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Do different kinds of trust matter? An examination of the three trusting beliefs on satisfaction and purchase behavior in the buyer–seller context

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ABSTRACT

Trust has been extensively studied in the buyer–seller context and typically operationalized according to the McKnight tripartite conception of trusting beliefs. The McKnight model identifies three beliefs (integrity, benevolence, and competence) as the key components of trust. However, limited research has examined the relative effect of these three individual trusting beliefs on satisfaction and purchase behavior in the buyer–seller context. To address this gap, we posit that a buyer's beliefs in a seller's integrity and benevolence have stronger influences on satisfaction than a belief in a seller's competence. In contrast, a buyer's belief in a seller's competence has a stronger influence on purchase behavior as compared to beliefs in a seller's integrity and benevolence. The results from a buyer–broker simulation study support that (1) a buyer's belief in a seller's benevolence is a stronger predictor of satisfaction than the belief in a seller's competence; (2) a buyer's belief in a seller's competence is a stronger predictor of purchase behavior than are beliefs in a seller's integrity and benevolence. This research enhances our theoretical understanding about which dimensions of trust play more important roles in influencing satisfaction and purchase behavior, respectively. This research also provides guidance to practitioners enabling them to focus on the development and training foci that best prepare customer relationship employees on the diverse aspects of trust most salient to customer needs, such as, emphasizing competence over benevolence for infrequent purchases, or emphasizing benevolence for potentially frequent purchases.

Introduction

With the proliferation of communication technologies, more and more media, such as instant messaging and videoconferencing, have been adopted by online merchants to facilitate their online transactions. For example, online marketplaces such as eBay have encouraged sellers[3] to use richer media such as Skype to communicate with buyers. Trust is a central construct in the study of commercial transactions, and is extensively researched in the literature of information systems (Cyr, 2010; Gefen et al., 2003; He et al., 2009; Jarvenpaa et al., 2004; Kim, 2003; McKnight et al., 2002; Sun, 2010), marketing (e.g., Milne and Boza, 1999), and organizational behavior (e.g., Mayer et al., 1995). Trust matters between buyers and sellers because trust

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plays a vital role in almost any commerce involving monetary transactions (Kim et al., 2009a,b; Sun, 2010; Koh et al., 2012), and trust helps buyers overcome perceptions of transactional uncertainty and risk and so engage in "trust-related behaviors" with vendors, such as making purchases (Horst et al., 2007; Kim et al., 2009a,b; Pavlou and Dimoka, 2006; Dimoka et al., 2012). The inherent temporal and physical separation between buyers and sellers in impersonal online marketplaces poses additional risks for buyers – compared to other contexts – because buyers often make transactions with new and unknown sellers with no brand name (Kim et al., 2009a,b; Pavlou and Dimoka, 2006).

But trust is a broad concept, and has frequently been conceptualized as being composed of several specific beliefs. The trusting beliefs most utilized in the initial trust literature are based on the McKnight tripartite conception (e.g., McKnight et al., 2002) of initial trust consisting of the beliefs of integrity, benevolence, and competence that the trustor has in the trustee.

Although trust has different facets (McKnight and Chervany, 2002), most of the previous research in the Information Systems (IS) literature has focused on how *overall trust* has influenced intention to purchase (Gefen et al., 2003), satisfaction (Kim et al., 2009a,b), and e-loyalty (Cyr et al., 2007). Thus, a theoretical gap that exists in the literature is examining how different facets of trust might influence transaction outcomes. Due to the limited research regarding the effects of the three individual trusting beliefs, it is not clear which of the trusting belief(s) is most critical for explaining transaction outcomes or, more likely perhaps, whether each facet of trust is related to some outcomes but not others. As noted by various scholars (McKnight et al., 2002; Cheung and Lee, 2006), the distinctions among these three beliefs are important because a trustor might place different emphases on these three trusting beliefs. For example, although a trustor evaluates a trustee highly in all three trusting beliefs, the trustor may place more significant weight on benevolence in determining their level of satisfaction with the trustee. As such, it is important to understand how different facets of trust influence transaction outcomes. This leads to the objective of our study to examine the relative effects of the three trusting beliefs on the two types of transaction outcomes: buyer's satisfaction with the transaction and purchase behavior.

Studying the effects of three trusting beliefs independently would be significant theoretically and practically. First, these trusting beliefs are distinct. What consumers think about a seller's benevolence and what they think about a seller's competence are not always related. Indeed, a competent seller does not necessarily have good integrity or care about a customer's interests. That is why many companies such as Porsche stand by the statement that, in order to succeed, a company must "hire character" and "train skill."[4] Since the three trust beliefs each have different features, they may therefore differ in their substantive implications. Thus, it is important to study these three beliefs separately rather than lump them into an overall trust construct for better theoretical understanding. Second, explanations differ for why each of the three trusting beliefs is related to satisfaction or purchase behavior. For example, the effect of competence beliefs on satisfaction could be due to a customer's practical consideration (i.e., experts' knowledge in understating product attributes), while the effect of benevolence beliefs may be based on an affective reaction. Third, the three-beliefs distinction is important because the three types of trusting beliefs may have differing outcomes (e.g., one may lead to satisfaction and the other leads to purchase behavior) or because the amount of impact each has upon a certain outcome may vary.

The examination of these relationships among the three trusting beliefs and two transaction outcomes also has strategic implications. Many researchers and organizations have recognized the long-term and strategic value of moving from transactional exchanges to relational ones, with the goal of developing trust and building relationships between buyers and sellers (Kanagal, 2009; Starr-Glass, 2011). As put by Wilson (1995, page 335), "these relationships have become 'strategic'" and the process of relationship development is accelerated as organizations strive to create relationships to achieve their goals. Trust building and relationship marketing has been considered as an important and strategic way of doing business because it is more cost effective to keep current customers rather than win new ones (Cruceru and Moise, 2014; Zeithaml and Bitner, 2000). Although it is well known that organizations must increase customer trust of their front-end employees (e.g., sales forces) and increase customer satisfaction and long-term relationships, managers must be made aware of the specific role of each trust dimension. For instance, managers may choose to focus training opportunities on the development of employee competence, if such an antecedent is found to be the most salient to developing a long-term relationship with customers.

In this study, we examine the differential impact of the three trusting beliefs in a stock buying–selling context through a variety of commonly used e-business communication media including video, audio, and text, which were conducted over the Internet (via MSN chat software). These media together represent a broad scenario of how individuals trade stock online through brokers and can enhance the generalization of the study results.

In the next section, we review the literature about the three trusting beliefs, and the difference between satisfaction and purchase behavior. We then develop the hypotheses for how integrity, benevolence, and competence can have different effects on satisfaction and purchase behavior. In the methodology section, we describe the simulation, data analysis, and present the results. Finally, we discuss the theoretical and practical implications of the study followed by the conclusions.

Literature review and theoretical foundations

Trust

Trust can be defined as the "willingness to be vulnerable to the actions of another party based on the expectation that the other will perform a particular action important to the trustor, irrespective of the ability to monitor or control that other

[4] http://www.corporateculturepros.com/2013/07/cultural-fit-assessment-in-hiring/.