ABSTRACT

For e-commerce to grow, customers must trust organizations with which they interact. In this article, we propose and test a theoretically-derived model of trustworthiness of Web merchants in general. Trustworthiness is influenced by behavioral, competence, and attitudinal beliefs. Findings indicate trustworthiness is strongly influenced by behavior-related beliefs, and less strongly by attitude-related beliefs. Trustworthiness beliefs impact intentions to purchase from Web merchants. [Article copies are available for purchase from InfoSci-on-Demand.com]

Keywords: B2B E-Commerce; Information Technology Adoption; Internet Buyers; Internet Commerce; Web-Based Commerce

INTRODUCTION

During the 2003 Holiday season, U.S. consumers spent $18.5 billion online (Ricadela, 2004). In 2005, Canadian consumers acquired just over $7.9 billion worth of goods and services over the Internet (Statistics Canada, 2006). In the second quarter of 2007, e-commerce sales in the U.S. reached $ 33.67 million just for the quarter (US Census Bureau, 2007). This indicates substantial growth in e-commerce. Yet, retail e-commerce sales still accounts for a small portion of overall consumer spending since they represented only 3.2% of total U.S. retail sales in the second quarter of 2007 (US Census Bureau, 2007).

Consumers often make important buying decisions based, in part, on their beliefs regarding the trustworthiness of the product, salesperson, and/or the company (Hosmer, 1995). Not surprisingly, lack of trust is one of the main barriers to individuals and companies conducting e-business transactions (e.g., Doney and Cannon, 1997; Hoffman et al., 1999; Quelch and Klein, 1996). To purchase online, consumers must be willing to trust Web merchants.
While many definitions of trust exist, it is appropriate to define trust in an economic exchange (as in e-commerce) as “the consumer’s willingness to rely on the seller and take action in circumstances where such actions make the consumer vulnerable to the seller” (Jarvenpaa and Tractinsky, 1999; Jarvenpaa et al., 2000). In Internet shopping, there are substantially more risks than in traditional shopping since interactions between merchants and consumers are electronically mediated and there may be no physical storefronts through which to resolve issues.

In this study, we propose and empirically validate a model of general Web merchant trustworthiness that includes behavior, competence and attitude-related beliefs. A key difference between this study and others is that most prior research is concerned with consumers’ assessments of one or more specific Web merchants, rather than Web merchants as a general class of merchants. For example, McKnight et al. (2002) used a faux legal advice site as the Web vendor in their study. Gefen (2002) used Amazon.com as the object of trust. Yet, even these researchers and others (Cheung and Lee, 2001; Lee and Turban, 2001) have recognized the need for trust-related studies of groups of online vendors, rather than specific vendors.

The article is organized as follows: the next sections present a brief review of the literature, and then the research model and hypotheses. This is followed by the methodology, results, and discussion of findings. We conclude with limitations, general conclusions, and suggestions for future research.

LITERATURE REVIEW

Trust and Trustworthiness

In IS research, trust has been studied in electronic data interchange (Hart and Saunders 1997), inter-organizational relationships (Allen et al., 2000; Bons et al., 1998), and some in e-commerce (e.g., Bhattacharjee, 2002; Cheung and Lee, 2001; Gefen, 2002; Jarvenpaa et al., 2000; Komiak and Benbasat, 2004; Lee and Turban, 2001; McKnight et al., 2002; Van Slyke et al., 2004). Two important issues have hampered empirical investigations of trust in online purchasing: the lack of agreement about the definition of online consumer trust, and the confusion between trust and its antecedents (including trustworthiness) and outcomes (Lee and Turban, 2001). Recently, there have been significant efforts directed at resolving some of the confusion surrounding these issues (Bhattacharjee, 2002; Gefen, 2002; McKnight et al., 2002), but further work is needed.

Trust and trustworthiness are related but not equivalent concepts. Trustworthiness beliefs are necessary antecedent conditions to trusting behaviors (Lee and Turban, 2001; Mayer et al., 1995). Consumers must perceive that Web merchants are trustworthy before they place their trust in them. In this context, trust can be defined as consumers’ expectations about Web merchants’ motives and behaviors (Doney and Cannon, 1997, p. 37). Conversely, trustworthiness can be defined as “beliefs about whether Web merchants possess qualities that make them deserving of trust” (Bélanger et al., 2002, p. 253).

Trustworthiness of Web Merchants in General

Our study focuses on beliefs regarding the trustworthiness of Web merchants in general. Few studies have examined Web merchants as a class rather than using the context of a single Web merchant. One study investigated satisfaction with B2C e-commerce using a measure of “shopping online” rather than using a particular merchant (Devaraj et al., 2002). Another study utilized trustworthiness of Web merchants in general as a predictor of e-commerce use intentions (Van Slyke et al., 2004). They found that perceptions of the trustworthiness of Web merchants in general significantly predicted intentions to make purchases online. Pavlou and Gefen (2004) examine trust in a class of Web merchants, but they examined merchants...
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