

REVIEWING FACTORS AFFECTING CONSUMERS' TRUST IN E-COMMERCE: A UNIFIED MODEL

● NGUYEN THI MAI ANH - PHAM THI THANH HUONG

ABSTRACT:

Prior researches have found that trust plays a significant role in shaping purchase intentions of a consumer (Oliveira, et al., 2017). Based on an extensive review of literature, this study explored main factors affecting the trust of consumers when they do online shopping. Nine constructs of three dimensions were identified as factors affecting the consumers' overall trust after intensively reviewing related literature. Given the dimensions and sources of trust, a research model for developing consumers' trust in e-commerce is suggested. This study makes a contribution to the development of a theoretical understanding of consumers' trust in e-commerce. The concepts presented in this study can be used to carry out further empirical researches and also be used by managers to improve their customers' trust.

Keywords: E-commerce, online shopping, trust, Vietnam.

1. Introduction

In recent year, thanks to the rapid expansion of internet and the development of various quick and easy online payment methods, e-commerce has emerged as a new shopping channel which could rival and even replace some sections of the long-existed mortar and brick stores. Via e-commerce, consumers are able to access larger selection of product and service, sometimes even at better price because the cost for physical store can be avoided in case of online shop. Another advantage that make e-commerce popular is that it grants users the ability to shop whenever and wherever they want.

E-commerce is the sale of products and services over the Internet. Since the transactions take place without personal contact, consumers are generally concerned of the legitimacy of the vendor and authenticity of the product or service.

Consequently, consumer trust in the Internet vendor is an issue of major concern. A majority of consumer use the internet to browse for information concerning their future purchase item on Internet shopping websites, however, only a small number of them actually buy that item online (Chen & Barnes, 2007, Johnson, 2007). Lack of trust has been cited as the primary hindrance to e-commerce in numerous past research (Chen & Barnes, 2007 and Lee & Turban, 2001). The intention to purchase online of shoppers is considerably influenced by the degree of trust they have on the e-vendors (Kim et al., 2008). Grabner-Kräuter (2002) highlighted the significance of trust in e-commerce's growth in the long run. Hence, it is important that Internet vendors fully understand how customer perceive their trust in e-commerce in order to build and win customer trust so as to survive and realize financial success.

This study is going to undertake an extensive review of the existing literature to identify dimensions of the trust construct, major sources of consumer trust formation, and propose causal relationships between trust dimensions and overall online trust. The paper makes two contributions to studies on trust. First, it establishes a conceptual basis for undertaking empirical work on consumer trust in E-commerce. Second, it proposes theoretically sound relationships between various attributes, which can help Internet vendors to consider issues for forging trustworthy relationships.

2. Trust and sources of trust

2.1. Trust

Interpreting dimensions of a construct is to understand the meaning of the concept. This helps in exactly delineate what is included and what is excluded from its domain. An examination of trust-related literature reveals that in spite of significant interest in researching trust issues, there is no universally accepted scholarly definition of trust. For example, in psychology, Rotter (1967) defined that interpersonal trust is expectancy held by an individual or a group that the word, promise, verbal or written statement of another individual or group can be relied upon. In management theory, Sitkin and Roth (1993) define trust as one's belief and expectation about the likelihood of having a desirable action performed by the trustee. Cummings and Bromiley (1996), Ring and van de Ven (1992), and Sabel (1993) defined trust as one's assessment of others' goodwill and reliability. Larzerele and Huston (1980) contended that trust is a behavioral intention, which reflects the dependence on a partner. It is a strong belief in the fact that the other can be relied upon, is straightforward, benevolent, and honest.

