



Research Note

National culture and consumer trust in e-commerce

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ABSTRACT

This study uses Hofstede's cultural dimensions theory to explain variance in consumer trust in e-commerce. We model trust as a combination of a consumer's disposition to trust and context specific trustworthiness of an online store. The study hypothesizes direct effects of national cultural dimensions on disposition to trust, and of disposition to trust on dimensions of trustworthiness. We also examine whether and how disposition to trust mediates the effects between national culture and trustworthiness of an online store. We test the hypotheses with a sample of 616 online bookstore customers from China and Finland, countries that represent opposite cultural poles in many respects. We find that national culture solely explain 23% of the variance in the consumer's general disposition to trust, and that disposition to trust is a highly significant predictor of the perceived trustworthiness of an online store. We further find that the mediating role of disposition to trust between national culture and trustworthiness depends greatly on the individual cultural dimension studied.

1. Introduction

Trust in the online environment has gained wide interest in research along with the increase in online transactions and electronic commerce becoming more popular. Lack of trust is a major barrier in the adoption of e-commerce (Chang, Cheung, & Tang, 2013) and concerns about an online store's trustworthiness are among the most important factors distinguishing online buyers from non-buyers (Kim & Park, 2013). Trust, on the other hand, is found to drive the adoption of information and communication technologies across countries (Kirs & Bagchi, 2012). Indeed, e-commerce has internationalized, and buying products online across national borders has become straightforward and convenient for consumers, providing new business opportunities for both domestic and international online stores.

Some consumers shop actively online, but others do not, and consequently managers and academics alike are interested in better understanding the underlying factors between these differences. The influence of an individual's personality on their adoption of e-commerce in addition to disclosing private information online has recently received growing academic interest (e.g. Bansal, Zahedi, & Gefen, 2016). Trust particularly plays a crucial role in e-commerce, because individuals show different levels of trust towards e-commerce, but individuals between national cultures also vary in their overall level of trust (World Values Survey, 1981–2014). Consequently, the current study integrates the theory of national culture with the research conducted on online trust, in order to explore how dimensions of national culture influence consumers' beliefs of online store's trustworthiness.

In their research agenda for trust in the online environment, Gefen, Benbasat, and Pavlou (2008) identify the dimensionality of trust, as well as the impact of culture on trust as research areas requiring further exploration. In order to address the above-mentioned research gaps, we apply the cultural theory of Hofstede (1980) to explore how dimensions of national culture influence individual's general tendency to trust, i.e. trusting disposition, and individual's beliefs about online store's trustworthiness. Theoretical research suggests that national culture and trust are interrelated (e.g. Doney, Cannon, & Mullen, 1998; Hofstede, 1980), but empirical research validating their relationship is surprisingly scarce, particularly in the online environment (Gefen & Heart, 2006; Huang et al., 2014; Hwang & Lee, 2012; Jarvenpaa, Tractinsky, & Saarinen, 1999; Yoon, 2009). In the current study we also focus on the dimensionality of trust and trust related constructs, because the constructs of trust, trustworthiness (including ability, integrity and benevolence) and disposition to trust are too commonly used synonymously and mixed in the research (see discussion e.g. Colquitt, Scott, & LePine, 2007; Serva, Benamati, & Fuller, 2005, 2002). Recently, some academics have focused on drawing a better picture on the relationship between these constructs (e.g. Colquitt et al., 2007; Serva et al., 2005; Yakovleva et al., 2010) but many of those few studies are conducted in organizational and offline settings, thus not taking into account the online environment which is significantly different from a conventional brick-and-mortar business.

The rest of the paper unfolds as follows. In the next section, we review the theoretical background of the study and thereafter show our reasoning for adopting it as the theoretical framework of this study.

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This is followed by a description of the research model and research methods. We then present the results of the data analysis and hypotheses testing. Finally, the authors draw conclusions and discuss the implications of the findings, together with limitations of the study and suggestions for future research avenues.

2. National culture and consumer trust

While the theoretical research suggests that national culture and trust are interrelated (e.g. Doney et al., 1998; Hofstede, 1980), our literature search resulted only in a handful of prior studies focusing on how the aspects of national culture impact trust and trustworthiness in the online environment. Jarvenpaa et al. (1999) were among the first to raise the question about the robustness of trust effects across national cultures, and proposed that customers in different cultures might show different expectations of what makes an online vendor trustworthy. Following research has intended to understand the influence of national culture on trust mainly by two means: either by performing a comparative cross-cultural study (An & Kim, 2008; Chen et al., 2008; Park, Gunn, & Han, 2012; Teo & Liu, 2007) or by examining how specific aspects and dimensions of national culture influence trust (An & Kim, 2008; Capece, Calabrese, Di Pillo, Costa, & Crisciotti, 2013; Chen et al., 2008; Hwang & Lee, 2012; Yoon, 2009). Gefen and Heart (2006) examine whether the definitions of trust and related constructs are applicable in two cultures that differ in individualism versus collectivism, uncertainty avoidance and power distance, and conclude that trustworthiness beliefs apply in both USA and Israel, and may thus be a relatively unvarying aspect of e-commerce. Yet they raise the concern that most of the research on the effect of cultural factors on trust has been conducted in Western countries and particularly in the United States, despite the fact that culture is a complex and multifaceted phenomenon and aspects of national culture may influence trust differently in different countries (Gefen & Heart, 2006). In a similar vein, Park et al. (2012) propose that cultural values impact how consumers with Eastern and Western backgrounds form trust in e-commerce. They find that USA tends to have a higher tendency to trust compared to South Korea. Chen et al. (2008) explore trust development among virtual community members in China, Hong Kong and Taiwan, and find no significant differences in trust development across the countries, but show that overall Chinese show a higher trust tendency.

