# Chapter 39 Trust in Online Shopping Behavior

Yongqiang Sun Wuhan University, China

Nan Wang University of Science and Technology of China, China

#### **ABSTRACT**

Trust, which dominates the research on online shopping behavior, is relevant to various consumer behaviors across different online shopping stages. To provide a big picture of the research on trust in the online shopping context, this chapter reviews the literature on this topic and summarizes the major research findings. Specifically, trust-related behaviors are identified according to the three online shopping stages: information adoption and information disclosure behavior at the pre-purchase stage, product purchase behavior at the purchase stage, and relational behavior such as electronic word-of-mouth (eWOM) and re-purchase at the post-purchase stage. The research topics relevant to these behaviors, including recommendation agent, information credibility, privacy concern, trust building and transfer process, and relationship marketing in the online shopping context are detailed. The future research directions such as location-based services, trust and distrust, and trust repair are also highlighted.

#### INTRODUCTION

The rapid development of information technology (IT) especially the Internet technology has revolutionarily changed people's life styles. Shopping has no longer just been an offline activity at traditional brick-and-mortar store but also a

representative activity in the online context. The number of online stores has boomed in 1990s making online shopping become an important channel for consumers to seek information and purchase product. Due to its importance, online shopping has drawn lots of attention from both practitioners and scholars.

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Among a variety of research topics about online shopping, trust is the most frequently discussed one (Gefen, Karahanna, & Straub, 2003; P. Pavlou & Gefen, 2002). This is caused by the three unique features of online context. (1) Since the product information and other decision support information (e.g., recommendation agents and consumer reviews) are provided by Internet users whose identities are very difficult to be affirmed, inducing consumers' uncertainty about information. (2) Because of the lack of direct contacts with the physical stores, salespeople, and physical products in the online context, it is difficult for consumer to assess the product quality and seller credibility, leading to consumers' uncertainty about transaction. (3) Online marketplace consists of numerous sellers, thus many transactions are one-off. Thus, sellers engage in building and maintaining relationship with consumers, i.e., sellers' uncertainty about relation. All of these three aspects suggest that trust is a critical issue for sellers to attract customers through reducing their uncertainty and to retain customers through relationship marketing.

In this chapter, we provide an overview of previous studies on trust to understand its typology and underlying working mechanisms. In particular, we summarize the literature on four trust-related behaviors in the online shopping context – information adoption, information disclosure, product purchase, and relational behavior. Based on the prior knowledge on trust, several emerging research frontiers on trust are also identified.

#### **OVERVIEW**

#### Online Shopping Stages

Online shopping behavior refers to various consumer behaviors performed during the whole online shopping process on the business-to-consumer (B2C) or the consumer-to-consumer (C2C) websites, including pre-purchase, purchase, and post-purchase three stages (see Figure 1).

At the pre-purchase stage, the major task for consumers is to seek information about products and sellers through a variety of channels such as product description, news, third-party report, recommendation agents and consumer reviews, etc. Further, to get personalized information services, consumers may be asked to provide personal information (e.g., gender, education, age, and income, etc.) and their transaction history may also be traced. Thus, *information* is the key issue at the pre-purchase stage, and *information adoption* and *information disclosure* are two kinds of consumer behavior occurring at this stage.

At the purchase stage, after learning the information about products and sellers, consumers begin to engage in making decision on if or not to purchase the product from the seller. For the transaction to be completed, consumers need to confirm their orders, select the delivery approach, and more important, pay for the purchased products. However, consumers may be worried about whether the products can work as expected (e.g., performance risk) and whether the online payment is safe enough (e.g., financial risk). At this stage, consumers' decision making focus on the

Figure 1. Online shopping stages



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