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UNDERSTANDING CONSUMER TRUST IN SOCIAL COMMERCE WEBSITES

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Abstract

The social commerce represents a new form of electronic commerce mediated by social networking sites. It provides companies with competitive tools for online promotion, and it also assists consumers to make better-informed purchasing decisions based on the sharing of experiences from other consumers. Trust is important in social commerce environment as it serves as a foundation for consumers to evaluate product information from companies as well as from other consumers. However, extant literature still lacks clear understanding of the nature of trust in social commerce. This study sets out to understand trust development in social commerce websites. Specifically, based on trust transference theory, we develop a research model to examine how consumer trust in social commerce impacts their trust in the company and their electronic word of mouth intention. In addition, we also examine how customers’ prior transaction experience with a company could impact their social commerce trust development and serve as a mediator in the trust transfer process. The research model is empirically examined using a survey method consisting of 375 users of a social commerce website. This study contributes to the conceptual and empirical understanding of trust in social commerce. The academic and practical implications of this study are also discussed.

Keywords: Social commerce, Social networking sites, Trust, Trust transfer, Electronic word of mouth.
1. **INTRODUCTION**

Social commerce represents a new form of doing online business which is mediated by social media. The features of social media enable social commerce websites to support interactive communications in the process of online marketing. Companies are increasingly exploring the potential of the social commerce websites to transmit their promotional information to customers and improve brand awareness using electronic word of mouth (eWOM) principles (de Vries, Gensler, & Leeflang, 2012). The social interactions and information exchanging in social commerce websites are recognized as rich sources to create eWOM marketing effects (Jansen, Zhang, Sobel, & Chowdury, 2009). Customers can make better informed purchasing decisions by viewing the opinions, experiences, and product-related information shared by others in social commerce websites. On the other hand, companies can also improve business performance by attracting potential customers through positive recommendations by existing consumers (Stephen & Toubia, 2010). Prior studies point out that trust in the online environment is a crucial antecedent of consumers’ intention to spread eWOM (Gummerus, Liljander, Weman, & Pihlström, 2012; Lin & Lu, 2011). Zheng et al. (2013) also indicate that trust should be enhanced in business-centered social networking communities in order to encourage more helpful WOM communications.

Extant literature investigating trust in online business environments mainly focuses on consumer trust in e-commerce (e.g., Cheung & Lee, 2006; Palvia, 2009). However, with the growing popularity of social commerce, more attention should be paid on how trust develops in such a highly interactive online business environment. Unlike e-commerce websites which mainly focus on direct online transactions, social commerce websites emphasize on social interactions which produce business opportunities. In e-commerce, consumer trust has been mainly measured by the trustworthiness of companies (e.g., integrity, competence, benevolence) (McKnight, Choudhury, & Kacmar, 2002). Consumers may evaluate the trustworthiness of companies in e-commerce through direct online shopping experiences. However, in the social commerce context, many consumers are in an attempt to gather more product related information before they actually buy from the company (Yadav, De Valck, Hennig-Thurau, Hoffman, & Spann, 2013). Specifically, customers can derive product related information from the company as well as from other customers in social commerce websites. In such cases, trust is important for customers to evaluate the quality of information from various sources, and serves as a foundation for their sharing of information with others. Thus, understanding the nature of trust in social commerce context has significant meanings for understanding consumer information sharing behaviors and improving online marketing effectiveness. In addition, according to Trust Transference Theory (Kim, 2008; Ng, 2013), it is expected that consumer trust in social commerce websites would be transferred to their related sources. In this manner, a customer’s trust in a company’s social commerce website could be transferred to their trust in the company. Given that companies using social commerce websites are eager to convert online fans into real brand advocates (Kaplan & Haenlein, 2010), it is important to understand how consumer trust developed in social commerce context may influence their actual trust in companies. In addition, previous studies argue that particular contextual conditions would impact how trust operates (Mayer, Davis, & Schoorman, 1995). For example, customers’ prior experience with the company may impact their social commerce trust and also impact how social commerce trust transfers to company trust. However, in social commerce context, the understanding of how the trust transfer process is affected by customers’ conditions is still limited. As a step towards bridging the above gaps, this study aims to propose a theory-based model to investigate how consumer trust develops in the social commerce context, and how such trust impacts consumer trust in companies and their eWOM intentions. Our model also considers customers’ conditions by examining the moderating effect of their prior experience on the relationship between social commerce trust and company trust.

The rest of this paper is organized as follows. First, we review prior literature on social commerce and trust. Second, we propose our research model and draw hypotheses. Next, we describe the research methodology and present the result findings. Finally, we discuss the theoretical and managerial implications of the studies and directions for future research.
2. LITERATURE REVIEW

2.1. Social Commerce Websites

With the increasingly popularity of social networking sites (SNS), businesses are actively exploring the potentials of such technologies for doing commerce. Social commerce has emerged as the latest innovation of doing online business by combining the power of SNS with e-commerce (Shen, 2012). Traditional e-commerce tends to pay much attention on improving the effectiveness of online shopping by providing superior features such as product vividness, product search, and personalized shopping experiences (Gefen & Straub, 2004). In contrast, the distinctive characteristic of social commerce is the focus on supporting social interactions and collaborations of online shopping experience (Liang & Turban, 2011).

