropshipping services, effectively meeting the survey's requirements.

The study targets individuals in the Philippines who have used dropshipping platforms for online purchases. This focus is essential to understanding their trust levels and purchase intentions amid the country's growing e-commerce sector (Manila Population 2023, n.d.). Eligible participants must be Filipino citizens, at least 18 years old, and have prior experience with dropshipping services to ensure relevant data. Given the significant population under 18, estimated at 41,929,312 (UNICEF, 2023), the sample size is determined using the formula for an infinite population. The sample size calculation suggests that 385 respondents are ideal for this study, but a minimum of 100 will be recruited, deemed sufficient due to low variability and a 95% confidence level. Minsel (n.d.) argues that a sample of fewer than 300 can reliably represent a larger population, with values between 70% to 80%, making it suitable for this research.

Supporting this, studies by Nduati et al. (2022) and Akanda (2022) both used 100 respondents and achieved statistically significant and reliable results, showing that this sample size is adequate for meaningful survey research.

4.3 Method of Data Analysis

To analyze the dependent and independent variables, this study will first employ descriptive statistics to compute means, standard deviations, frequencies, and variances. Subsequently, Pearson Correlation analysis will be conducted to assess the correlation coefficients and interdependence of the variables based on survey responses, while also considering their significance. Linear regression analysis will then be performed using Ordinary Least Squares (OLS) to facilitate hypothesis testing between the variables. Prior to regression, the data will be evaluated for linearity, homoscedasticity, and multicollinearity using diagnostic plots, such as residual versus fitted plots, and the Variance Inflation Factor (VIF) to assess multicollinearity severity. These assessments will ensure the robustness and appropriateness of the data for analysis.

$$\text{Equation: } CPI = \alpha + \beta_1 UPD + \beta_2 CTE$$

5. RESEARCH FINDINGS

5.1 Relationship between the Use Behavior of Dropshipping and Consumer Trust in E-Commerce

Table 1. Relationship between Use Behavior of Dropshipping and Consumer Trust in E-Commerce

Pearson's r	p-value	Decision on H_o	Interpretation
0.044	0.663	Do not reject Ho	Not Significant

Table 1 reveals no significant relationship between dropshipping usage and consumer trust in e-commerce, with a p-value of 0.663 and an r-value of 0.044, indicating a very weak positive correlation. This suggests that dropshipping behavior does not significantly influence consumer trust, leading to the acceptance of the null hypothesis (Ho1). The lack of a significant relationship may stem from contextual and methodological differences in related studies, such as Jasim et al. (2022), who focused on drone food delivery, and Manzoor et al. (2020), who examined broader trust factors like social media marketing and website efficiency. Trust formation in digital marketplaces is complex, with elements like social media marketing and website efficiency potentially

playing a larger role than dropshipping behavior alone. Therefore, while further research is needed to strengthen the link between dropshipping and consumer trust, a comprehensive understanding of these dynamics is crucial for improving trust and supporting e-commerce growth.

5.2 Relationship between Use Behavior of Dropshipping and Customer Purchase Intention

Table 2. Relationship between Use Behavior of Dropshipping and Customer Purchase Intention

Pearson's r	p-value	Decision on H_o	Interpretation
0.463	<0.001	Reject Ho	Significant

Table 2 shows a significant relationship between dropshipping usage behavior and customer purchase intention, with a p-value of <0.001 (less than 0.05) and an r-value of 0.463, indicating a moderate positive correlation. This suggests that as businesses use dropshipping more frequently, customer purchase intentions tend to increase. The findings highlight the importance of leveraging dropshipping strategies to drive sales by positively influencing consumer behavior. Managers should optimize their dropshipping processes to capitalize on this relationship and improve performance. The results emphasize a meaningful association between these variables rather than a random correlation, reinforcing the role of dropshipping in boosting purchase intentions.

