



Impact of consumer empowerment on online trust: An examination across genders

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ABSTRACT

Consumer empowerment is a psychological construct related to the individual's perception of the extent to which he/she can control the distribution and use of his/her personally identifying information. It has been argued to have an impact on consumers' privacy concerns and trust in e-commerce. However, very little is known about the difference in male and female perceptions of this control. This investigation is focused on examining how perceptions between the genders differ concerning consumer empowerment and privacy concerns, and how the consumer empowerment results in perceptions of trust and decrease in privacy concerns. We test our proposed hypotheses using data collected from 322 experienced online consumers. Our results show that empowerment has a stronger positive effect on trust for males than for females, and that privacy concerns have stronger negative impact on trust for females than for males.

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1. Introduction

While e-commerce has grown substantially over the last decade, it still is marred with the lack of trust and growing privacy concerns. Various researchers have suggested empowering the consumers in order to alleviate their privacy concerns and to build their trust in e-commerce. For example, Van Dyke et al. [88] showed that consumers with higher levels of perceived privacy empowerment exhibited lower level of privacy concerns. Olivero and Lunt [62] suggested that when faced with an increase in awareness of privacy threats, consumers tend to reduce trust and demand more control. This suggests that firms which empower consumers by delegating control may be able to gain a competitive advantage. The psychology literature suggests that empowerment is viewed differently by males and females [41,75]. The question then arises: Do males and females differ in their evaluations of interplays among online trust, privacy concerns, and consumer privacy empowerment? Answering this question will help practitioners and academics to understand how to empower consumers to establish their trust. To this end, we develop a model based on social constructionist theory of gender characterization, and hypothesize that the effects of privacy concerns and privacy empowerment on trust differs across genders. Using a large sample, we ask the following research questions:

RQ1: Is the effect of consumer privacy empowerment on online privacy concerns different across genders?

RQ2: Is the effect of consumer privacy empowerment on online trust different across genders?

RQ3: Is the effect of consumers' privacy concerns on online trust different across genders?

This research topic is important for the following three reasons. First, whilst interest in gender has begun to pervade other disciplines, the IS domain has remained fairly impermeable against gender analysis, aside from a few notable exceptions [1]. For example, the existing and limited research highlights the differences among the two genders in terms of communication pattern, e-commerce intention and behavior, and trust in online environments [5,29,90]. Therefore, this study is an attempt to bring the importance of gender differences in e-commerce setting to forefront. Second, understanding how gender differences map with consumer privacy empowerment will extend our understanding of consumer privacy empowerment construct. Third, and more importantly, gender can be easily incorporated into trust building, privacy concerns' reduction and consumer empowerment strategies. As e-commerce is targeted towards both genders, and lack of trust and increased privacy concerns have been touted among the most important barriers, attempting to understand such differences will help practitioners and academicians in devising gender specific strategies to effectively establish trust between e-commerce vendors and consumers from both genders.

Against this background, in the present article, we investigate the impact of gender on the interplay between consumers' privacy concerns, their perceptions of control and trust in online environments. The remainder of this paper is structured as follows. We begin with a brief literature on the importance of trust, followed by observed gender differences and theories of gender differences, especially in context of e-commerce environments. In the next section, we then build our theoretical model, followed by the measurement and testing of the model. After discussing the results, we conclude with the implications of our findings.

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2. Past literature

2.1. Trust and its importance in online environments

The notion of trust has been examined under various contexts over the years. Researchers in different disciplines agree on the importance of trust in the conduct of human affairs, but there also appears to be an equally widespread lack of agreement on a suitable definition of the concept. Trust has been defined in various terms, including “the willingness to be vulnerable to the actions of another party” [56], “the probability one attaches to cooperative behavior by other parties” [40], and the belief by one party about another party that the latter will behave in a predictable manner [54]. Despite different views, the consistent underlying theme that many agree is that trust entails a perception of risk that depends on the actions of the other party [28,39,55,56,64].

In broad sense, trust is a psychological state comprising the intention to accept vulnerability based upon positive expectations of the intentions or behavior of another [28,74]. So and Sculli [83] provided a comprehensive review of the many advantageous effects of customer trust on general business related behaviors. Some of the advantages include: reduction in transaction complexities [81], reduction in transaction costs [26,36], development of long-term relationships with customers [28,36], reduction in the level of concerns for information sharing [36,47,55], reduction in perceived risks [39,43], and willingness to pay price premiums [8].