The other stream of research aims to understand how specific dimensions of national culture influence trust. Yoon (2009), for instance, investigates the moderating effect of power distance, individualism, uncertainty avoidance and long-term orientation on the relationship between trust and consumer's purchase intention with the data collected in China, finding that long-term orientation and uncertainty avoidance moderates the relationship while power distance and individualism have no influence on it. Capece et al. (2013) replicated the study in Italy, and show that power distance and individualism moderate the relationship between trust and purchase intention. Shiu, Walsh, Hassan, and Parry (2015) show that individuals with a high individualist orientation trust public information websites less, but uncertainty avoidance has no influence on the level of trust towards public information websites. The majority of the existing studies consider only one or two aspects of national culture, focusing on understanding for instance how uncertainty avoidance (Hwang & Lee, 2012; Shiu et al., 2015), individualism versus collectivism (An & Kim, 2008; Lowry, Zhang, Zhou, & Fu, 2010; Chen et al., 2008; Shiu et al., 2015) or power distance (Chen et al., 2008) influence trust. To the best of our knowledge, only a few existing studies include more than two dimensions of national culture in one study. Consequently, we aim to respond to this research gap by exploring how the five Hofstede's culture dimensions, namely collectivism, uncertainty avoidance, long-term orientation, power distance and masculinity, influence individual's disposition to trust, and further, how disposition to trust contributes to the perceived trustworthiness of an online store, taking into account both

direct and mediated effects. The current study also adds to the existing research by providing information about the relatedness of national culture and trust using datasets collected in two countries that evidently differ in several cultural aspects: China and Finland.

3. Model development

Our research model integrates Hofstede's culture theory with the trust research. Following prior research, we conceptualize trust as a formation of an individual's general trusting disposition and context specific belief about the trustworthiness of an online store, including dimensions of ability, integrity and benevolence. This follows Colquitt et al. (2007), who in their meta-analysis argue that disposition to trust (i.e. trust propensity) and trustworthiness are antecedents of trust. It appears that online trust is formed from the trusting disposition of an individual, and perceived trustworthiness of an object (e.g. online store), and consequently when referring to trust we refer to the fusion of disposition to trust and trustworthiness.

3.1. National culture

The establishment of trust is dependent upon shared motives, values, beliefs, identities and interpretations of the meanings that guide an individual's behavior and beliefs in a specific culture (Doney et al., 1998) and therefore national culture and trust are discussed as inter-related in the prior research (Doney et al., 1998; Downes et al., 2002; Gefen & Heart, 2006; Greenberg et al., 2008; Huang et al., 2014; Jarvenpaa et al., 1999). National culture consists of a set of beliefs and behaviors shared by a group of people, also known as the collective programming of the mind distinguishing members of one group from another (Hofstede, 1980). We adopt Hofstede's cultural dimensions (Hofstede, 1980; Hofstede & Hofstede, 2005; Hofstede, 2001) to explore national culture. The four original dimensions are individualism versus collectivism, power distance, masculinity versus femininity, and uncertainty avoidance (Hofstede, 1980; Hofstede & Hofstede, 2005). Later on, an additional fifth dimension assessing time orientation within a culture (long-term versus short-term orientation, also called as Confucian dynamism) was added based on the findings of the Chinese Value Survey (Hofstede & Bond, 1988; Hofstede & Hofstede, 2005). Earlier research most commonly examined only one or two cultural dimensions in a single study, for example due to conceptual reasoning (Schumann et al., 2010), relevance (Hwang & Lee, 2012), or hypothesized country differences with regards to some culture dimensions. We believe that measuring all five dimensions in one model provides a more holistic picture of the phenomenon and therefore we include Hofstede's five culture dimensions in the study.

Individualism versus collectivism (COL) refers to the relationships of individuals within a culture (Hofstede, 1980). In individualist cultures, ties between individuals are loose: everyone is expected to look after oneself and his or her immediate family (Hofstede & Hofstede, 2005). Collectivism is the opposite, and in such cultures individuals are integrated into strong, cohesive in-groups that remain throughout one's lifetime (Hofstede & Hofstede, 2005). Prior research suggests that trust, in general, is higher in collectivist cultures compared to individualist cultures (Doney et al., 1988; Huff & Kelley, 2003).

Uncertainty avoidance (UAI) describes the extent to which members of a culture feel threatened by uncertain or unknown situations (Hofstede & Hofstede, 2005). Uncertainty about an online store's trustworthiness is often cited as one of the main reasons individuals do not involve themselves in e-commerce, and prior studies evaluate uncertainty avoidance as one of the key cultural dimension affecting trust in the online environment (Hwang & Lee, 2012; Shiu et al., 2015). Research suggests that uncertainty avoidance plays a major role in technology adoption (Srite & Karahanna, 2006) and resistance (Laukkanen, 2015). Srite and Karahanna (2006) suggest that individuals with high uncertainty avoidance levels may look to their social environment for

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