

How Task-Facilitative Interactive Tools Foster Buyers' Trust in Online Retailers: A Process View of Trust Development in the Electronic Marketplace[☆]

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Abstract

While there is a sustained interest in research focusing on issues relating to trust development in the electronic marketplace, significant gaps remain in the literature. In particular, little is known of the underlying *processes* that may be occurring in online trust development. For example, research suggests that factors such as site design and navigability are among the factors that impact trust perceptions. Extant literature, however, is largely silent about why certain trust-related effects are observed in online environments. In this paper, we propose a new process-centric perspective for understanding the formation of online trust—through buyer's assessment of the e-retailer's assistive intent, implicitly embedded in task-facilitative interactive tools. Specifically, we develop and test a model delineating the relationship between seller's provision of interactive product information management and product information comprehension tools, buyer's perceptions of seller's assistive intent, and buyer's initial trust in the seller. The results of two studies provide support for the trust-enhancing effects of task-facilitative informational tools and the mediating role of buyer's perceptions of seller's assistive intent. Importantly, these effects occur without any explicit expressions of seller's intentions. The results also suggest that the efficacy of interactive informational tools in engendering perceptions of seller's assistive intent, and hence trust, varies with the buyer's level of involvement with and knowledge of the product category.

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Introduction

A topic that has sparked considerable research interest, in recent years, is trust development in the electronic marketplace. *Spatial separation*, the physical separation between transacting parties on the Internet, and *temporal separation*, the elapsed time between when a transaction occurs and the buyer gains actual possession of purchased goods (Kollock 1999), can accentuate online buyers' perceptions of vulnerability and risk, and

consequently, their need for trust (Moorman, Deshpandé, and Zaltman 1993; Yadav and Varadarajan 2005). While advances continue to be made in this important and emerging area of research (e.g., Bart et al. 2005; Schlosser, White, and Lloyd 2006; Urban, Sultan, and Qualls 2000; Yoon 2002), three significant gaps remain in our understanding of trust development in online buying environments.

First, many of the variables that have been the focus in extant research are trust antecedents that pertain to trust development between new customers and *existing* on-line sellers. For example, seller reputation (e.g., Jarvenpaa, Tractinsky, and Saarinen 1999; McKnight, Choudhury, and Kacmar 2002), consumer's awareness of the firm (Jarvenpaa, Tractinsky, and Vitale 2000), and prior familiarity with the site (e.g., Yoon 2002) have been shown to positively impact buyer's perceptions of trustworthiness of the seller. However, such factors generally have limited or no applicability in the context of new or unfamiliar online sellers about whom reliable priors are yet to be established. This under-researched context is important from a substantive per-

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spective since entry by new firms occurs frequently in the rapidly expanding electronic marketplace.

Second, prior research has largely focused on the role of characteristics such as information privacy and security assurances (e.g., Dayal, Landesberg, and Zeisser 1999; Hoffman, Novak, and Peralta 1999; Pan and Zinkhan 2006; Yoon 2002), third-party seals of approval (e.g., Cheskin/Sapient Report 1999; Palmer, Bailey, and Faraj 2000) and streamlined order fulfillment capabilities (Bart et al. 2005) on trust development in online environments. However, as the online medium matures, such competence-related assurances (see Wolfenbarger and Gilly 2003) have evolved to become commonplace and institutionalized online business practices, raising questions about their usefulness for sustaining trust development over the long run. Indeed, the diminishing distinctive value of such cues on perceptions of firm-level trust (Bart et al. 2005) is partly due to the Internet maturing as a shopping medium and online shoppers viewing such cues as baseline necessities for all web-based businesses. Further, such e-retailing competence cues may serve more to reduce buyer perceptions of e-retailer *distrust* rather than to increase their perceptions of e-retailer *trust* (Cho 2006). Thus, such cues may serve as necessary conditions, at best, but not sufficient cues to develop buyer trust in an online seller. Further, Bart et al. also show that drivers of trust for various categories of websites and types of consumers may be different, suggesting a need for a better understanding of why such potential contingencies may be triggered in online trust development.