Liang & Turban (2011) defined social commerce as commercial and social activities via the social media environment which. Ng (2013) stated that social commerce websites can be grouped into two types. The first type of social commerce websites permits users to directly purchase products on the website (e.g., Groupon USA). The second type of social commerce websites does not support direct transactions but aims at online marketing and promoting only (e.g., fan pages in Facebook). For all forms of social commerce websites, there are three major attributes: social media technologies, community interactions, and commercial activities (Liang & Turban, 2011). Combined with these features, social commerce websites have turned a static online community into an two-way interactive group which allows customers with similar interests to exchange product feedbacks and to provide information that may influence others’ purchasing decisions (de Vries et al., 2012). In the meantime, companies can deliver promotional information to potential and current customers, and engage with customers in an more efficient manner (Curty & Zhang, 2011). Woodcock et al. (2011) also point out that social commerce can bring companies numerous benefits such as increasing brand awareness, boosting business opportunities, and maintaining more profitable and closing customer relationships.

Built upon the platform of social networking sites, social commerce assists the selling and promoting of products by supporting social interactions, communications, and information exchanges among community members (Liang, Ho, Li, & Turban, 2011). Social connections are recognized as the unique characteristics of social commerce, and they can be built between companies and users, and among users. (Curty & Zhang, 2011). Such connections allow companies to effectively deliver promoting information to target audience, and allow users to exchange product-related experiences in order to make better-informed purchasing decisions (Stephen & Toubia, 2010). In addition, social connections provide great opportunities for companies to encourage customers’ positive eWOM. Jansen et al. (2009) suggest that social connections among Twitter users have the potential to substantially influence eWOM branding, which influences brand image and awareness. Yang (2012) also confirms that the message sharing in Facebook fan pages can influence customers’ behaviors such as eWOM intention.

2.2. Trust

Trust is considered as an important concept in various disciplines, such as knowledge sharing (Chow & Chan, 2008), information technology (Nicolaou & McKnight, 2006), social networks (Grabner-Kräuter, 2009), and e-commerce (McKnight et al., 2002). Trust is generally defined as “as a willingness to rely on an exchange partner in whom one has confidence” (Moorman, Deshpande, & Zaltman, 1993, p.82). Gaining one’s confidence is considered as a key factor in this definition because it forms the source of a stable and trustworthy relationship between two trading parties (Doney & Cannon, 1997). In the traditional pattern of the customer relationship, trust may be mainly based on promotional effects (Moorman, et al., 1993). In the context of e-commerce, the primary interface is a website, whereby the final transaction doesn’t involve with the actual physical contact between customers and companies. Hence trust in e-commerce is important as it reduces the concerns about the quality of the online sellers (Gefen & Straub, 2004). Consumer trust in e-commerce is built upon online shopping experiences, and it represents the confidence in certain attributes of the company.
Extant literature offers various views to measure the trustworthiness of company in e-commerce. Among them, three trusting beliefs are utilized most often (McKnight, et al., 2002; Palvia, 2009; Pavlou, Liang, & Xue, 2007): benevolence (i.e., care about customers and willing to act in customers’ interests), competence (i.e., ability of the company to fulfill customers’ needs), and integrity (i.e., honesty and promise keeping). Through the platform of e-commerce, companies can facilitate their trustworthiness by providing superior service and high-quality products during transaction processes (Kim, Ferrin, & Rao, 2009).

In social commerce context, direct transaction may not be involved between customers and companies. Social commerce focuses on social interactions content contributions in the community (Stephen & Toubia, 2010). Many customers join companies’ social commerce websites in order to gather more information before they make purchasing decisions (Liang, et al., 2011). Therefore, unlike in e-commerce where trust is built upon transaction experiences, trust in social commerce may be built upon customer experiences in the interactive communities of social commerce websites. The social commerce website, on one hand, delivers marketing information to subscribed fans. On the other hand, it serves as an online community whereby customers with similar interests of certain brands can share and exchange information (Cvijikj & Michahelles, 2013). In this nature, consumer trust in social commerce may be based on both information attributes and community attributes. Ba (2001) explores the nature of trust in online communities by categorizing it into different stages. He suggests that trust, at its initial stage, is based on economic calculation. When there is online information communication, trust develops into information-based because the information creates a level of predictability of the other party. At the same time, online trust is embedded in social relations with other members. Hsu et al. (2007) share a similar view, suggesting that trust in online communities may be built upon the benefits derived from information and knowledge in the community, and also upon identification with other members in the community. The major characteristic of social commerce websites is the dissemination of promotional information to customers. The information allows customers to better assess the trustworthiness of the social commerce websites (e.g., honesty and integrity). As such, trust in a social commerce websites could be largely based on the its information quality, such as accuracy, reliability, and objectivity (Pletikosa Cvijikj & Michahelles, 2011). Therefore, information-based trust is identified as a component of social commerce trust in this study, and it measures the trustworthiness of information posted in the social commerce website.

On the other hand, customers’ interpersonal trust in social commerce websites may be based on their identification with others. The trustworthiness (e.g., honesty, integrity, benevolence) of other users can be transferred to the community, and therefore help customers build stronger confidence in the social commerce website (Ng, 2013). As Westerlund et al. (2009) indicate, trust in social networking communities can be understood in the context of interpersonal relationships, that is, trust between members of the community. The study of Valenzuela et al. (2009) also confirms that when users have a high level of trust in other members, they are more likely to trust Facebook and use it frequently. Therefore, identification-based trust is also identified as a component of social commerce trust in this study, and it measures the customers’ trust in other members of the social commerce website.

3. RESEARCH MODEL AND HYPOTHESES DEVELOPMENT

In this section, we derive the hypotheses based on theoretical base and propose our research model as shown in Figure 1.

