TRUST BUILDING PROCESSES OF CUSTOMERS IN PROVIDING PERSONAL INFORMATION ON SOCIAL COMMERCE SITES

Research-in-Progress

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Abstract

Because of advanced social media environment and communication technology, the social commerce has also evolved rapidly. In the field of social commerce, the most important concept, the relationship of seller-buyer, is the issue of security for private information. That is, with the purpose of purchase and utilization of social commerce site, the users will face the problem of providing personal information when register and purchase on social commerce sites such as Groupon.com. It could be difficult in pursuing the goal for the users to provide personal information on mobile if the social commerce site cannot establish trust of the customers. In addition, in viewing the proceeding study of the social commerce perspective of trust concept, until now, there is not much empirical study on the multi-dimension perspective of trust concept on mobile social commerce. Therefore, the purpose of this study is to find out the trust building process for social commerce environment. In this paper, through the basic aspect of trust, when the customers for social commerce provide their personal information to the service provider, the variables that affect trust will be revealed, distinguished on the standard of time before information providing and after information providing.

Keywords: e-Commerce, e-Trust, Trust, Personal Information Providing, Privacy

Introduction

The wide spreading of social commerce users and the development of information technology have brought the various changes of overall management of companies, the obvious characteristics of such an social commerce environment have resulted in the appearance of social commerce. Social commerce will decrease the entry cost of users and operation costs. Customers can benefit from it in a various way, in utilizing the reduced entry barrier, the number of providers has increased thus enabling a wider product choice for the customers, and the easier price comparison has caused a price war between the providers.

In such a rapidly developing social commerce environment, the increasing importance of trust is attracting the attention of people in social commerce, because of the company environment and structure change [25]. In order to ensure trust issues, the competitive advantage of online sellers or service providers has to be achieved through building trust in customers for them to join their social commerce sites.

In social commerce, for customers to provide personal information in stores, the trust building is necessary before providing personal information. In addition, through additional trust building after having provided personal information, the trust mechanism of customers can be emerged. Nevertheless, in the proceeding study, few studies had been done on variables on which affect the intention formation for customer to provide personal information when joining web sites. Also, compared to the single dimension of trust, a multi-dimensional study distinguishing trust and distrust is necessary. Consequently, in this paper, in order to achieve the goal for customer to provide their personal information in social network service, this study will first be done on the trust building process, and then, the way of the each type of trust in affecting customers will also be researched.

Literature Review

Personal Information

With the continuous development of information technology, the concern of information privacy is increasing. Such information privacy has been viewed as an important issue for online customers. But, in practicing social commerce, the issue of information privacy has become a technological and ethical representation in hindering the development of social commerce.

The personal information means all kinds of information that can be distinguished either directly or indirectly by a common person [57]. The personal information needs to be protected from the interference and the invasion of privacy from others in order to protect the individual freedom. And because of the existence of relationship between seller or service provider and customers in social commerce, according to the public organization and enterprises, the potential possibility for privacy invasion increases with the development of information technology [58], it can be conceived that the personal information is the most sensitive part in trust building.

Accordingly, in today's information age, the privacy of personal information is an important ethical issue [24]. Also, studies on the behavior of providing personal information for social commerce sites had revealed that the problem of personal information exposure exists in social commerce [9]. According to the proceeding studies, this paper defines that the "personal information is all kinds of information, which can be observed by common people, must have to be protected from others."

Privacy of Personal Information

Companies use personal information to ensure and manage their customers, as a result, such process will increase the productivity for them. As a result, the over use of customer information of the companies who collect personal information will cause several of privacy invasion problems according to Korea Information Security Agency, 2000. The utilization of personal information in such companies will possibly invade their customers' privacy.

In the age without online environment, privacy can be protected even without the intervention of technology and law for online transaction. The physical limitation is the reason for that. By the time when the personal information can be collected, except the experts and organization employees, personal information will not be exposed to others.

Even though, with the appearance of online environment, the physical and geographical limitation has disappeared, and in the virtual space, by personnel communication, variously information can be shared [34].

In such social commerce environment, the personal information can be recorded in large volume than the early years. Privacy is the rights for individual to stay alone, and has to be protected legally [57]. The owners of personal information that are collected have the control right over their information [17]. Also, it is personal rights for privacy self-control, personal life, personal information, limited access, control for personal part, privacy, and familiarity etc. [9]. Consequently, in this study, the personal information will be used to stand for privacy.

Recently, the concept of information privacy is much regarded as privacy, and the privacy has characters of personal property. Accordingly, personal information can be invaded in various ways, as a result of the apt of being easily invaded, the privacy protection will relatively be difficult.

Just like this, because of the privacy problem, users of social commerce service are reluctant in providing their personal information on social commerce sites. Conclusively, for both service providers and customers, the trust building on their relationship is a very important issue.

