Chapter 2
Does Self–Efficacy Matter?
Examining Online Transaction Self–Efficacy and General Self–Efficacy in B2C E–Commerce

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ABSTRACT
In this study, we propose a research model examining how self-efficacy affects consumer trust in web vendors, and how self-efficacy and consumer trust influence online consumers’ intentions to purchase from a certain web vendor. In particular, we separate the concept of self-efficacy into two types, general self-efficacy and domain-specific self-efficacy (i.e., online transaction self-efficacy), and we examine whether they play different roles as antecedents of trust in the realm of B2C e-commerce. The results show that online transaction self-efficacy plays an important role in consumer’s trust building while general self-efficacy does not. Online transaction self-efficacy is also an important determinant of perceived risk and a consumer’s intention to purchase. Although general self-efficacy does not play the same role as online self-efficacy, it is a key determinant of domain-specific self-efficacy (i.e., online transaction self-efficacy). This study provides a focused picture of trust-building and reinforcement of purchase intention in e-commerce, from the separated angle of self-efficacy. Theoretical and practical contributions are discussed.

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INTRODUCTION

Trust in online transactions (e-trust) is crucial to the success of e-commerce. Lack of trust is the main barrier to online transactions (Cole, 1998; Jarvenpaa & Tractinsky, 1999; Reichheld & Scheffter, 2000; Rose, Khoo, & Straub, 1999). Since consumers tend to consider online transactions to be potentially risky and uncertainty-involving processes, e-trust has become an important issue in business-to-customer (B2C) electronic commerce. Previous studies have shown that trust is the most significant factor in the process of e-commerce (Doney & Cannon, 1997; Gefen, 2002). Trust was considered a key factor in the most effective uncertainty reduction mechanism (Gefen, 2000; Hart & Saunders, 1997). Trust had a significant effect on willingness to engage in transactions (Bhattacharyee, 2002) and purchase (Gefen). The direct effect of trust on purchase intention and behavior was proven theoretically and even empirically. The direct effect of trust on purchase intention (or behavior) can be thought of as a necessary condition of an uncertainty reduction mechanism. Jarvenpaa, Tractinsky and Vitale (2000) suggested that trust antecedes perceptions of risk, which ultimately affects willingness to buy (trust → risk perception (and attitude) → willingness to buy).

Although previous studies have taken for granted trust as an influential factor, it is becoming clearer that understanding trust itself still requires more effort. Seminal efforts have attempted to define trust in organizational and electronic commerce (Mayer, Davis, & Schoorman, 1995; 1995; McKnight & Chervany, 2002; McKnight, Choudhury, & Kacmar, 2002). Nonetheless, trust has yet to be defined adequately in the context of online transactions. The present study starts from the authors’ reflection that trust requires comprehensive reconceptualizing within e-commerce settings, because an unexplored domain still remains, which we believe is associated strongly with the whole process of trust building.

The main part of our reflection on existing literature is that previous research on e-trust tends to take a trustee-centered approach, that is, it mainly focuses on the attributes of online vendors by virtue of viewing trust as “belief in an attribute of the trustee” (McKnight et al., 2002) or “willingness to believe the trustee” (Fung & Lee, 1999; McKnight et al.). Most definitions of e-trust are focused on a trustee’s subjective belief of a trustee, that is, an online consumer’s judgment and assessment of an online vendor with whom he or she interacts in a particular transaction (Bhattacharya, Devinney, & Pillutla, 1998; Gambetta, 1998; McKnight & Chervany, 2002).

However, uncertainty reduction and trust building are an individual’s perceptual process, and are influenced not only by an individual’s judgment of others’ attributes (i.e., ability, benevolence and integrity) but also by an individual’s judgment of his or her ability to render matters satisfactory. Nevertheless, existing trust studies have tended to take for granted the notion that trust can be viewed from a trustee-centered perspective. Again we emphasize that a trustee-centered perspective is characterized by an individual’s perception of a trustee’s attributes that are fundamental to reliable and trustworthy transactions. Given that few trust studies have been done from the viewpoint of the characteristics of the trustor (i.e., online customer), this study attempts to shift focus from a trustee-centered perspective to that of a trustor attribute-centered approach, by highlighting self-efficacy in B2C e-commerce. A perspective that differentiates a trustor-centered and trustee-centered notion of trust is based on the seminal work of Mayer et al. (1995) that differentiates characteristics of trustors and trustees. In shifting the focus of trust in e-commerce, therefore, this study argues that an individual’s beliefs in his or her abilities and competence should play a significant role in trust-building and uncertainty reduction. Such judgments of one’s capability are conceptualized as self-efficacy, and show how a
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