

## **Exploring Different Forms of Trust towards Trusting Intention in Social Media for E-Commerce Purpose**

Fatima Riike Muraina<sup>1</sup>, Mohd Khairudin Bin Kasiran<sup>2</sup>

<sup>1</sup>(School of Computing, College of Arts and Sciences, University Utara Malaysia, Malaysia)

<sup>2</sup>(School of Computing, College of Arts and Sciences, University Utara Malaysia, Malaysia)

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**Abstract:** *Social media has been described as a platform for sharing information, buying and selling of goods and services through the internet. Thus, it has been described as a place where electronic commerce is been taken place. However, consumers in social media have been facing lots of risks while transacting on social media due to failure of current studies to establish the need for trusting intention of consumers of online products. Hence, this research is conceptually presented four different forms of trust as the main factors to be taken into consideration towards achieving trusting intention of buyers of online product.*

**Keywords:** *Calculus-Based Trust, Disposition to Trust, E-Commerce, Institution-Based Trust, Interpersonal Trust, Social Media.*

### **I. Introduction**

Nowadays, the use of the internet has become part of every individual's daily activities which include business transaction Hong & Cho, (2011). Ye et al. (2010); Aljazzaf et al. (2010) illustrated Social media offers a modern way of advertising business transaction on the internet, thus investigated to be significant to consumers when making their choice. Social media render a vital responsibility in the promotion and communication of activities, goods and services to the society (Kavoura & Stavrianea, 2014). Besides, Rawat & Diverkar, (2014) argued that social media is an avenue where prospective consumers access and exhibiting marketing promotions with the aid of the internet.

Moreover, social media has been shown to have a great influence on online business. The fact being that, any information shared on social media is been viewed by many people thereby making such information to be widely spread (Sitaram & Bernardo, 2010). This is why (Hunt, 2010) added that social media does not serve as a platform to acquire information and knowledge only but also serves as a means of business transaction. On the other hands, study has revealed that social media is a platform for sharing information, buying and selling of goods and services through the internet (Turban et al., 2010).

Study has stressed further that social media has been the latest place where electronic commerce is been taken place. Many social media sites like Facebook, Google, My Space and YouTube are platform for carrying out business activities (Nazarie et al. 2013). However, consumers have reported to be facing lots of risks while transacting in social media and this discourage many potential buyers to partake in buying online, thereby hindered the development of e-commerce (Gan et al. 2011). In other words, Wang et al. (2009) stressed that in online social media transactions, consumers are uncertain about the value and security on the goods they intend buying because the marketing place is a virtual market. Wang et al. (2012) also admitted that many factors are hindering the development of online buying. Hence, the study of Hajli (2012a); Aljazzaf et al. (2010); MdNor (2009); Forman (2008); Mahmood (2004) observed trust as one of the factors that influences the shopping behaviors of online customers.

### **II. Electronic Commerce And Trust**

#### **2.1 Electronic Commerce**

Electronic commerce (E-commerce) is a new way in which business transaction is been done and it allow individuals and entrepreneurs to engage in business with global companies through the internet (Ye, 2012; Turban et al., 2010; Gary, 2002; Lu, (2009). Besides, Business to Business (B2B), Business to Consumer (B2C), Consumer to Business (C2B), Consumer to Consumer (C2C) and Government to Consumer (G2C) are the division of electronic commerce (DigitSmith, 2011). Additionally, Jin et al. (2011) described e-commerce as dynamic and significant mediums of doing business globally. Iscan et al. (2009) illustrate that e-commerce could be viewed as the method in which all business activities such as manufacturing, selling, promotion, insurance and payments of goods and services are been carried out via the internet. Moreover, e-commerce exposes business owners to some advantages such as costs reduction, accessibility to new market and the skill to circulate constant information globally Kevin, (2002). However, previous researchers have stressed that

sometimes consumers are confronted with many challenges while buying on the Internet environment; either broadband or narrowband (Muraina et al., 2016; Muraina et al. 2015; Muraina et al. 2013; Zhu et al. 2007).

## **2.2 Trust**

According to Beldad et al. (2010), trust has been seen as one of the major factors that enhance the development of electronic commerce. Besides that, Jones & Leonard (2008) argued that the presence of trust in online business gives consumer the insight to beat the fear of insecurity in online transaction. Indeed, Beldad et al. (2010) emphasized that many studies have broadly defined trust in different ways, but the review of prior literatures appears to specify that trust has no definition which is generally accepted. However, trust is globally seen as a main issue in the development of electronic commerce (Koufaris & Hampton-Sosa, 2004). The studies of Ellisa et al. (2011) stressed that trust is a critical factor that constitute to individual day to day activities. But, Hajli (2013b) investigate that trust is very significant to manufacturers who aim at expanding their businesses and also individuals that are looking forward to display their goods and services on social media.

