

Chapter 47

The Role of Reputation on Trust and Loyalty: A Cross-Cultural Analysis of Tablet E-Tailing

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ABSTRACT

The purpose of this article is to empirically examine the role of online retailer's website reputation on tablet commerce and to compare the trust arbitration between reputation and loyalty in two cultures - Finland and Nigeria. Data was collected from Finland and Nigeria, using purposive and snowball sampling methods. This article uses Structural Equation Modelling and mediation analysis. The results reveal that the reputation of online retailer's website is not a direct determinant of loyalty for online shopping while trust colligates with ease of use. The effect of an online retailer's website reputation is stronger in Nigeria than in Finland and trust is a strong predictor of ease of use in Finland than Nigeria. Furthermore, trust fully mediates the effect of reputation on loyalty in Finland and partially mediates the effect of reputation and loyalty in Nigeria. The implication of the result on existing and future managers were discussed with future direction.

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1. INTRODUCTION

Tablet, a content consumption device emerged with a surge adoption to substitute laptops, complement smartphones and play an additional supplementary role in mobile commerce globally (Lee, Lee and Chan-Olmsted 2017). Conversion of consumers to online shoppers is one of the tactics of online retailers to engage customers and drive more sales while shoppers are on their websites. To have a consistent conversion of online visitor to a potentially loyal customer, there is a need to know the trait and cultural differences of online shoppers with a tablet. Chen, (2013) study reveals how culture impact tablet sharing across individualistic and collectivistic culture based on domestication approach and discovered ages, locations, and situations as the key themes that drive how people interact with a tablet. The speed of the change in the mobile technology industry is creating an opportunity for online retailers to use trendy computer devices to track customer's changing purchasing behaviour and to enhance online retailer's strategy and business model. Advanced technology like the tablet is impacting mobile commerce life-cycle from pre-purchase, purchase to post-purchase activities, thus, and making m-commerce a scalable business (Shankar, Kleijnen, Ramanathan, Rizley, Holland, and Morrissey, 2016).

Tablet commerce is now an offshoot of m-commerce, and it is "any transaction completed on a tablet device in which a payment is rendered through the device either through a retailer's website, through a proprietary 'app', or through some swipe device attached to a tablet" (Forrester 2011, pp.15). There is a limitation to this definition, and the conceptualization of tablet commerce is still at its formative stage. This study defines a tablet device in the context of m-commerce as a multitasking device that emerged to substitute the obsolete technology, complement existing mobile device and supplement the m-commerce strategy of an online retailer.

To the best of our knowledge, studies are scarce on cross-cultural contexts in the domain of tablet research, however, extant studies only cover cross-national study within developed countries (Jin, Park and Kim (2008). Other related studies are the impact of a tablet on human behavior with ethnography for communities - interpretive research method (Burford and Park 2014). Also studied is tablet use prediction – focusing on the gratification of tablet use with telephone survey (Leung and Zhang 2016) and impact of a tablet on digital commerce with experiment (Xu et al. 2016). Lee, Lee, and Chan-Olmsted (2017) also evaluated tablet diffusion with secondary data set; tablet apps with structural equation modeling - SEM (Kim and Kim 2016); tablet usage in the context of underdeveloped primary schools with Chi-square test and correlation (Pruet, Ang, and Farzin, 2016); impact of m-business with mixed-method approach (Picoto, Bélanger and Palma-dos-Reis 2014). All these studies emphasized the importance and challenges of a tablet as a medium of online shopping engagement between the online retailer and the consumers.

From the foregoing, this study seeks to answer the following research questions: 1) How does trust arbitrate between the reputation of e-tailer's website and loyalty of tablet users for online shopping? 2) How does trust colligates with online shopping easiness? 3) How does cross-cultural difference affect tablet commerce? This study makes key contributions to marketing and mobile commerce literature by developing a conceptual framework, linking the relationships between e-tailer's website reputation, trust and ease of use to predict loyalty in a cross-cultural context. The rest of the study is organised in the following ways: section 1 introduced the study. In section 2, the study discusses the theoretical background and hypothesis development. Section 3 deals with research design and methodology while in section 4, we treat the data analysis and results. The study concludes in section 5 with the discussion and implications.

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