This paper will research on the trust building process, which can assure the customers by protecting their privacy in social commerce sites when the customers need to provide their information to the web site in transactional social commerce service in the e-commerce.

Research Framework

In order to analyze how the initial trust (pre-encounter), experienced trust (post-encounter), and continual trust process will influence decision of customers for Personal information providing to service provider, the related factors are derived and the conceptual research model is established through the literature review of Privacy and Trust. As shown in figure 1.

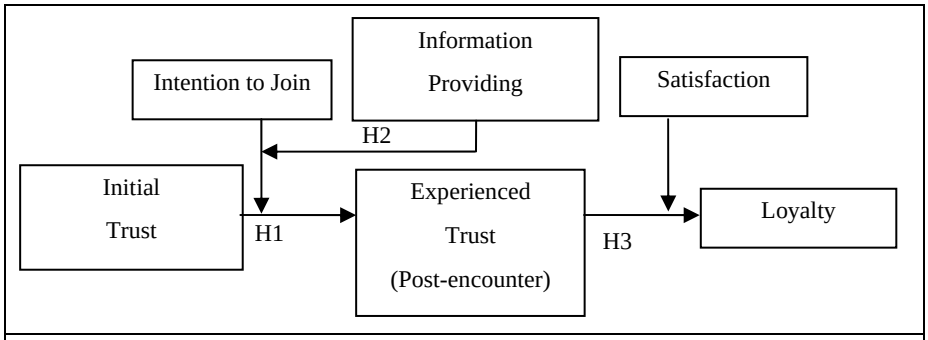

Figure 1. Research Model

With the development of social commerce, trust has become extremely important factor in social network service environment, compared with traditional trust. The reason can be seen in that the seller-buyer relationship is established on social commerce, as a result, the privacy related issues will usually occur. Because of the necessity of online exchange, trust has become a must. It is because that there will be circumstances in which the seller or buyer cannot keep their promise in SNS environment [25].

Recently, studies on trust are mostly focused on the issues related with the field of relational marketing and various customer behaviors. Studies focused on relation building that is based on trust between buyer-seller reveal the paradigm called relational marketing. Proceeding studies based on trust were mainly in the context of buyer-seller relations in distribution network.

Trust building is dependent on buyers' expectation on provider behaviors in building the buyer-seller relationship, thus 5 process of trust building were revealed [6]. As shown in Table 1. The five processes consists of calculative, prediction, capability, intentionality, transference, and the five components were derived as the antecedents of trust

building in provider companies' character and relational character, as well as provider company employees' character and relational character.

Based on proceeding study on trust, there are many studies on strategic advantage for long-term relation. At this focus, trust is mainly used in relationship commitment and long-term orientation for long-term relationship building. Relationship commitment can be defined as that the maximum effort, through exchanging belief with each other, for maintaining continuous relationship with others because of its importance [12]. Accordingly, relationship commitment can be observed by the vulnerability between each other. Also, long-term orientation means that the continuous relationship in transaction between each other, and which will occur when trust was built between each other [6].

Table 1. The Stage of Trust

Trust Stage	Concept
Calculative	Trustor calculates the costs and/or rewards of a target acting in an untrustworthy manner
Prediction	Trustor develops confidence that target's behavior can be predicted
Capability	Trustor assesses the target's ability to fulfill its promise
Intentionality	Trustor evaluates the target's motivations
Transference	Trustor draws on "proof sources," from which trust is transferred to the target

In the several proceeding studies, trust was used in relation with the concept of customer loyalty or satisfaction. Consequently, trust can be measured by distinguishing trust for pre-encounter and post-encounter on pre-satisfaction and post-satisfaction for customers [21].

So in this study, customer trust in online service provider will be measured by distinguishing the time of personal information providing, in the way of distinguishing initial trust(pre-encounter) and experienced trust(post-encounter), continual trust. Initial trust can be defined as the unconsciously formulated trust due to several factors in the webpage before Internet service users join in [29]. If such initial trust can be built in customer experienced trust, customers will provide their personal information in order to join the websites.

H1: If customer has intention to join, initial trust is positively related with experienced trust.

The customer will usually have a certain degree of perceived risk when purchasing products or service, especially in the social commerce, the customers will neither be able to touch the product directly nor test it before purchase. In addition, customers will perceive the risk of information exposure during the payment transaction online for the purchase. Consequently, customer will actually perceive a high degree of risk in online transaction [7]. Following these basic study, this study define the experienced trust [55] as the formulated trust of the customer through transaction behavior on websites, after they provide their personal information.

H2: If customer has intention to join, customer is willing to provide personal information.

After the formulation of such experienced trust, through the continuous use of the social commerce service, the customers will formulate attachment over the service provider, thus continual trust can be derived during the trust building.

H3: If customer has satisfied, experienced trust is positively related with continual trust.