Third, and especially important from a theory development perspective, very little is known about the key *processes* underlying the efficacy of seller-controlled variables that may operate during online trust development. For instance, although literature demonstrates that certain website functionalities lead to trusting beliefs (Bart et al. 2005; Schlosser, White, and Lloyd 2006), it is largely silent about the underlying trust building processes associated with these functionalities. What thoughts are generated as buyers experience an online shopping environment and attempt to update any priors they may have brought to the online shopping task? What inferences, if any, do buyers draw about the seller based on task-related website functionalities they encounter during the online shopping task? Research that sheds insights into these and other unaddressed process-related questions are crucial for advancing knowledge in this area.

Against this backdrop, the overarching goal of this paper is to advance our understanding of how trust may form during an *initial* online encounter between buyers and a new online e-retailer, controlling for baseline competence-related factors. “New” in this context implies that a retailer is either a new entry to the market or that it is an existing firm but the consumer has no prior familiarity or experience with it. Specifically, this study seeks to contribute to the emerging literature on online trust by developing and empirically testing a model centered on a construct that we refer to as *seller’s assistive intent*. This construct captures a buyer’s perceptions of the extent to which the online seller exhibits intent, *implicitly* embedded in task-facilitative tools aligned with the buyer’s interests, to help the buyer fulfill a specific task on the seller’s website. Our focus

on interactive, task-facilitative informational tools stems from the fact that information, in its various forms, is central to the completion of most buying related tasks and thus information management and comprehension tools are critical for buyers at any stage of the buying decision process.

We present two studies that examine the effects of task-related interactive informational tools embedded in an online shopping interface on a buyer’s initial trust in a new seller, focusing on the hypothesized mediating role of a buyer’s perceptions of a seller’s task-related assistive intent. We also investigate the moderating effects of buyer’s product category involvement (Study 1) and product knowledge (Study 2) on the relationship between embedded, task-facilitative interactive tools and buyer’s perceptions of seller’s task-specific assistive intent. Study 2, in addition to extending and clarifying the key findings of Study 1, uses protocol analysis to explore the underlying trust development process in greater detail. In both studies, we find that merely embedding interactive informational tools to solve a single task in an online shopping environment can have a significant effect on a buyer’s trust beliefs, and that this relationship is mediated by buyer’s perceptions of seller’s task-related assistive intent. It is particularly noteworthy that this effect occurs after controlling for competence cues generally studied in the literature and with no *explicit* expressions of the seller’s intentions. Furthermore, the absence of these tools appears to lead to negative trust-related inferences – which is suggestive of the important role played by the new construct that we propose in this paper – buyer’s perceptions of seller’s task-specific assistive intent. The results also suggest that the efficacy of different sets of interactive informational tools in engendering perceptions of seller’s assistive intent varies with the buyer’s product involvement and product knowledge levels.

The remainder of the paper is organized as follows. We first present the proposed focal construct, hypotheses and theoretical support for the hypotheses. Next, we discuss the design and results of the two experiments. In the Discussion section, we address the limitations of the research and propose directions for future research.

Theory and hypotheses

Trust is widely acknowledged as central to relationships and long-term commitment between buyers and sellers (e.g., Harris and Goode 2004; Morgan and Hunt 1994; Sirdeshmukh, Singh, and Sabol 2002). Particularly in situations involving vulnerability (Moorman, Deshpandé, and Zaltman 1993), beliefs about trustworthiness are likely to determine whether or not a transaction between a buyer and seller occurs. Most definitions of trust revolve around the level of confidence that one party has of the expected behavior of another and embody a willingness of one party to rely on the trusted party (e.g., Lindsfold 1978; Moorman, Zaltman, and Deshpandé 1992; Morgan and Hunt 1994; Sirdeshmukh, Singh, and Sabol 2002). In terms of the dimensions of trust, the literature generally distinguishes between *credibility* and *benevolence* (e.g., Doney and Cannon 1997; Ganesan 1994; McAllister 1995). Credibil-

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