3.1. Social Commerce Trust and Company Trust

A major function of the social commerce website is to provide information related of products and services to customers (Yadav, et al., 2013). Information-based trust represents the information validity and reliability perceived by customers. Trustworthiness of the information presented on social commerce websites includes various perspectives such as accuracy and objectivity (Pletikosa Cvijikj & Michahelles, 2011). Trust in the information provided by a company in the social commerce website indicates that the customer believes that this company is honest and does not make false
statements. Previous studies also suggest that the trustworthiness of brand communities can be a major source for consumers to establish trust in the company that host this brand community (Grabner-Kräuter, 2009; Pentina, Zhang, & Basmanova, 2013). Therefore, it is reasonable to argue that consumer trust in the information delivered in social commerce websites may contribute to their trust in the company which presents the information.

**H1:** Information-based trust in a company’s social commerce website is positively related to consumer trust in that company.

![Figure 1. Proposed research model.](image)

Customers become fans of a company’s social commerce website in order to gather product-related information from other customers (Anderson, Sims, Price, & Brusa, 2011). Trust among customers may develop through their interactions over time. If a customer trusts other members in a social commerce website, he/she may make purchase decisions based on the opinions of other members (Shen, 2012). Identification-based trust may also enhance consumers’ belief that the environment of the social commerce website is safe, and that all members there, including the company, are trustworthy. In addition, based on the trust transference theory, trust in the members of a social commerce website may be expected to be transferable to its related sources, i.e., the company that set up the site (Ng, 2013).

**H2:** Identification-based trust in a company’s social commerce website is positively related to consumer trust in that company.

### 3.2 Social Commerce Trust and eWOM Intention

Social commerce provides a platform for customers to obtain information related to products and services of a brand (Yadav, et al., 2013). Information-based trust represents customers’ trust based on the information presented on a social commerce website. Trustworthiness of the information includes various perspectives such as accuracy, objectivity, and reliability (Pletikosa Cvijikj & Michahelles, 2011). Brown et al. (2007) find that information credibility is an important foundation of one’s eWOM in an online community. Jansen et al. (2009) also suggest that WOM communications in Twitter function on trusted sources of information. Therefore, we expect that if users perceive the information on a company’s social commerce website to be trustworthy, they tend to be more likely to spread eWOM about that company.
H3: Information-based trust in a company’s social commerce website is positively related to consumers’ eWOM intention.

Identification-based trust in this study represents the interpersonal trust in a social commerce website. eWOM communication is found to be based on one’s trust in others in social networks (Jansen, et al., 2009). In social commerce websites, customers’ interpersonal trust is deeply embedded in their identification with others. Royo-Vela and Casamassima (2011) found that a high level of identification with others in a virtual brand community would develop more positive WOM behavior. Cheung and Lee (2012) also confirm that when people trust others and identify themselves as part of the community, they will be more willing to spread eWOM. In addition, a high level of identification-based trust will make customers believe that what others share in the website is of good quality, and therefore they are willing to spread eWOM to connected friends (Li & Du, 2011). Therefore, we expect that identification-based trust in a social commerce website would motivate customers to spread eWOM.

H4: Identification-based trust in a company’s social commerce website is positively related to consumers’ eWOM intention.

3.3. Company Trust and eWOM Intention

The relationship between customers’ trust in a company and their eWOM intention towards the company’s products has been well established in literature. For example, Ranaweera & Prabhu (2003) confirmed the positive relationship between trust and customers’ WOM intention in traditional business environment. In the online context, Chu & Kim (2011) found that trust is one of the most important determinants of users’ eWOM intention in social networking sites. In our study context, customers can develop their trust in a company through interactions and engagement in its social commerce website. We expect that such trust would increase customers’ confidence in recommending the company and its products to their connected friends.

H5: Consumer trust in a company is positively related to their eWOM intention.

3.4. Prior Experience and Social Commerce Trust

Previous studies have suggested that customers’ prior experience is an important factor that determines their attitude and behaviour in the online environment (Ling, Chai, & Piew, 2010). For example, Algesheimer et al. (2005) suggest that customers’ previous experience with a company may contribute to their brand knowledge, and further influence customers’ relationships in the online brand community. In addition, prior transaction experience may impact customers’ satisfaction with a company, and satisfaction is positively related to trust (Flavián, Guinalíu, & Gurrea, 2006). Moreover, prior experience also affects individual trust propensity (Lee & Turban, 2001). For customers who have prior transaction experience with a company before they follow its brand page in the social commerce website, they may have already been able to evaluate certain qualities of the company. A rich transaction experience with a company may indicate a high level of loyalty toward the company before following its brand page. Such loyalty is expected to positively contribute to customers’ trust development in the company’s brand page in social commerce website.

H6: Consumers’ prior experience with a company is positively related to information-based trust in a company’s social commerce website.
H7: Consumers’ prior experience with a company is positively related to identification-based trust in a company’s social commerce website.

3.5. Moderating Effect of Prior Experience

Customers’ prior experience with the company contributes to their knowledge and expertise about this company. Past studies found that, in the online environment, customers with low level of expertise in
a company tend to depend heavily on peripheral information and others’ opinion to determine the quality of a company (Cheung, Xiao, & Liu, 2012). On the contrary, customers with rich purchase experience and high expertise have more confidence in their own judgements, and are thus less susceptible to the influence of external information and others’ opinions (Simpson, Siguaw, & Cadogan, 2008). Therefore, in the social commerce website, if customers have a rich prior transaction experience with the company, they may have already developed certain level of trust in the company. Thus, they tend to rely less on social commerce trust to form their company trust.