Recently, some argue that such trust and distrust can be explained through the dimensions of each other [22]. Also, this study will explore the relationship between initial trust and experienced trust, which can be distinguished by expectation for positive intention (Initial Trust) and expectation for intention to continually usage (Experienced Trust). Based on multi-dimension of the relationship, this study hypothesize that initial trust and experienced trust can be distinguished under the relational context according to different dimensions exist. Finally, customer trust in their service or product provider can be built through such process. As a result, each types of trust can be distinguished though the view point of providing personal information concept.

Methodology

This paper is working now. In this paper, survey and users' log data will be conducted. First, this paper will collect the user historical data for SNS sites using crawler. After cleansing the data, we would conduct

The data will be collected through the questionnaire survey about users actually explained social commerce service in the social commerce site. Because the social commerce service must acquisition for personal information providing through users join and trust build for website [59]. Questionnaires were made based on the variables in the theoretical study.

Determinant of Trust

Proceeding study had reveal the Reputation, Site design, Word-of-mouth, Website trust, Security as the variables for customer trust building online [6], [20], [29]. In other studies, Firm size, Reputation, Interactivity, Information security, Transaction instability, Information insufficient [6], [15], [20], [21], [25], [29], [37], [48], [56] were revealed as the mechanism of trust online.

From this point of view, in this study, the Perceived size, Perceived page design, Reputation, Interactivity can be revealed as variables of initial trust and Information security, Transaction defectiveness, Information insufficiency can be revealed as variables of experienced trust.

In this study, the antecedents for initial trust and experienced trust will be found out factors for social commerce factors. Especially the recent web customers basically do not privacy policy on web and mobile commerce sites [18], the Information security can be distinguished as a factor of experienced trust.

Method

This study will be conducted by taking the social commerce as an object. Accordingly, the sample is chosen in the the customers who have experiences for social commerce aged between 20 to 50 located in Seoul, Korea, who has joined and used more than 1 social commerce service that provide function of join website by quota sampling method.

Testing for this paper will be conducted as two stages. The first is testing users for social commerce by using web log data. To find out users' trust belief behavior, users' log data by crawling users' log data will be collected.

The second stage, in order to test users' perceived value for trust on social commerce and collect survey data, this study will use a pilot test and through making face-to-face interviews on some specialists, face validity and content validity will be evaluated for the questionnaire validity. Totally 500 copies of questionnaires will be delivered. After delivering totally 500 copies of questionnaire and collecting them, the outliers and incorrect items will be deleted and then analysis will be conducted.

After these survey processes, if the validity for survey items is ensured, the data of statistical analysis will be used. And factor analysis methodology will be used. After finishing the factor analysis through this process, measurement of reliability will be made in order to get the result value. In order to conduct data reduction, factors result derived by confirmatory factor analysis will be used in convergent validity and discriminant validity evaluation. Finally, for the personal information providing for social commerce users, the effect of Trust process will be evaluated through structural equation modeling. Then we will get the model fit result.

Summary

Expected Results

In the evolving social commerce environment, the most important concept among the relationships of seller or service provider and customers is trust. The role of such trust in the social commerce can be an expansion from traditional e-commerce trust. To the service providers, customer information can be obtained more effectively; to the customers, such concept will bring stronger belief of the customers. Therefore, through the previous trust study, this study will reveal the trust building process for service provider by researching the process when social commerce users provide their personal information when joining the SNS comerce site.

In regard to this study, initial trust before using the social commerce site [29], [37], [56], experienced trust that was formed after providing personal information and using the service [7], [15], [18], [21]. Trust will finally be built and customers will be led to provide their information, through the process in building loyalty [2], [6] , [13], [21], [25]. Through this process, this study will find initial and experienced trust factors in social commerce environment. In Addition, we will provide the trust building process for personal information providing behavior of customer for social commerce by present the trust processes.

Finally, if the expected result has validity and significance, a more effective trust of customers will be formed in the trust relationship for viewpoint of personal information about service provider for social commerce through each types of trust. Also, this study will contribute to the service provider in successfully increasing the customers' continual usage for social commerce purchase.

Limitations and Implication

Because this is a conceptual study, there will be some limitation related to the classification of trust. Rather than merely explaining trust, through basic study on customer loyalty before and after its formation, this study can be applied to the trust building process related to the personal information providing behavior of the customers themselves.

In addition, in the preceding study, the expected results may find out the implication from real user log data and perceived survey result because there is no experiential study on the variables of each types of trust on social commerce. In the field of social commerce, in distinction of industries, the result can differ because of different sample population. The results can be revised according to the service provided by social commerce. There will be circumstance such as social commerce under which customers have to join their social commerce sites; or there will be circumstance where customer simply need to make purchase thus there is no need to join the some sites, therefore, results can be different according to different circumstance.

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