Many businesses had extensively adopted the use of selling on social media however; this capacity is lesser than anticipated rate. The main reason for this is that consumers are yet to trust the services which are offered in the world of electronic commerce (Tahereh et al., 2012). This is why Kasiran & Muraina (2013) concluded that online trust plays a lead role in the development of electronic commerce in social media. However, Harn et al. (2006) stressed that the main factor that is hindering the development of buying in online social media is the absent of trust. Zhihong & Minxia (2008) confirmed that absent of consumer trust causes a major setback in the expansion of online transaction. Therefore, trust building is very important because many customers are uncertain whether to partake in online business because it lacks trust (Kaplana & Nieschwietz, 2003). The presence of trust in online social media is perceived to be the solution to the risk involved in e-commerce (Fasli, 2007). It has been confirmed trust has a great effect on individual intention to buy and at the same time trust is an important issue that has effect on the development e-commerce (Gefen, 2000). Therefore, Kasiran & Muraina (2013) stressed that creating trust in online social media business will positively increase the profits between the consumers and seller and sometimes getting the competitive advantage. Hence, this research proposes a model as shown in Figure 1 for achieving trust intention in social media for business purposes.

## **III. Conceptual Issues**

### **3.1 Disposition to Trust**

Many researchers have referred to disposition to trust as a major factor for online buyers to forecast trust (Jiang et al., 2008; Ng & Chua, 2006). On the other hands, disposition to trust has been viewed as the collective willingness of individual to have belief in other party without having any prior knowledge of such party (Koufaris and Hampton-Sosa, 2004; McKnight & Chervany, 2002). The study of Mayer et al. (1995) observed that every individual disposition to trust is not the same as disposition to trust of some people may be higher than the others even when they don't have adequate information of the parties involved (Salam et al. 2005).

Furthermore, some individual may have high tendency to disposition to trust because of their common view on peoples' character McKnight & Chervany, (2002). Besides, disposition to trust is the natural tendency of an individual to have belief or doubts in others (Rachid et al., 2010). The study of Nazarie et al. (2013) confirmed that disposition to trust affect consumer trust positively while transacting in online social media as revealed in Fig. 1. Indeed, the consumer's disposition to trust plays a significant role in the course of building trust in online business transaction (Zhihong & Minxia, 2008).

### **3.2 Institution-based Trust**

Previous study like McKnight & Chervany (2002) stressed that institution-based trust as the certainty that requires structural situation with the aim of enhancing a successful outcome in online business. Also, institution based trust is use to construct trust between the buyer and seller in an online store where there is no prior familiarity (Pavlou & Gefen, 2004). Moreover, Harrison et al. (2011) argue that institution based trust will facilitate in getting many buyers to be more involved in online transaction. Besides, Schultz (2006) focuses on institution based trust as a key factor that offer guarantees to consumers whenever there is threat or doubt on the trust they put in online business. Pavlou & Gefen (2004) added that institution based trust is in total support of trusting intention. Stressing further, interpersonal trust is the bond between groups of people that has trust in each other in an understandable circumstance (Aris et al., 2011). Also, McKnight & Chervany (1996) expresses that interpersonal trust comprises of groups of people that shared common view on a particular issue at a particular period of time thereby creating trust among the trusted and trustees.

### **3.3 Interpersonal Trust**

Generally, the online trust perspective involves interpersonal trust created by a consumer who believes in a specific characteristic of an online seller which may be risky to the salesperson (McKnight et al. 2003;

Rousseau & Sitkin, 1998). Moreover, in interpersonal trust, consumer believes that either oral or written statement made by the online seller is reliable and ready to take the risk of engaging in transaction with the seller (Lewicki & Bunker, 1996). In addition, Interpersonal trust is a multifaceted construct with different bases and determinants which control numerous levels in the organization to assist in understanding transaction (Chang & Chen, 2008). The establishments of interpersonal trust in the online business using social media strengthen the values that consumers attached to the e-commerce (Aris et al., 2011). Evans & Ravelle, (2008) confirmed that the readiness of a consumer to be vulnerable takes a greater part in the problem of trust in online business. Indeed, interpersonal trust also serves as a major forecaster of consumer emotional connection (Guenzi & Georges 2010; Vlachos et al. 2010) or pledge to the other party involved (Jones et al., 2008). That is why Hanyang et al. (2010) concluded that interpersonal trust is also in line with trusting intention in online transaction.