H8: Consumers’ prior experience with a company negatively moderates the relationship between information-based social commerce trust and company trust.

H9: Consumers’ prior experience with a company negatively moderates the relationship between identification-based social commerce trust and company trust.

4. RESEARCH METHODOLOGY

4.1. Research Setting

There are many popular examples of social commerce websites, such as Facebook fan pages and Amazon online social networking stores (Liang & Turban, 2011). In this study, we focus on the brand page in Sina Microblog (www.weibo.com) as an example of the social commerce websites. The Sina Microblog is currently the most popular Microblog site in China with over 250 million registered users and more than 50 thousand enterprise accounts (Gu & Wang, 2012). Many companies set up their own brand pages in Sina Microblog for online marketing and use them to promote their brands and engage with customers (Li & Shiu, 2012). Once a company has set up a brand page, Sina Microblog users can “follow” the brand page in order to receive most updated information of this brand. Moreover, customers can engage in discussions and interactions with other members in the brand page. We consider a company’s brand page in Sina Microblog as a social commerce website as it includes the three most important attributes of social commerce: social media technologies, community interactions, and commercial activities (Liang & Turban, 2011). The brand page belongs to the second type of social commerce website which does not include direct transactions but aims at online marketing and communicating with customers (Ng, 2013).

4.2. Data Collection

The potential respondents of this study are users who have “followed” at least one brand page on Sina Microblog. In Sina Microblog, brand pages are clustered into 23 categories according to industry type such as technology, hotel and tourism, food and beverage, and so on. The respondents were selected in the following manner. In each industry category, we randomly selected 5 different brand pages and 20 followers of each to participate in an online survey. This selection criteria guaranteed a wide diversity of brand pages and thus ensures our study has wide generalizability (Lee & Baskerville, 2003). We used a survey approach to collect data. We prepared our questionnaire using the online software “Qaultrics”, and sent the online survey to a total of 2300 Microblog users. A screening question was used to confirm that the respondent was aware that he/she is actually a follower of the brand page. A prize draw was offered to encourage a higher response rate.

A total of 492 users participated in the survey, giving a response rate of 21%. After discarding questionnaires with incomplete information, 375 usable questionnaires were included in the analysis. Table 1 reports the detailed profile of respondents. Of the 375 respondents, 61.9% were female and 38.1% male. A majority (77.9%) were aged 18-28 and 62.4% held a bachelor’s degree or above. The distribution of respondents is similar to the overall user distribution of brand pages in Sina Microblog. According to a report by Sina Microblog in 2012 (SINA, 2012), followers of brand pages have almost equal numbers in female and male. Among them, 67% were aged between 18 to 29, and 55.9% are educated to university degree level or above.
To further validate the representativeness of our sample, we assessed the potential problem of non-response bias. We divided our sample into two groups, that is, early (N=247) and late (N=128) samples. We used T-test to compare the demographic attributes of these two samples, including gender, age, educational level, frequency of using Microblog, and number of followed brand pages. The results show that none of these attributes show significant differences at the 0.05 level. Therefore we concluded that there is no systematic non-response bias for our responding sample.

<table>
<thead>
<tr>
<th>Items</th>
<th>Category</th>
<th>Frequency (Percentage)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gender</td>
<td>Female</td>
<td>232 (61.9%)</td>
</tr>
<tr>
<td></td>
<td>Male</td>
<td>143 (38.1%)</td>
</tr>
<tr>
<td>Age</td>
<td>&lt;18</td>
<td>5 (1.3%)</td>
</tr>
<tr>
<td></td>
<td>18-28</td>
<td>282 (75.2%)</td>
</tr>
<tr>
<td></td>
<td>29-38</td>
<td>65 (17.3%)</td>
</tr>
<tr>
<td></td>
<td>&gt;38</td>
<td>23 (6.1%)</td>
</tr>
<tr>
<td>Education</td>
<td>Secondary and high school</td>
<td>23 (6.1%)</td>
</tr>
<tr>
<td></td>
<td>Diploma or relative course</td>
<td>75 (20.0%)</td>
</tr>
<tr>
<td></td>
<td>Bachelor’s degree</td>
<td>230 (61.3%)</td>
</tr>
<tr>
<td></td>
<td>Master’s degree or above</td>
<td>47 (12.5%)</td>
</tr>
<tr>
<td>Days using</td>
<td>0-1 day</td>
<td>69 (18.4%)</td>
</tr>
<tr>
<td>Microblog</td>
<td>2-3 days</td>
<td>60 (16.0%)</td>
</tr>
<tr>
<td>per week</td>
<td>4-5 days</td>
<td>68 (18.1%)</td>
</tr>
<tr>
<td></td>
<td>6-7 days</td>
<td>178 (47.5%)</td>
</tr>
<tr>
<td>Tenure of</td>
<td>&lt; 6 M</td>
<td>120 (32.0%)</td>
</tr>
<tr>
<td>following</td>
<td>6 M - 1 Y</td>
<td>168 (44.8%)</td>
</tr>
<tr>
<td>the brand</td>
<td>1 Y – 1.5 Y</td>
<td>78 (20.8%)</td>
</tr>
<tr>
<td>page</td>
<td>&gt; 1.5 Y</td>
<td>9 (2.4%)</td>
</tr>
</tbody>
</table>

Table 1. Demographic data.