Although there is significant diversity in the definitions, Rousseau et al. (1998) extracted common themes in the different conceptual definitions of trust to suggest that trust is a "psychological state comprising the intention to accept vulnerability based upon positive expectations of the intentions or behavior of another under conditions of risk and interdependence". There are several important

issues in this definition that are worthy of being emphasized. First, trust is a psychological state that researchers in different disciplines interpret in terms of beliefs, confidence, positive expectations, or perceived probabilities. Second, trust is not a behavior (e.g., cooperation), or a choice (e.g., taking a risk), but an underlying psychological condition that can cause or result from such actions. Third, trust has positive outcomes. Fourth, trust is developed under specific conditions – risk and interdependence. Trust under conditions of risk suggests that a person who trusts assesses the vulnerability and uncertainty of whether the other party intends to and will act appropriately. Trust would not be needed if actions could be undertaken with complete certainty and no risk, and the one who trusts is not in a vulnerable position.

Although Rousseau et al.'s (1998) conception of trust has been well received by many authors, there are others who have argued that this definition is too abstract to be useful for conceptual or empirical work and called for specifying the domain and connotative meaning of the trust construct in the context of a certain discipline. This inherited nature in most definitions of trust has resulted in two streams of insight: one group of scholars insist that trust construct be measured by one single dimension, such as reliability (Selnes, 1998), or motivation (Anderson and Narus, 1990), while the other group of scholars contend that the trust construct is multi-dimensional. For instance, Ganesan and Hess (1997) proposed two dimensions of trust: credibility, the main partner's intention and ability to keep promises; and benevolence, evidence of genuine concern for the partner through sacrifices that exceed a purely egocentric profit motive. These authors also provide empirical support for the discriminant validity of these trust dimensions. Barber (1983) proposed that trust expectations likely include evaluations of (1) technically competent role performance (e.g. by the server - provide), and (2) carrying out obligations and responsibilities by placing others' (e.g., consumers) interest before their own. Other researchers proposing dimensions of trust include Morgan and Hunt (1994) who

suggest trust to be composed of reliability and integrity and Zaheer et al. (1998) who consider trust being formed through reliability, honesty, and predictability. Clearly trust is a multidimensional construct.

The nature of e-commerce does not include face-to-face interaction. This prevents consumers from assessing the trustworthiness of an e-vendor which can be done with ease in a direct interaction. Hence, trust is even more crucial in the e-commerce context (Reichheld & Scheffer 2000). Prior research suggests that consumers generally avoid buying from the online shop they perceived as untrustworthy (Reichheld & Scheffer 2000).

2.2. Sources of trust

According to Kooli et al (2014), components of online trust can be divided into three big groups based on its sources. They are personal based trust, cognitive-based trust, and institutional based trust groups. Three factors belong to personal based trust are e-vendors' competence, integrity, and benevolence. Similarly, situation normality, assurance, and website quality are the name of three dimensions in cognitive-based trust group. Lastly, an institutional based trust includes reputation, cost/benefit calculation, and predictability (Kooli et al (2014), Corritore et al (2005)).

Personal based trust

Competence, integrity, and benevolence have been identified as three trusting beliefs that form the trust factors in online shopping by various past research (McKnight et al. 2002; Chen & Dhillon, 2003; Palvia, 2009; Oliveira et al, 2017). When consumers perceive a company as competent in a specific area, that company should be able to smoothly operate in the said department (Lu, Zhao & Wang, 2010). Competence refers to the ability of an e-vendor to deliver products and services at the desired quality for customers (Wang & Emurian, 2005), handle the transaction and fulfill its promises made to clients (Chen & Dhillon, 2003). Integrity is a trusting belief concerning vendors' attitude towards consumers while doing business. Companies achieve integrity when they prove to act consistent, truthful and genuine when treating consumers (Chen & Dhillon, 2003).

Oliveira et al (2017) further explained that integrity is when internet suppliers keep their promises and commitments and do not overcharge consumers. In short, an e-vendor with integrity should follow its predetermined set of rules and promises. Many factors form benevolence characteristic of an online shop, namely attention, empathy, belief and acceptance (Kim et al. 2005). Lu, Zhao & Wang (2010) define benevolence as the dedication of companies (trustees) in caring and doing good deeds for its consumers (trustors). The situation at which internet vendors place consumers' interest higher than their own interest, try to improve customers' satisfaction rather than merely aim at maximizing profit is the description of benevolence by Öztüren, 2013). (2013). Consumers decide whether an online supplier is trustworthy or not via their perception of its competence, integrity, and benevolence (McKnight et al. 2002; Oliveira et al, 2017).