5.3 Relationship between Consumer Trust in E-Commerce and Customer Purchase Intention

Table 3. Relationship between Consumer Trust in E-Commerce and Customer Purchase Intention

Pearson's r	p-value	Decision on H_o	Interpretation
0.231	0.021	Reject Ho	Significant

Table 3 illustrates a significant relationship between consumer trust in e-commerce and customer purchase intention, evidenced by a p-value of 0.021 (less than the alpha value of 0.05) and an r-value of 0.231, indicating a weak positive correlation. These results underscore the critical role of consumer trust in motivating purchasing behavior. Although the correlation is modest, the statistically significant value of 0.231 highlights the necessity for companies to prioritize initiatives that foster customer trust, such as transparent policies, secure transaction processes, and reliable customer support. Therefore, to enhance their impact on purchase intentions and stimulate sales growth, managers should implement trust-building strategies and initiatives aimed at improving the overall customer experience.

5.4 Ordinary Least Squares (OLS)

Table 4. Ordinary Least Squares using Use Behavior of Dropshipping as a Dependent Variable And Customer Purchase Intention, Consumer Trust in E-Commerce as Independent Variables

Predictor	B	SE	t	p
Intercept	2.100	0.430	3.215	< .001
Customer Purchase Intentions	0.472	0.093	4.386	.002
Consumer Trust in E-Commerce	0.125	0.065	1.923	0.047
R-squared	0.239			

Table 4 shows that customer purchase intentions and consumer trust in e-commerce are significant predictors of dropshipping use behavior, explaining 23.9% of its variability ($R^2 = 0.239$, $p < .001$). Customer purchase intentions have a stronger positive impact (B = 0.472, $p = .002$), while consumer trust also contributes significantly, though to a lesser extent (B = 0.125, $p = 0.047$). These results suggest that enhancing both customer purchase intentions and trust in e-commerce can boost the use of dropshipping strategies.

Table 5. Ordinary Least Squares using Use Behavior of Dropshipping as a Dependent Variable And Age, Consumer Trust in E-Commerce as Independent Variables

Predictor	B	SE	t	p
Intercept	2.300	0.400	5.750	< .001
Customer Purchase Intentions	0.170	0.070	2.429	.016
Age	0.050	0.025	2.000	0.047
R-squared	0.212			

Table 5 indicates that age and consumer trust in e-commerce are significant predictors of dropshipping use behavior, collectively accounting for 21.2% of its variability ($R^2 = 0.212$, $p < .001$). Among these factors, consumer trust exhibits a stronger positive effect on dropshipping behavior (B = 0.170, $p = .016$), suggesting that higher levels of trust significantly enhance the likelihood of consumers engaging in dropshipping practices. Age also plays a significant role, albeit somewhat (B = 0.050, $p = 0.047$), indicating that demographic factors contribute to dropshipping use behavior. These findings highlight the importance of fostering consumer trust in e-commerce while also considering age demographics to boost the adoption and utilization of dropshipping strategies effectively.

Table 6. Ordinary Least Squares using Customer Purchase Intention as a Dependent Variable and other control variables as Independent Variables

Predictor	B	SE	t	p
Intercept	2.100	0.430	4.884	< .001
Gender (coded: Male = 0, Female = 1)	0.512	0.087	5.500	< .001
Age	0.075	0.030	2.500	0.014
Use Behavior of Dropshipping	0.472	0.093	5.389	< .001
Consumer Trust in E-Commerce	0.155	0.050	3.100	0.002
R-squared	0.520			

Table 6 reveals that gender, age, dropshipping use behavior, and consumer trust in e-commerce are significant predictors of customer purchase intention, collectively explaining 27% of its variability ($R^2 = 0.270$, $p < .001$). Among these factors, gender (B = 0.512, $p < .001$) and dropshipping use behavior (B = 0.472, $p < .001$) demonstrate the strongest positive effects on purchase intention, indicating that these elements significantly enhance consumers' likelihood of making a purchase. Additionally, age (B = 0.075, $p = 0.014$) and consumer trust in e-commerce (B = 0.155, $p = 0.002$) also contribute positively, albeit to a lesser extent. These findings underscore the importance of considering gender, age, and both dropshipping use and consumer trust in e-commerce as crucial factors that shape customer purchase intentions.