### **3.4 Calculus-based Trust**

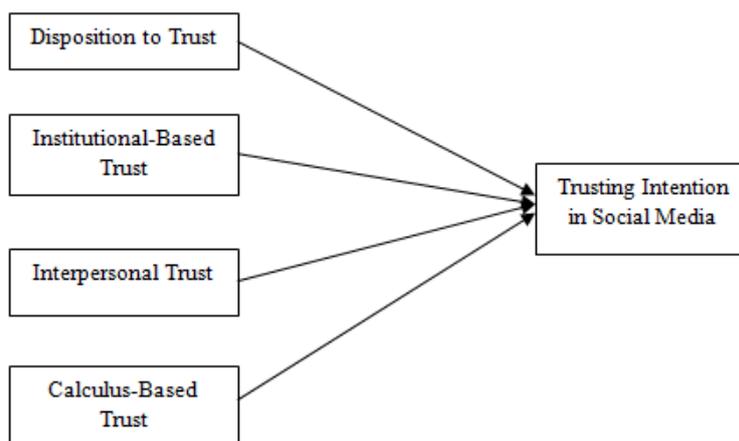
Furthermore, Calculus-based trust can be described as the reception of a certain level of exposure based on the calculated costs of upholding or dissolving a relationship (Abedi & Zeleznikow, 2014). In same view, Lewicki & Bunker, (1996) argued that Calculus-based trust stands on the normal calculations of benefits as well as the risks. In Calculus-based trust the trustor concentrate more on the price and advantage before extending the trust, this denote that the trusted reasonably control decision prior to the extension of trust (Hernandez & Santos, 2010). Therefore, buyers are prone to evaluate the risks and advantages irrationally before broaden the deal of transacting online (McKnight et al. 2003).

Moreover, Calculus-based trust is stuck in the theory that the other party will fulfill the promise make since there is reward for saving the relationship and maintaining what they have said (Abedi & Zeleznikow, 2014). Hence the study of Abedi & Zeleznikow (2014) confirmed that this form of trust is most reliable when dealing in a distant market place like online business. The consumer naturally and openly evaluates the costs of building and maintaining trust in the relationship compare to the values of breaking the trust in calculus-based trust (Abedi & Zeleznikow, 2014). The fulfillment of calculus-based trust is often guaranteed by given the benefits of being honest and the risk of violating the trust. If an online seller violated the trust the consumer has in dealing with him, it will damage the name of the seller and at the same time have effect on future transaction. This means that calculus-based trust has a great impact on the consumer's trusting intention in online social media.

### **3.5 Trusting Intention**

Generally, trusting intention is a situation where a prospective online consumer is ready to bear the risk of transacting with the online marketplace without minding the consequences (Hanyang et al., 2010; Schultz, 2006; Pavlou & Gefen, 2004; McKnight & Chervany, 2002). C2C e-commerce is the transaction of business between the consumer and seller via the internet especially on social media (Xin & Jianhui, 2011). And it is also a medium where individuals engage in online business activities on social media such as FaceBook, eBay, Google and YouTube (Digsmith, 2011). In addition Jing & Peng (2010) concluded that C2C e-commerce is a platform that allows buyer to make their choice among series of goods displays in online market at their own convenient time.

Moreover, Turban et al. (2010) emphasized that the presence of C2C e-commerce in social media has given all and sundry the opportunity to participate in online business. Thus, the C2C business on social media is globally accepted because it has a great effect on the business values and the projected benefit by the consumers (Stephen & Ailemen, 2011). Consequently, lack of trust has always been a major factor that restrains many consumers from buying in online social media (Kasiran & Muraina, 2013; Ruan & Tian, 2008). Also, Che & Li (2009) investigated that the most determinant factor that determine the growth and failure of online transaction is consumer trust. Besides, customers have distrust on some of the information available on the internet and this reduces their passion for buying online products (Shandan et al., 2012). Hence, Fig. 1 is derived as the model for achieving trusting intention of users of e-commerce in social media, based on the antecedents of previous studies as discussed in section 2.



**Figure 1:** Model for Achieving Trusting Intention of Users of E-Commerce in Social Media

#### IV. Conclusion

This research has shown that social media is a platform for sharing information, buying and selling of goods and services through the internet. Thus, it has been described as a place where electronic commerce is been taken place. Besides, the research has shown that achieving a trusting intention by the users of the social media has to be antecedented by the disposition to trust, the institution-based trust, interpersonal trust and calculus-based trust as shown in Figure 1. Therefore, every categories of online business transaction, specifically C2C would perform its business transaction without hurdles. Hence, the derived model for achieving trusting intention by the users of e-commerce in social media in this research would be empirically validated in future by gathering data from the prospective buyers on social media

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