ANTECEDENTS AND CONSEQUENTS OF 'TRUST' IN E-RETAILING: A REVIEW

Dr. Samridhi Tanwar
Assistant Professor
Department of Management Studies
The Technological Institute of Textile and Sciences, Bhiwani, India

Abstract: The traditional retailing world is speedily changing with the advent of the digital revolution, and amid the current COVID-19 pandemic situation, e-retailing became the new normal for shopping. While interacting with the vendors through an online platform, consumer trust becomes a critical factor. Although numerous previous studies have explored the trust factor in e-retailing, it becomes imperative to explore the various dimensions of this factor in current testing times. This paper aims to study the multiple antecedents and consequents of trust in the electronic retailing space. To achieve this objective, 25 studies from the last two decades have been selected for a review. A conceptual framework is developed based on these studies, providing a comprehensive perspective about the antecedents and consequents of trust in e-retailing.

Index Terms: E-retailing, Trust, Antecedents, Consequents

INTRODUCTION

In recent years the Internet phenomenon has taken the world by storm. Today, every little aspect of our lives is associated with electronics and information technology. One such revolution can be observed in the retail industry, where e-commerce and e-retailing (also known as e-tailing) has become the new shopping method of the modern world. Especially in recent months of the COVID-19 pandemic, when country-wide lockdowns and social distancing were mandated, a considerable portion of consumers went online to make their purchases. However, in this virtual interaction between customer and seller, several intangible factors such as security, trust, satisfaction, risk, etc., come into play. This paper explores the concept of trust and what precedes and succeeds consumer trust.

Amid the rampant instances of cybercrime and online fraud, more and more people rely on online shopping. Such behavior cannot be explained only by the estimated benefits of online shopping (Beldad et al., 2010). Customer trust plays a crucial role in the advent of this new 'shopping norm.' Therefore, it becomes imperative to study this concept in detail to enhance the understanding of both consumer and online vendors (Zhou et al., 2007). Although a considerable number of studies have been done related to e-commerce and its issues, however, most of them were either focused solely on the technological aspect or on the consumer behavior aspect (Lim, 2015). The interaction among these two aspects has been studied in little amount and demands significant attention. To fill this gap, this paper took up 25 studies related to 'trust in online retailing' from the last two decades and attempted to form a conceptual framework representing the antecedents and consequents of trust in e-commerce.

ONLINE CUSTOMER TRUST

The primary difficulty while dealing with the concept of trust is that it does not have a universally accepted definition (Beldad et al., 2010). Different disciplines treat and interpret this concept in unique ways. Customer trust in the context of retail, for both physical and online settings, can be explained as "the willingness to rely on an exchange partner in whom one has confidence in a situation of vulnerability" (Hidayat et al., 2016). Although the concept of trust is similar in virtual and physical settings but the presence of physical distance between buyer and seller, absence of salesperson, and separation between buyer and item(s) to be purchased adds a large number of complexities to customer trust in the online medium. It also gives way to issues like insecurity and privacy (Yoon, 2002). Also, factors like misrepresentation of product quality and information asymmetry adds to the uncertainty and distrust (Park et al., 2012).
ANTICIPATED AND CONSEQUENCES OF ONLINE CUSTOMER TRUST

Customer related Factors

Since every customer is different in their own ways, everyone has different experiences, choices and opinions. One such characteristic that is very important is propensity or disposition to trust. Basically, the propensity to trust is the simple readiness to trust others and an indicator of an individual’s tendency to trust or distrust (Teo and Liu, 2007). Various studies have established that a positive inclination to trust someone has a positive effect on the formation of customer trust over e-vendor (Gefen, 2000; Teo and Liu, 2007). This tendency is not built over some knowledge or experience but based over gradual life experiences combined with the personal characteristics of an individual (Gefen, 2000). During the initial stages of trust-building when actors involved in the transaction are unfamiliar to each other, and there is no prior knowledge, propensity to trust is a very effective antecedent (Chang and Fang, 2013; Gefen, 2000).

Another factor related to individuals that influence consumer trust is the knowledge and experience of users with internet and technology. Knowledge of internet may affect the consumers’ trust over an online vendor. A user with a high level of computer expertise may/ may not tend to trust a particular online vendor compared to a user with lesser computer knowledge (Chang, 2013). (Corbitt et al., 2003) have established that customers’ level of internet experience is positively related to the degree of trust on an online shopping platform. Apart from the technical expertise, past experiences with internet or online shopping may also impact future decisions (Rose et al., 2012).

Website-related factors

The factors associated with website or platform used for online retailing are of the utmost importance when it comes to inducing trust in the customers. These factors include perceived ease of use, quality of information about the product provided on the website, presence of graphics and cues that assures users about the physical presence of vendors, the degree of customization and personalization allowed, measures to ensure privacy and security of sensitive data shared by customers and guarantees and assurances provided by third parties about the ingenuity of the vendor.