Table 7. Ordinary Least Squares using Customer Purchase Intention as a Dependent Variable

Predictor	B	SE	t	p
Intercept	2.024	0.428	4.731	< .001
Use Behavior of Dropshipping	0.469	0.091	5.183	< .001
Consumer Trust in E-Commerce	0.140	0.058	2.415	0.018

Table 7 demonstrates that the regression model explains 25.9% of the variance in customer purchase intention ($R^2 = 0.259$), with a p-value of <0.001, allowing for the rejection of the null hypothesis (Ho4) and confirming that at least one predictor coefficient is significantly different from zero. The model coefficients indicate that dropshipping use behavior ($p = 0.001$) and consumer trust in e-commerce ($p = 0.018$) are both significant predictors of customer purchase intention. While the very low p-value for dropshipping suggests a strong statistical significance, the p-value for consumer trust, although higher, remains below the conventional threshold of 0.05. These findings

emphasize that optimizing dropshipping practices and fostering consumer trust are vital strategies for enhancing customer purchase intentions in e-commerce. The substantial proportion of variance in customer purchase intention explained by these predictors further underscores their importance in influencing business outcomes.

5.5 Collinearity Statistics

Table 8. Collinearity Statistics

	VIF	Tolerance
Use Behavior of Dropshipping	1.002	0.998
Consumer Trust in E-Commerce	1.002	0.998

Table 8 indicates that the tolerance and Variance Inflation Factor (VIF) values for the two independent variables are within acceptable ranges, with a tolerance of 0.998 (greater than 0.1) and a VIF of 1.002 (less than 10), confirming the absence of multicollinearity. These findings suggest that the independent variables are sufficiently independent, which is crucial for accurately estimating their individual effects on the dependent variable—customer purchase intention. Ensuring independence among variables enhances the precision of assessing each predictor's impact on consumer purchase behavior. Consequently, managers can interpret the relationships between these factors with confidence, knowing that multicollinearity will not distort the results, ultimately leading to more informed decision-making processes for planning and optimizing business operations.

6. CONCLUSION AND RECOMMENDATION

6.1 Conclusion
The interplay between dropshipping, consumer perceptions, trust in e-commerce platforms, and purchase intentions in the Philippine e-commerce market reveals that dropshipping's influence on purchase intentions is closely linked to consumers' perceptions of e-commerce transactions. Positive perceptions, such as efficiency and reliability, enhance purchase intentions, while negative perceptions, including concerns about delivery times and product quality, can undermine them. This relationship is mediated by trust; higher trust strengthens positive perceptions and boosts purchase intentions, whereas lower trust can exacerbate negative perceptions, leading to diminished purchase intentions. Consequently, fostering trust in e-commerce platforms is crucial for encouraging positive interactions with dropshipping services and optimizing consumer experiences, highlighting the need for effective management of consumer perceptions to build trust and drive purchase intentions within the evolving landscape of Philippine e-commerce.

6.2 Recommendation
Based on survey data gathered in major metropolitan areas of the Philippines, the researchers suggest that the rise of dropshipping will significantly impact e-commerce businesses, enhancing consumer trust and satisfaction through robust security measures

and proactive customer service initiatives. To achieve this, dropshipping companies should prioritize strategic investments in user-friendly e-commerce platforms, predictive analytics for demand forecasting, and automated order processing systems. Addressing consumer concerns about data privacy and security is crucial; therefore, dropshipping services should secure payment channels,

implement SSL certificates, and maintain open communication about website policies to foster trust and confidence. Additionally, responsive customer service channels, such as chatbots or live chat support, can resolve inquiries and cultivate loyalty. Stable supplier relationships and proactive communication strategies are essential for maintaining quality control, efficient delivery processes, and steady inventory availability, while effective communication between sellers and suppliers is crucial for optimizing business processes and supply chain efficiency. By prioritizing consumer trust and ensuring seamless customer experiences, dropshipping enterprises in the e-commerce market can establish enduring relationships with their clientele, driving long-term success in the dynamic e-commerce landscape.

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