The importance of trust in an e-commerce environment can be estimated by a statement from the Wall Street Journal: “It seems that trust equals revenue, even on-line” [66]. In traditional brick and mortar respect, trust has been defined in interpersonal terms. However, in the absence of salespeople from the purchase transaction, the primary focus of the customer's trust falls on the firm itself [12]. In particular, trust in the online environment is important because of the complexity and diversity of online interactions and the resulting possibility of insincere and unpredictable behavior [31]. Trust, thus, becomes a critical factor for online transactions [70]. The criticality of trust becomes even more important because of the paucity of rules and customs regulating e-commerce [31].

Trust has been found to be a significant antecedent to customer's willingness to transact with an e-vendor [28,55]. It has been shown to affect consumers' intentions to re-visit the site and to recommend the site to others [53]. In other words, trust creates a willingness to engage in transactions that expose a person to risk without the ability to control the behavior of the other participants. Research has shown that many consumers do not trust e-vendors to keep their information private [36]. This perception of risk and lack of trust is costing e-retailers billions in lost sales.

In order to gain consumer trust, e-vendors are trying to convince consumers that the personal information obtained through their web sites will remain secure. Many such vendors have employed a wide variety of approaches such as secure, encrypted communication, third party payers (e.g. Paypal), published privacy policies, and third party certifications such as TRUSTe, WebTrust, and BBBOnline, to increase consumer trust [39,48–50]. Given the importance of trust in the e-commerce environment, the factors that produce a perception of trustworthiness within consumers need to be identified; their interactions need to be understood, and their relative importance determined. Understanding the roles of these different factors would allow online retailers to ease consumers' concerns, and could improve customer perceptions of web retailing.

2.2. Gender differences

Both survey results and experimental findings show that, in general, gender differences do indeed exist. In the IS discipline, important milestones in gender research have been set by Gefen and Straub [30]

and by Gefen and Ridings [29]. Both the papers highlighted the differences among women and men in their perceptions of communication technologies, and that in virtual communities men communicate to establish superior social standing, while women communicate with an undertone of compassion, and empathy. Venkatesh and Morris [90] found that females' computer usage decisions are influenced by a system's ease of use, whereas males' decisions are influenced by usefulness. Seybert [77] observed that computer and the Internet use is dominated by males, and that females feel less competent and comfortable with the computer and the Internet than males [76]. Others, such as Jackson et al. [42] and Weiser [93], found that females and males use computers and the Internet for different reasons than men; for example, females search online for health information, and send and receive e-mails, rather than playing games or downloading software.

The differences among the genders have also been observed in trust, risk, and related behaviors in both online and offline settings. Several surveys found evidence that women are less likely to believe that “most people can be trusted” [3]. In online settings, males rate the trustworthiness of Web shopping higher, and its complexity lower, than do females [89]. On the other hand, females have been observed to perceive greater risks, such as privacy concerns, than do males [78]. Westin [95] also pointed out that more females than males were “very concerned” about the threats to privacy today, and felt that new laws were needed for confidentiality and control of information. On another note, Swaminathan et al. [84] found that male buyers were more convenience oriented and less motivated by social interaction than were female buyers.

At a general level, theories of gender differences which explain these differences among males and females can be summarized into two categories: biological and socio-cultural. The biological theories posit that observed gender differences reflect innate temperamental differences between the sexes, and that there is a strong biological basis underlying individual differences in personality traits. For example, Ridley [72] noted that females have, on average, 40 ng of testosterone in each decilitre of their blood, whereas males have 300 to 1000 ng of testosterone per decilitre of blood. This, he argues, is the basis of the observed sex differences. Dabbs et al. [17] findings also revealed that levels of testosterone are associated with risky and aggressive behaviors. They observed that female prisoners who had committed violent crimes which were unprovoked were found to have higher levels of testosterone than females who had committed violent crimes due to provocation or had committed non-violent crimes. In a recent laboratory experimental study, Riedl et al. [73] captured the brain activity, on trustworthiness of eBay offers, of 10 female and 10 male participants using functional magnetic resonance imaging (fMRI). They showed that most of the brain areas that encode trustworthiness differ between females and males, and that females activated more brain areas than did males.

In this study we are using a social constructionist theory of gender characterization. This category of gender differences theory posits that social and cultural factors directly produce gender differences in values, attributes, and activities for men and women [96]. In terms of Vroom's [91] expectancy model, social and cultural factors cause gender differences because holders of stereotypical beliefs treat others in ways that result in others conforming to the prejudices of the perceivers. The influence of gender roles on behavior is caused by two processes. In the first, the “expectancies associated with gender roles act as normative pressures that foster behaviors consistent with these gender-typical work roles” [19]. In the second, males and females acquire different skills and beliefs through their participation in gender-segregated roles throughout their lives, which influence their behavior. In early stages of human evolution there were basic requirements for survival — physical protection and an adequate food supply. To achieve an adequate food supply, males developed the skills for both hunting and for gathering wild fruits, nuts, etc to

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