A website with easy use and smooth navigation is a critical factor in consumer evaluation and subsequent satisfaction and trust (Chang and Fang, 2013). The impact of perceived ease of use over trust-building is quite significant, especially in the early stages of interaction (Beldad et al, 2010). The quality of information provided over the website is the key to winning an advantage over competitors since, in virtual mode, the organization's image and competence is reflected by its website only (Corbitt et al., 2003). Privacy and security of data and money are other critical factors that instils trust among the customers. The multiple safety layers and mechanisms to protect the confidentiality reinforce customers' confidence and build trust for continued interactions (Zhu et al., 2011).

Customer Satisfaction

Customer satisfaction is another significant factor to discuss when it comes to trust. Different studies have observed the satisfaction to be in various roles in relation to consumer trust. Few studies such as, (Chung and Shin, 2010) states that customer satisfaction acts as an antecedent to trust since a customer who is satisfied with the product and services of and e-railer will gradually develop a trust towards the vendor and associated website. However, (Beyari and Abarashi, 2018) suggests that customer satisfaction will be most impacted by the level of trust. It is further indicated that increasing level of trust will improve the customer satisfaction. Therefore, customer satisfaction is a factor the both precedes and succeeds the customer trust.

Organizational Reputation

Several factors associated with organization itself also induces customer trust. These factors include organization’s reputation, perceived physical existence, familiarity, perceived integrity of online vendor and assurances by third party (Lee and Turban, 2001; Nefti et al., 2005; Teo and Liu, 2007). People tend to trust those e-vendors and online platforms that have been tried and tested before and those who have delivered up to the customers' expectations (Beldad et al., 2010).

Word of Mouth

Another factor that acts as both antecedent and consequent to trust is Word of mouth. Word of mouth can be described as the mutual exchange of opinions and experiences among the existing or potential to facilitate a better purchase (Kim and Prabhakar, 2000). (Beyari and Abarashi, 2018) propounds that a positive word of mouth communicated through either physical or virtual channels tend to increase the customer trust. But, (Chung and Shin, 2010) suggests that a strong customer trust resulting from pleasant experiences will drive the user to spread a positive word of mouth about the product or service and corresponding platform. Thus, this factor has a cyclical relationship with customer trust with a mutual interdependence.

Customer Loyalty

Customer loyalty is a strong commitment to users' end that is reflected through a consistent repeat purchase of a particular good or service in the future regardless of the effects created by competitive advertisement or circumstances (Hidayat et al, 2016). A direct positive relation can be observed between customer trust and loyalty. If an online retailer measures up to the expectations of customer on consistent basis, it will induce a strong trust leading towards the customer loyalty. Customer trust and customer satisfaction together acts as a precondition for e-commitment and customer loyalty (Eid, 2011; Chung and Shin, 2010).
Repurchase Intention

The primary process through which customer loyalty reflects is repeat purchase behavior. A strong and active customer trust influences the intention to shop online and ultimately lead to online purchase behavior (Corbitt et al., 2003). Several other studies (Kim and Peterson, 2017; Rose et al., 2012; Yoon, 2002) have highlighted a positive relationship between customer trust and repurchase intention.

Perceived Usefulness

Customer trust also acts as an antecedent to the perceived usefulness of an online shopping platform. It improves the shopping experience, makes it more convenient for the customers, and assures the customers that vendors will not engage in any fraudulent practice (Zhu et al., 2011). Also, trust is considered to positively affect perceived usefulness since it is only because of trust that a customer becomes vulnerable to the e-vendors with an expectation to access useful information or convenient shopping experience (Wu, 2013).

CONCEPTUAL MODEL

Based on the review, a relationship of different factors with customer trust can be established according to their role. The model depicted here represents various antecedents and consequents of consumer trust in online shopping. The blue single headed arrows represent those factors that acts as only antecedents, black single headed arrows represent only consequents and green double headed arrows denotes those factors that act as both antecedents and consequents to trust.

Characteristics related to customers, online platform provided for shopping and organization itself act as pure or only antecedents while factors such as customer satisfaction and word of mouth communication behave as both predecessors and successors. Customer loyalty, repurchase intention, and perceived usefulness are significant consequents of consumer trust in online shopping space.

LIMITATIONS OF THE STUDY

This review study took 25 studies from last two decades under consideration, however the quality of the paper could be further improved by increasing the number of papers under investigation. A comparative study among various regions or countries could reveal some more insights regarding consumer trust’s antecedents and consequences. Moreover, influence of other factors such as cyber laws of a country, technological environment, literacy rate etc. over trust was discussed in a few studies but has not been established empirically. Exploring impact of such factors in detail could make the model more comprehensive.
CONCLUSION
The pivotal role of consumer trust in the world of online retailing cannot be denied. And, in the current times of rapidly changing technology such a concept demands consistent in-depth research. This paper reviewed 25 recent studies concerning customer trust in online mode of shopping and attempted to clearly identify and categorize various factors as antecedents and consequences of trust. Furthermore, a conceptual framework has been developed to better understand the concept and act as a basis for future research in the area.

REFERENCES