Cognitive based trust

Cognitive based trust is built through people use of their common knowledge - own mind or asking relatives or friends- when they want to purchase online a particular product. Cognition-based trust is a moderator in the relationship between cognitive conflict and decision outcomes. It arises from first impression rather than experiential personal interactions. Based on this first impression, Li et al. (2008), and McKnight et al. (2002) and Jarvenpaa et al. (1999) emphasised reputation of web vendor as being an antecedent factor of cognitive based.

Reputation is an element that affects trust directly (Anderson & Weitz, 1989; Doney & Cannon, 1997; Grazioli & Jarvenpaa, 2000). The reputation of companies is gained by caring and acting truthful towards their consumers (Doney & Cannon, 1997) According to Jarvenpaa & Tractinsky (1999), consumers are more likely to trust a company with good reputation. Gefen (2000) implied that people are going to use reputation to base their trust in a company in case they do not have enough information and experience with it.

Doney et al. (1991) added calculative or cost and benefit calculation dimensions as an

antecedent of cognitive based trust. Furthermore, Shapiro et al. (1992) stated that calculative based trust is driven by economic principles, when people shaped by their rational assessment of the cost and benefits of another party cheating or cooperating in the relationship. Moreover, people tend to trust when the trustee is thought to have nothing to gain, or the cost overwhelms the benefit, from being untrustworthy (Shapiro et al., 1992). Paul and McDaniel (2004) evaluated calculative trust in an initial interpersonal trust context and argued that as long as the trustor is vulnerable to the non-performance of the trustee, calculative trust is effective.

It is believed predictability has contribution to consumers' evaluation regarding e-vendors' trustworthiness (Salam et al. 2005; Öztüren, 2013). Tan & Sutherland (2004) clarified that predictability is the confidence of online shoppers in the consistency of online vendors. At first glance, predictability and integrity seem similar; however, predictability is towards the belief of consumers that e-vendors will act consistently and fulfill their guarantee.

Institutional based trust

Bachmann and Inkpen (2011) claimed that institutions can be an important and efficient facilitator of trust that develop through legal provision, corporate reputation, certification exchange partners and community norms, structures and procedures. McKnight et al. (2003, p. 339) defined Institutional based trust as "the belief that needed structural conditions are present (e.g., in the Internet) to enhance the probability of achieving a successful outcome in an endeavor like e-commerce". According to McKnight et al. (2003) there are two dimensions of institution trust based which are: structural assurance and situational normality. Assurance is a factor that improves consumers' trust and confidence in the companies (Runyan & Smith, 2008). Zucker (1986) stated that by utilizing the assurance system through guarantees, regulations, legal documents and other procedures, consumers feel safer and more secure when dealing with companies. Additionally, clients calculate the cost and benefit the other party gain before placing their trust in

another party (Shapiro et al. 1992). In an economic exchange, people only participate in the deal only if the outcome is satisfactory to them: specifically, when the expected gain surpasses the expected cost (Blau, 1964). Trust is also driven by situational factors (Hagen & Chloe 1998). In regard to e-commerce, if the users believe that the situation, they face is a typical or favorable consequence to them, they are likely to trust online environment (McKnight et al. 2002).