4.3. Measures

We adopted established measurement items from previous studies to measure the constructs identified in this study. Company trust is specified as a second-order formative construct in this study. It is measured by integrity, competence, and benevolence adopted from Mcknight et al (2002). The wording of some items was modified to fit the research context. Appendix A presents details of the measurement items and their sources. We developed the primary version of questionnaire in English, and then we translated them into Chinese to facilitate respondents’ understanding. We followed the approach of Bhalla and Lin (1987) to ensure validity by using the back-translation method. All the items were measured on a 5-point Likert scale ranging from 1 (strongly disagree) to 5 (strongly agree). Additionally, gender, age, brand page tenure, and number of followed brand pages are included as control variables.

4.4. Common Method Bias

As the data for independent and dependent variables are all self-reported and collected from a single source, common method bias (CMB) may be a concern in this study (Podsakoff & Organ, 1986). We used Harman’s one-factor test to statistically test the severity of CMB. The results revealed four factors with an eigenvalue above 1, with the first factor accounted for 36.48% of the total variance. Therefore, CMB is unlikely to be a serious concern in this study.

5. FINDINGS

This study adopted Structural Equation Modeling (SEM) tool Smart PLS 2.0 for data analysis to systematically examine the measurement and structural model. PLS is employed in this study because it makes minimal demands on sample size and normal distribution, and can be used for analyzing second-order formative constructs (Chin, 1998).
5.1. **Assessment of the Measurement Model**

To assess the properties of the measurement model, we conducted confirmatory factor analysis (CFA) to examine the convergent and discriminant validity of the scales. The convergent validity was assessed using three criteria: (1) all factor loadings should be greater than 0.7 (Chin, 1998); (2) composite reliability (CR) should be above 0.7 (Chin, 1998); and (3) average variance extracted (AVE) should be greater than 0.5 (Fornell & Larcker, 1981). After deleting 2 items with a factor loading below 0.7, the scale demonstrated high convergent validity. Table 2 presents the results of this analysis. As shown in the table, all factor loadings are larger than 0.7, the CRs range from 0.87 to 0.95, and the AVEs range from 0.70 to 0.91. The discriminant validity of the measures was assessed by examining whether the square root of the AVE for each construct exceeds its correlation with other constructs in the model (Chin, 1998). As shown in Table 3, all constructs displayed adequate discriminant validity. Since some correlation values were higher than 0.6 criteria, multicollinearity may be a concern in this study. We further assessed the potential problem of multicollinearity using the Variance Inflation Factor (VIF) test. A VIF value above 10 would indicate multicollinearity problem (Diamantopoulos & Winklhofer, 2001). Our statistical results showed that the VIF values for all independent variables ranged from 1.25 to 2.65, thus indicating that multicollinearity was not a serious concern in this study. Therefore, the measurement model was considered satisfactory with adequate validity and reliability, and was employed for structural model analysis.

<table>
<thead>
<tr>
<th>Constructs</th>
<th>Items</th>
<th>Factor Loading</th>
<th>CR</th>
<th>AVE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Information-based trust (INBT)</td>
<td>INBT1</td>
<td>0.91</td>
<td>0.92</td>
<td>0.80</td>
</tr>
<tr>
<td></td>
<td>INBT2</td>
<td>0.92</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>INBT3</td>
<td>0.85</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>INBT4</td>
<td>0.82</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Identification-based trust (IDBT)*</td>
<td>IDBT1</td>
<td>0.84</td>
<td>0.89</td>
<td>0.72</td>
</tr>
<tr>
<td></td>
<td>IDBT2</td>
<td>0.84</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>IDBT3</td>
<td>0.86</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Prior experience (PE)</td>
<td>PE1</td>
<td>0.83</td>
<td>0.87</td>
<td>0.70</td>
</tr>
<tr>
<td></td>
<td>PE2</td>
<td>0.93</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>PE3</td>
<td>0.74</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Integrity (INT)</td>
<td>INT1</td>
<td>0.85</td>
<td>0.94</td>
<td>0.78</td>
</tr>
<tr>
<td></td>
<td>INT2</td>
<td>0.90</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>INT3</td>
<td>0.90</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>INT4</td>
<td>0.89</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Competence (COM)*</td>
<td>COM1</td>
<td>0.95</td>
<td>0.95</td>
<td>0.91</td>
</tr>
<tr>
<td></td>
<td>COM3</td>
<td>0.95</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Benevolence (BEN)</td>
<td>BEN1</td>
<td>0.87</td>
<td>0.90</td>
<td>0.74</td>
</tr>
<tr>
<td></td>
<td>BEN2</td>
<td>0.87</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>BEN3</td>
<td>0.84</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Electronic word of mouth intention (eWOM)</td>
<td>eWOM1</td>
<td>0.92</td>
<td>0.95</td>
<td>0.87</td>
</tr>
<tr>
<td></td>
<td>eWOM2</td>
<td>0.94</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>eWOM3</td>
<td>0.93</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Table 2. Results of the convergent validity analysis.**

*Notes: * IDBT4 and COM2 were deleted because of low factor loading (<0.7).
Table 3. Mean, standard deviation, correlations of latent variables for the first-order constructs.
Notes: Diagonal elements are the square root of AVE for each construct and the off-diagonal elements are the correlations between constructs.

