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Gender differences in the effectiveness of online trust building information cues: An empirical examination

Gregory B. Murphy *, Neil Tocher [1]

Department of Management, Idaho State University, 921 South 8th Avenue, Stop 8020, Pocatello, ID 83209–8020, United States

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ABSTRACT

Building trust with customers is essential for the success of business-to-consumer e-commerce (B2C) ventures. Entrepreneurial B2C e-commerce ventures face a particularly daunting challenge in building trust given the liability of newness and legitimacy concerns arising from lack of name recognition in the marketplace. To address this issue, recent research has suggested that certain online information cues may be useful in influencing perceptions of new/small e-commerce vendor trustworthiness. Perplexingly though, such research has paid scant attention to whether gender differences exist with regard to the effectiveness of such trust building information cues. Hence, the present study adds to the literature by using a sample of 536 potential internet shoppers to examine whether gender differences exist in the effectiveness of online B2C trust building information cues. Participants were asked to assess the importance of 14 different trust building information cues in influencing their perceptions of e-commerce vendor trustworthiness. Factor analysis reduced the data to four factors representing different aspects of perceived trustworthiness. Results of the study show that, when controlling for internet usage, disposition to trust, trust in the Internet and trust in e-commerce, women reported statistically significant higher values on three of the four factors examined. Specifically, women reported higher values on factors related to communication (or information flow), security, and functionality than did their male counterparts. Study results suggest that entrepreneurial B2C online ventures may promote themselves more effectively to women in particular by carefully managing information cues on or about their website.

1. Introduction

While e-commerce offers businesses an opportunity to expand their reach, there are notable obstacles in selling online. Martin and Camarero (2008), for example, noted the lack of physical contact, the presence of greater transaction costs, and technical problems as inhibitors of online shopping. Authors have long noted that trust in online vendors will be critical in overcoming these and other barriers to online shopping (c.f. Grabner-Kraeuter, 2002). The need for trust is even greater for online sellers that do not have a well established name in the marketplace (Murphy & Smart, 2000). Entrepreneurial online vendors in particular, given their usual lack of name recognition in the marketplace, need potential consumers (and other stakeholders) to trust them if they are to build legitimacy and overcome the liability of newness (Drori, Honig, & Sheaffer, 2009; Stinchcombe, 1965). To address this concern, a body of literature has emerged suggesting strategies for building trust in online vendors (c.f. McKnight & Chervany, 2001a, 2001b), including strategies for firms with little or no name recognition (Murphy & Smart, 2000). Little attention, however, has been given to potential gender differences in the effectiveness of these strategies in building trust. The lack of research on

* Corresponding author. Tel.: +1 208 282 2856; fax: +1 208 282 4367.
E-mail addresses: murpgreg@isu.edu (G.B. Murphy), tochneil@isu.edu (N. Tocher).
[1] Tel.: +1 208 282 3588.

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whether the efficacy of such trust building strategies may differ by gender is perplexing given that women consistently make most retail purchases, but men make most internet purchases (Cho & Jialin, 2008; Rodgers & Harris, 2003). Given this, the present study examines if the presence of trust building information cues are more important to women and in turn may increase their willingness to make internet purchases.

Murphy and Smart (2000) proposed a set of information cues for new and small business to consumer (B2C) e-commerce firms that are designed to improve the electronic vendor's perceived trustworthiness with potential customers. The proposed cues are significant in that such firms, lacking name recognition and/or an established record in the market place often lack the perceived legitimacy and trustworthiness needed to grow and survive (Welter & Smallbone, 2006). Specifically, Murphy and Smart (2000) proposed that entrepreneurial B2C firms can improve their perceived legitimacy and trustworthiness by adopting expected conventions (isomorphism) in design and performance and through strategic manipulation of information cues communicating transference, ability and competency, structural assurances, value and goal congruence, and fulfillment. Murphy and Blessinger (2003) tested these information cues and found that they improved the perceived trustworthiness of no name recognition B2C e-commerce sites. This study extends this line of inquiry by considering possible gender differences in the effectiveness of trust building cues.