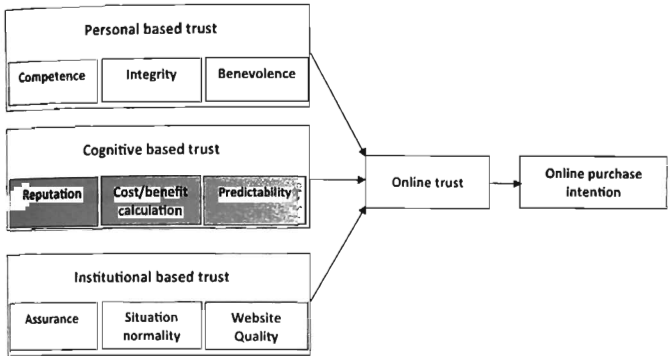
According to Corbitt et al. (2003); McKnight et al. (2002), the quality of the website influence consumers' trusts on internet vendors. In e-commerce, the website is the replacement of salesperson created by vendors. A well-presented website enhances users' experience and perception of the e-vendor. Users later use the experience they gain from using the website to assume the nature and trustworthiness of companies (Koufaris & Hampton-Sosa, 2002). There is a number of factors that build up the quality of website including navigation function (Cheskin/Sapient, 1999), visual design (Kim and Moon, 1998) and overall appearance of the website (Belanger et al, 2002; Kim and Stoel, 2004). In short, a well-designed website can assist e-vendors in building trust and relationship with consumers.

3. Findings from literature

As suggested in the literature overall trust of a consumer in an Internet vendor is determined along three main dimensions (personal based trust; cognitive based trust and institutional based trust) including nine constructs: competence, integrity, benevolence, reputation, assurance, cost/ benefit calculation, sit normality, website quality and predictability. These nine constructs are expected to be the driven factors to consumers' overall trust on internet vendors. Detailed description of the constructs has been presented in previous sections.

Furthermore, a lot of past research had proved that there is a positive relationship between overall trust of consumers on e-vendors and their intention to purchase online (Gefen, 2000; Jarvenpaa et al, 2000; Lim et al, 2006; McKnight et al; 2002). It is concluded that trust can shape the willingness to purchase online of shoppers, the more an e-vendor

Figure 1: Factors affecting online trust



is perceived as trustworthy, the more consumers are likely to purchase at that e-vendor (Jarvenpaa et al, 2000).

It is therefore authors propose the relationships between these constructs in the figure 1. This could be seen as a research model for further empirical study in this field.

4. Conclusions

This paper has identified three main dimensions of trust making from nine constructs. It has been argued that overall consumer trust for an Internet vendor can be built by focusing on each of these constructs. In a final synthesis a research

model for developing consumer trust is presented.

The concepts presented in this paper will surely benefit both academics and practitioners. For the academics, the paper sketches out a theoretical and a conceptual map of the literature on consumer trust as it relates to E-commerce. Opportunities exist to empirically test the propositions presented in the paper and develop measure of consumer trust in E-commerce. For the practitioners, the trust dimensions and sources of trust, organized in a research model, serve as an evaluative framework to assess current emphasis and identify opportunities for improvement ■

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CÁC YẾU TỐ ẢNH HƯỞNG ĐẾN NIỀM TIN CỦA NGƯỜI TIÊU DÙNG KHI MUA HÀNG TRÊN MẠNG: MÔ HÌNH HỢP NHẤT

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TÓM TẮT:

Các nghiên cứu trước đây đã chỉ ra rằng: niềm tin đóng vai trò rất quan trọng và ảnh hưởng lớn đến dự định mua của người tiêu dùng (Oliveira và đồng nghiệp, 2017). Mục tiêu của bài nghiên cứu này là nhận diện các yếu tố chính ảnh hưởng đến niềm tin của người tiêu dùng khi mua hàng trên mạng bằng cách tổng hợp những nghiên cứu trước đây. Chín yếu tố ảnh hưởng thuộc ba nhóm tác động đã được phát hiện. Mô hình nghiên cứu về tác động của các yếu tố này đến niềm tin chung của người tiêu dùng cũng được đề xuất. Nghiên cứu này không những giúp làm tăng sự hiểu biết về lý thuyết, mà còn giúp các nhà nghiên cứu dễ dàng kiểm nghiệm trên thực tế và các nhà quản trị biết cách tăng niềm tin đối với những khách hàng trên mạng.

Từ khóa: Thương mại điện tử, mua hàng trên mạng, niềm tin, Việt Nam.