5.2. Assessment of the Second Order Construct

As discussed earlier, this study proposes company trust as a second-order formative construct, which comprises three first-order reflective constructs (integrity, competence, and benevolence). We followed procedural steps developed in previous studies (e.g., Luo, Li, Zhang, & Shim, 2010; Petter, Straub, & Rai, 2007; Polites, Roberts, & Thatcher, 2011) to assess the validity of our second-order formative construct. First, from a conceptual point of view, the first-order constructs (integrity, competence, and benevolence) were measuring different facets of the second-order construct (company trust), and the direction of causality of second-order construct derives from its first-order constructs (Gefen, 2002; McKnight, et al., 2002). This suggests that the first-order constructs are clearly distinct from each other and formatively measure the theoretical definition of the second-order construct. Second, we used three tests to statistically analyze the second-order formative construct. In test one, we computed the correlations among first-order constructs, the result show that the absolute correlations among them are all below the cut-off value of 0.8 (Pavlou & El Sawy, 2006). In test two, we tested the strength of the relationship between the second-order construct and its first-order factors. The results show that all the path coefficients from the first-order constructs to the second-order construct are significant at p<0.01. In test three, we assessed the possibility of multicollinearity for the first-order constructs using the VIF test. Our results reveal that VIF values for first-order constructs are below the cut-off value of 10 (range from 1.45 to 2.05). Above analysis jointly confirm the validity and reliability of the second-order formative construct.

5.3. Assessment of the Structural Model

With the measurement model verified as described above, the proposed hypotheses were then tested using Smart PLS. Figure 2 depicts the results of the hypothesis testing of the structural model, including the standardized path coefficients and the variance explained (R² value) of the dependent variables.

The two factors of social commerce trust (information-based trust and identification-based trust) both significantly influence company trust at p<0.001 level (β=0.54 and 0.35, respectively). Therefore H1 and H2 are supported. Among the impacts of social commerce trust factors on eWOM intention, the impact of identification-based trust is significant at p<0.01 level (β=0.14), while the impact of information-based trust is not significant (β=0.11). Thus, H4 is validated and H3 is rejected. In addition, the relationship between company trust and eWOM intention is significant at p<0.001 level (β=0.58), suggesting that H5 is supported. The direct effects of prior experience on information-based trust (β=-0.00) and identification-based trust (β=0.08) are both not significant. Therefore H6 and H7 are not supported. The moderating effect of prior experience on the relationship between information-based trust and company trust is negatively significant (β=-0.15; p<0.01), suggesting that H8 is supported. However, the moderating effect of prior experience on the relationship between identification-based trust and company trust is not significant (β=0.07), thus rejecting H9. Among the four control variables, gender is the only variable that significantly influences eWOM intention (β=0.09; p<0.01). The R² values of company trust and eWOM intention are 0.63 and 0.59, respectively, indicating that the model provides a substantial explanation of the variance in customers’ attitude and intention in this area.

5.4. Mediating Effects

In this section, we examine the mediating effect of company trust between social commerce trust and eWOM intention. We followed the testing procedure proposed by Preacher and Hayes (2008). In this test, we have three sets of variables. We treated information-based trust and identification-based trust as independent variables (IV), company trust as presumed mediators (M), and eWOM as dependent
variable (DV). We then computed the Sobel-z scores (Sobel, 1982). Table 5 presents the results of the mediation analysis. As presented in this table, all Sobel-z values are significant at p<0.001, indicating company trust plays mediating roles between these respective independent variables and the dependent variable. Column 5 reveals the path coefficient of the respective independent variable on defendant variable in the control of mediator. A significant path value of column 5 implies that the respective mediator plays a partial mediating role between the independent and dependent variables; otherwise, it serves a role of full mediation. Our results show that company trust plays a partial mediating role in both paths.

Table 5. Sobel significance test results for indirect effects.

<table>
<thead>
<tr>
<th>IV</th>
<th>M</th>
<th>DV</th>
<th>Sobel-z (p value)</th>
<th>IV-&gt;DV in control of mediator</th>
<th>Mediation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Information-based trust</td>
<td>Company trust</td>
<td>eWOM</td>
<td>11.06 (p&lt;0.001)</td>
<td>0.12 (p&lt;0.05)</td>
<td>Partial</td>
</tr>
<tr>
<td>Identification-based trust</td>
<td></td>
<td></td>
<td>10.72 (p&lt;0.001)</td>
<td>0.15 (p&lt;0.01)</td>
<td>Partial</td>
</tr>
</tbody>
</table>

6. DISCUSSIONS AND IMPLICATIONS

The potential of the social commerce website as a brand promoting medium has been widely appreciated. With the rapid development of social commerce websites, understanding user trust in this new context is one of most important and yet-to-be solved issues. Based on a thorough literature review, we identified trust in social commerce websites includes trust in the information (i.e., information-based trust) and trust in the members on the site (i.e., identification-based trust). Based on the trust transferance theory (Kim, 2008), we investigated how the two types of social commerce trust can impact customers’ trust in the company. Furthermore, we consider customers’ characteristics in trust development by examining how their prior experience impacts social commerce trust and trust transfer process. We empirically examined our research model by using the brand page in Sina Microblog as an example of social commerce websites. Our results suggest that both information-based and identification-based trust in a company’s brand page are good predictors of customers’ trust in a company. Our results also suggest that when customers have a rich prior experience with a company, they tend to depend less on information-based brand page trust to form their company trust.
However, their prior experience has no direct effect on their trust development in brand pages. This indicates that the customers don’t recognize the quality of a company’s brand pages as exactly the same with the quality of a company. When developing their trust in a brand page in social commerce, they still rely heavily on the trustworthiness of information and of other members on a brand page.

