Chapter XIV
Overcoming Hurdles to Trust: Infomediaries and Public Records

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ABSTRACT

This chapter discusses paradoxes that have arisen in response to society’s dependence on the Internet and the new business models that attempt to resolve the contradictions. The authors present a Trust Model illustrating a series of hurdles that must be overcome in order for an individual or an organization to exhibit trust, that is, risk-taking behavior. The chapter addresses the formation of new information providers, “infomediaries,” which can inform risk-taking behavior in computer-mediated relationships.

INTRODUCTION

In times past, a “man’s word was as good as his bond.” Deals were made based on reputations and handshakes. Kings’ decrees were validated by the seal of a signet ring. Marriages were arranged by families—or at least introductions were made by mutual acquaintances.

With the proliferation of the Internet, an interesting paradox has emerged: we have become more interconnected, and, at the same time, more isolated. The technology that enables us to transcend the limitations of time and space also limits our ability to judge a person’s character, evaluate his or her trustworthiness, or establish a long-term relationship. Yet we are becoming increasingly more dependent on the technology for our social interactions.

Naisbitt (1982) identified this paradox as a “high-tech backlash” (p. 43). He suggested that:

... when institutions introduce a new technology to customers or employees, they should build in a high-touch component; if they don’t, people will
try to create their own or reject the new technology ... When high tech and high touch are out of balance ... dissonance results. (pp. 43-44)

As a result, new business models are emerging. Kelly (1998) predicted the need for intermediaries that could help negotiate the web of information that is available. He described relationship technology that is applied towards forging—and binding—the connections among individuals, and between individuals and organizations. He warned that:

The advent of relationships technologies on the net creates a larger role .... None of this enlargement of relationships can happen unless there are vast amounts of trust all around .... Trust is a peculiar quality .... It can’t be instant – a startling fact in an instant culture .... But it can disappear in a blink. (pp. 132-133)

Kelly goes on to say that trust cannot be purchased and has to accumulate slowly, which takes us to another paradox: how can we accumulate trust slowly, yet have it instantly?

This chapter examines these paradoxes and the emerging business models that attempt to resolve these contradictions. It starts with background information on trust elements, public records, and how trust can be built using public records. The chapter continues with descriptions of emerging business models and illustrations of how they work. It concludes with a discussion of future and emerging trends.

BACKGROUND

To frame this analysis, is helpful to have a common understanding of how trust is defined and established. The literature on trust is extensive, drawing from economic theory and the social sciences. Rather than present an exhaustive analysis of this work, the following model is offered as a succinct—and salient—summary of key factors to consider.

Trust Model

Hardin (2006) distinguishes between the quality of trustworthiness and the expectation of trust:

To say that I trust you in some context is to say that I think you are or will be trustworthy toward me in that context. You might not be trustworthy toward others and you might not be trustworthy in other contexts. (p. 1)

Mayer, Davis, and Schoorman (1995) perceive trustworthiness as a function of three broad factors: ability, benevolence, and integrity:

Ability is that group of skills, competencies, and characteristics that enable a party to have influence within some specific domain .... Benevolence is the extent to which a trustee is believed to want to do good to the trustor, aside from an egocentric profit motive .... Integrity involves the trustor’s perception that the trustee adheres to a set of principles that the trustor finds acceptable ... the consistency of ... past actions, credible communications ... a strong sense of justice, and the extent to which ... actions are congruent with ... words all affect the degree to which the [trustee] is perceived to have integrity. (pp. 717-719)

In their view, trust is a function of these factors, moderated by the trustor’s propensity to trust. Elsewhere, this characteristic is referred to as “generalized” trust, relatively positive expectations of the trustworthiness, cooperativeness, or helpfulness of others (Hardin, 2006, p. 125). This factor becomes especially important in temporary relationships with time pressures, as might occur in Internet-based interactions. Meyerson, Weick, and Kramer (1996) suggest that without