Women are generally less trusting of online shopping and are less likely to shop online as a result (Cho & Jialin, 2008; Rodgers & Harris, 2003). These findings underscore the importance of using information cues to improve women's perceptions of an online vendor's trustworthiness. Previous research showing gender differences in online shopping behavior (c.f. Awad & Ragowsky, 2008) and in risk perceptions (c.f. Bernasek & Shwiff, 2001; Garbarino & Strahilevitz, 2004) suggests that there may be differences in the effectiveness of trust building cues. Awad and Ragowsky (2008), for example, suggested that online shopping may be viewed less favorably by women than men due to the reduced social interaction associated with online shopping. Perhaps then, for example, information cues designed to promote greater interaction and information sharing will have more positive effects for women than men. Likewise, for example, research showing that women perceive more risk in online shopping (c.f. Garbarino & Strahilevitz, 2004) suggests that information cues designed to alleviate fears of opportunism may be more effective for women than men.

To proceed with the inquiry, we will first discuss the relevant literature on trust in e-commerce and gender. Next, we will introduce the proposed trust building cues used in this paper and reduce the data to facilitate the development of hypotheses. After the hypotheses have been stated, the data will be analyzed using correlation analysis and hierarchical regression. A discussion of the findings and related issues will conclude the paper.

2. Trust and consumer trust in B2C e-commerce

The definition of trust is not widely agreed upon and varies from discipline to discipline (McKnight & Chervany, 2001b). There is some agreement, however, that trust involves the willingness to make oneself vulnerable under conditions of uncertainty (Rousseau, Sitkin, Burt, & Camerer, 1998) and that the need for trust increases as individuals have less information and experience in dealing with each other (Aldrich & Fiol, 1994). Trust is also commonly considered a critical element in facilitating most exchange relationships (Mayer, Davis, & Schoorman, 1995; Ring, 1996; Rousseau et al., 1998) including Internet transactions (Gefen, 2002). Risk and interdependence are necessary conditions for trust (Rousseau et al., 1998). Decision makers perceive risk as a result of outcome uncertainty regarding the other party's intentions or likely behavior (Chiles & McMackin, 1996). Interdependence exists when “the interests of one party cannot be achieved without reliance upon another” (Rousseau et al., 1998, p. 395).

As Howorth and Moro (2006) note, trust does not exist in a de-contextualized world. Lee and Turban (2001) and McKnight and Chervany (2001b) address this issue by noting that Internet shopping entails risk, outcome uncertainty, and interdependence. The potential harm caused by opportunistic behavior on the part of the e-vendor creates vulnerability for the Internet shopper and creates hesitancy in online shopping behavior. Lee and Turban (2001, p. 79) defined trust in this specific context as “the willingness of a consumer to be vulnerable to the actions of an Internet merchant in an Internet shopping transaction, based on the expectation that the Internet merchant will behave in certain agreeable ways.”

Swift trust or initial trust (McKnight, Choudhury, & Kacmar, 2002) is particularly salient in the case of entrepreneurial e-commerce vendors trying to build enough trust with potential online shoppers to convince them to do business with the vendor. In these initial relationships with online vendors, consumers use whatever information is available to make trustworthiness inferences about the vendor (McKnight et al., 2002). Information cues contained in or on the entrepreneurial e-commerce vendor's website are particularly critical in this case given the likelihood that the online shopper will have had little if any other exposure to the entrepreneurial venture. Using strategic manipulation of information cues on or about a website to promote perceptions of trustworthiness is also consistent with McKnight et al.'s (2002) call to act purposefully to overcome consumer perceptions of uncertainty and risk in online shopping.

While much of the literature assumes that trust is a function of experience, Harrison, Dibben, and Mason (1997) confirm that swift trust can emerge in the absence of a history of interactions and even in cases where the transacting parties have little expectation of interacting in the future. Swift trust usually assumes that calculus-based, rather than relationship-based trust will dominate in early stages (Harrison et al., 1997). Calculus-based trust is deemed appropriate in these early encounters as it encourages the online shopper to only trust the vendor if the shopper believes or assesses that the loss or damage to the vendor from engaging in opportunistic behavior will be greater than the rewards to the vendor for behaving opportunistically. Murphy and Blessinger (2003), however, found information cues designed to promote calculus-based and relationship-based trust to