Furthermore, this study has investigated the distinct role of social commerce trust, company trust, and eWOM intention in a nomological network. The results show that the two factors of social commerce trust (information-based and identification-based) significantly influence company trust, which in turn influences eWOM intention. In this relationship, the effects of information-based and identification-based trust, respectively, are partially mediated by company trust. It implies that company trust, as a mediating attitude, plays a significant role in predicting users’ behavioral intentions in social commerce websites. In addition, identification-based trust in a brand page directly influences users’ eWOM intention. This finding is consistent with previous studies arguing that eWOM communication depends largely on the connection and trust among people (Jansen, et al., 2009). However, contrary to our hypothesis, information-based trust in social commerce does not directly predict eWOM intention. One possible explanation may be that, since the band pages usually post some other information besides brand promoting, users who trust in the information on a brand page may not necessarily develop trust to the products of the brand, thus they may not convey eWOM to others. Moreover, based on our results, trust in a company is a salient factor influencing eWOM intention. This finding is also consistent with many previous studies such as Palvia (2009) and Mukherjee & Nath (2007).

On the other hand, Ng (2013) argued that trust in a company’s social network community could also directly influence users’ behavioral intentions towards the company.

### 6.1. Implications for Theory

This is one of the very few researches that provide a holistic overview of user trust in social commerce websites. This study contributes to theory by developing a trust-based model which provides new insight on users’ eWOM behavior in the context of brand pages in social commerce websites. Trust is a vital concept that has been discussed extensively by previous studies in different contexts. Given the rapid development and application of social commerce websites, this study is a response to the call for a deeper understanding of user trust in this research filed.

Our results empirically demonstrated the significance of social commerce trust in building company trust and eWOM intention. In particular, this study indicated that users evaluate the trustworthiness of a social commerce website in two dimensions: information-based and identification-based. With reference to the prior development of information-based trust in different contexts (Kim & Han, 2009; Rahimnia & Hassanzadeh, 2013), this study advances the understanding of information-based trust by applying it in the new context of social commerce websites. In addition, since social connection and interaction are key features of social commerce websites, the understanding of interpersonal trust is of great significance in trust theory development in this area.

This study also confirms that trust transference theory helps in explaining eWOM intention in social commerce websites. This finding is consistent with that of Ng (2013), whose study shows that users’ trust in their close social networking community may be transferred to trust in the firms in the social networking community. Our study contributes to the trust transference theory by applying it in the context of social commerce. This study serves as a basis for future study to explore more transference-based trust relations in social commerce.

This study also contributes to the trust transference theory by considering the the moderating effect of users’ prior experience during the trust transfer process. Many prior studies apply the trust transfer theory without considering user attributes which could influence the process of trust transferring (e.g.,Yang, Huang, & Xu, 2008). However, Akter et al. (2011) argues that trust is a context-dependent construct, which suggests that consider users’ own experience would provide a more comprehensive understanding of how trust operates in a certain context. Therefore, by exploring the moderating
effects between trust transfer in the social commerce context, this study contributes to the theory development of trust transfer.

Furthermore, this study contributes to research on eWOM via social commerce websites. The distinct characteristics of social commerce websites are believed to substantially impact eWOM branding (Jansen, et al., 2009). This study explains the eWOM brand effect in social commerce website from a perspective of trust transfer, which contributes to the understanding of customers’ eWOM behaviors in social networking context. The research findings in this study serve as a guidance for future studies to explain eWOM effects on a theoretical base.

6.2. Implications for Practice

Social commerce websites are believed to have prominent features in driving value for both companies and users. Therefore, a better understanding of users’ trust and its impacts on eWOM intentions may provide guidance for the design, development, and operation of brand pages in social commerce websites. Our study has proven that users’ trust in the information and in the members of a social commerce website may result in a stronger sense of trust in related company, and may drive users’ intention to spread eWOM to their connected friends. Therefore, managers of social commerce websites need to focus on improving the information trustworthiness, including the accuracy, validity, objectivity, and so on. It is also important to facilitate the mutual trust among members on the social commerce website (Hajli & Khani, 2013). For example, more discussions and activities could be organized to facilitate the opinion exchanges among users and thus proved a platform through which trust could be built. Credibility could also be marked with customers who post high quality information. In addition, since company trust is a key mediator between social commerce trust and eWOM intention, more brand promoting information could be posted on the social commerce website to improve user perceptions of the integrity, benevolence, and competence of the company. Moreover, our study found that when customers have a rich prior experience with the company, they tend to depend less on social commerce trust to form company trust. Accordingly, when facilitating company trust, managers of the brand page may focus on customers’ level of prior experience. For customers with less prior experience, more resources should be provided to them in the social commerce website in order to develop their trust.

