

Chapter 40

Consumer Behavior in Online Risky Purchase Decisions: Exploring Trustworthiness Across Culture

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ABSTRACT

There is very little research about how consumers of different races trust online marketing information from businesses or government when making expensive purchase decisions such as cancer treatment medicine. In this article, a large cross-cultural sample was surveyed to evaluate trust belief levels for common online information sources when making risky purchase decisions. Trust belief levels of online information sources were significantly different across ethnicity and gender when making risky decision. Females across all ethnicities held higher trust beliefs for online information sources, and Asian females in particular had the highest trust beliefs for online data from library research to health care providers. Trust belief levels were lower for online social media and bank/financial institution online information sources for risky purchase decisions. These findings can be used by leaders, political authorities, and consumer behavior marketing managers to segment consumers by demographic characteristics.

INTRODUCTION

Most people around the world who access the Internet are influenced by the trustworthiness of online information when making risky marketing decisions such as purchasing expensive cancer treatment medicine. In complex dilemmas it is difficult to find unbiased online data so when forced to make a decision in the context of uncertainty most people are influenced by their trust of the information sources.

High level decision makers such as surgeons, CEO's, presidents, security officers, emergency responders and others are often pressured to make decisions online without complete data by trusting whatever information is available (e.g., through email, smart phones, e-commerce or Internet-based applications). Ordinary citizens impact the decision making of leaders through shareholder, voting or public opinion mechanisms. Trust bias in high stakes decisions can be costly for stakeholders. The research question arising from the above is how does trust of online information data impact risky marketing decision making?

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This is an important to examine from a stakeholder perspective because most professionals in today's digital world across all cultures and disciplines access the Internet and rely on online data to make high stakes decisions. This is also an important facet to study from a community of practice standpoint because there is very little scholarly literature focused on trust in online data when making risky marketing decisions. Surprisingly a search of peer reviewed academic journals using the EBSCO index returned only 123 manuscripts since 2004 when searching for 'trust and decision making and (internet or online)' when allowing search within text as well as equivalent subjects. Most of those 123 papers concentrated on developing causal mathematical models of hypothesized latent predictors that would be difficult to apply in the real world for understanding or managing decision making by the general population using online data. Cognitive trust in the decision-making process is difficult to externalize through structural models so an alternative is to evaluate identifiable priorities and factors across demographic characteristics.

In this study, the literature was reviewed to compare the factors, theories and approaches that researchers have used to understand how trust applies to high stakes decision making in the context of online information and uncertainty. A survey was employed to collect data from a large sample of Americans with different cultural backgrounds to investigate the relationships between trust of online information sources and demographic characteristics in high stakes decision making. A systematic sample frame of the general population across the USA was preferred over interviewing high-level decision makers because the former provided much larger coverage and the latter was difficult to implement as well as potentially limiting where the results could be generalized.

LITERATURE REVIEW

Constructs and Controversies of Trust in Decision Making

Based on a review of the literature, the theories commonly used to study trust of online information for decision making originate in psychology, sociology and consumer behavior (marketing discipline). There are two traditional definitions of trust. The noun form of trust is defined as a firm belief in the certainty, truth, or ability of someone or something (Oxford, 2001). For example, good relations are built on trust. Certainty refers to the lack of risk – this facet points to a large body of knowledge in the operations research (Vajjhala & Strang, 2014), business (Olsen, 2006) and sociology fields (Murtagh, Gallagher, Andrew, & Mello, 2012). In law, an additional meaning of trust as a noun is a legal entity formed to hold assets (Corry, 1985). In the management literature, trust is often labeled as trustworthiness (Bhattacharjee, 2001). The common verb format of trust is to believe in the reliability, truth, ability, or certainty of something or someone. For example, many people do not trust the government in cultures where this is a lot of corruption (Vajjhala & Strang, 2014).

In the literature, several models have been proposed to estimate and explain the degree of trust for a person or object at the individual level of analysis, by using referrals, ratings, recommendations, and so on. In the research context, a popular definition of trust is the willingness of a party - the trustor - to be vulnerable to the actions of another party - the trustee (McKnight & Chervany, 2001), such as to trust someone's data for decision making or to trust someone to make the decision. The process of trust belief development relies on the formation of expectations (under the influence of individual perception) about the motives and behaviors of a trustee.

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