6.3. Limitations and Future Research Directions

This study has a number of limitations which may restrict the generalizability of the findings, and which could be addressed in future research. Firstly, the research model proposed in this study focuses only on the trust perceptions of users as influencing factors of their eWOM intention in social commerce websites. The model explains 59% of the variance in eWOM intention. Although in the context of IS research it would be considered a high R² value, future studies should continue to enrich our understanding by adding further, relevant factors that may enhance the power of social commerce websites as a eWOM branding tool. Secondly, this study did not cover system factors of social commerce websites. Future research is encouraged to explore other factors related to social commerce systems such as operating environments (e.g., service reliability) and user-friendly interfaces. Third, customers may have already developed company trust before they follow a company’s social website, and such company trust could reversely influence social commerce trust. Although this study has controlled the effects for customers’ prior experience on social commerce trust and trust transfer process, we did not directly measure customers’ company trust before they follow the brand page in social commerce. Future studies could address this limitation by assessing how company trust impact on social commerce trust. Last, although there are various applications of social commerce websites worldwide, this study only focused on the brand page in a Chinese Microblog site as an example. It may be of benefit to replicate the study in a different social commerce website and different location and examine any differences in findings. Cross-national studies are also encouraged, specifically those examining the role of culture in this context.
7. CONCLUSION

This study is one of a very few emerging works to have empirically investigated user trust and its impacts on eWOM intention in social commerce context. One of the key contributions of this study is having broadened the understanding of consumer trust in the social commerce website. In particular, we have specified social commerce trust as including information-based and identification-based trust. These two dimensions of social commerce trust better predicts users’ trust in a company and eWOM intention in the social commerce context. In addition, we applied the trust transference theory to investigate how users’ trust in a social commerce website may be transferred to their trust in a related company. The results support the proposed model and highlight the mediating role of company trust between social commerce trust and eWOM intention. This study may serve as catalyst for research in social commerce, and provide a stepping-stone for deeper understanding in user attitudes and behaviors in social commerce websites.
References


Hajli, M., & Khani, F. (2013). Establishing trust in social commerce through social word of mouth. *International Journal of Information Science and Management (Special Issue (ECDC)), 39-53.*


<table>
<thead>
<tr>
<th>Constructs</th>
<th>Questionnaire items</th>
<th>Sources</th>
</tr>
</thead>
<tbody>
<tr>
<td>Information-based trust (INBT)</td>
<td>INBT1: I think that the information offered by this brand page is sincere.</td>
<td>(Yang W. Lee, 2002)</td>
</tr>
<tr>
<td></td>
<td>INBT2: I think that the information offered by this brand page is honest.</td>
<td></td>
</tr>
<tr>
<td></td>
<td>INBT3: This brand page does not make false statements.</td>
<td></td>
</tr>
<tr>
<td></td>
<td>INBT4: I think that the information offered by this brand page is trustworthy.</td>
<td></td>
</tr>
<tr>
<td>Identification-based trust (IDBT)</td>
<td>IDBT1: I can talk freely to the members of this brand page about product-related issues.</td>
<td>(Hsu, et al., 2007)</td>
</tr>
<tr>
<td></td>
<td>IDBT2: If I share my problems with members on this brand page, I know they will respond constructively and caringly.</td>
<td></td>
</tr>
<tr>
<td></td>
<td>IDBT3: I know most members on this brand page will do everything within their capacity to help others.</td>
<td></td>
</tr>
<tr>
<td></td>
<td>IDBT4*: I know most members on this brand page are honest.</td>
<td></td>
</tr>
<tr>
<td>Prior experience (PE)</td>
<td>PE1: I have purchased a lot of products from this company before I follow its brand page.</td>
<td>(Bart, Shankar, Sultan, &amp; Urban, 2005)</td>
</tr>
<tr>
<td></td>
<td>PE2: I bought products frequently from this company before I follow its brand page.</td>
<td></td>
</tr>
<tr>
<td></td>
<td>PE3: I consider myself to be quite knowledgeable about this company before I follow its brand page.</td>
<td></td>
</tr>
<tr>
<td>Integrity (INT)</td>
<td>INT 1: The company of this brand page is truthful in its dealings with me.</td>
<td>(McKnight, et al., 2002)</td>
</tr>
<tr>
<td></td>
<td>INT 2: I would characterize the company of this brand page as honest.</td>
<td></td>
</tr>
<tr>
<td></td>
<td>INT 3: The company of this brand page would keep its commitments.</td>
<td></td>
</tr>
<tr>
<td></td>
<td>INT 4: The company of this brand page is sincere and genuine.</td>
<td></td>
</tr>
<tr>
<td>Competence (COM)</td>
<td>COM 1: The company of this brand page is competent and effective in providing service.</td>
<td>(McKnight, et al., 2002)</td>
</tr>
<tr>
<td></td>
<td>COM 2*: The company of this brand page performs its role of providing service very well.</td>
<td></td>
</tr>
<tr>
<td></td>
<td>COM 3: Overall, the company of this brand page is a capable and proficient service provider.</td>
<td></td>
</tr>
<tr>
<td>Benevolence (BEN)</td>
<td>BEN 1: I believe that this company of the brand page would act in my best interest.</td>
<td>(McKnight, et al., 2002)</td>
</tr>
<tr>
<td></td>
<td>BEN 2: If I required help, this company of the brand page would do its best to help me.</td>
<td></td>
</tr>
<tr>
<td></td>
<td>BEN 3: This company of the brand page is interested in my well-being, not just its own.</td>
<td></td>
</tr>
<tr>
<td>Electronic word of mouth intention (eWOM)</td>
<td>WOM1: I would like to introduce the company of this brand page to others.</td>
<td>(Kim, Choi, Qualls, &amp; Han, 2008)</td>
</tr>
<tr>
<td></td>
<td>WOM2: I would like to recommend the company of this brand page to others.</td>
<td></td>
</tr>
<tr>
<td></td>
<td>WOM3: I would like to say positive words about the company of this brand page to others.</td>
<td></td>
</tr>
</tbody>
</table>

*Items deleted for low factor loading.