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Investigating the Importance of Trust Psychologically Based on Self-Determination Theory

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Abstract:"Trust" has been studied by different experts in the field of business particularly in e-business. As reasons regarding trust's importance has not been studied yet, this research concentrated on "why" trust is so important in business area. Toward this, the trust is analyzed psychologically using self-determination theory. For this purpose, deep interviews are performed which fourteen interviewees attended and responded to the questionnaires. According to the SDT, human's needs include three different kinds psychologically; competency, relatedness, and authority. Since trust associates with the sense of cheating, resulting that sense affects the need for competency and relatedness as well. Moreover, a customer worries to be cheated by feeling a sense of incompetency where the society may have negative reactions, leading to explore the reliability by customers. Therefore, cheating has its negative influences on needs for competency and relatedness. Consequently, customer initially attempts to decrease the intermediaries before purchasing and then he/she highly will enclose his/her experience with the society.

Keywords: trustpsychological needs, self-determination theory, competency, relatedness

1. INTRODUCTION

Trust plays a pivotal role in business, both micro level and macro level [1]. In the macro level, trust has been discussedas an important factor that forms social capital. In the micro level also without trust exchange barely takes place. Trusthas rooted in security need. It means without sense of security from the partner, trust would not be formed.Need introduced in Levitt article for the first time. He highlighted need in marketing by presenting "marketingmyopia". He believed that if the business focusses on customer need, the chance of success will be more. [2] WhatLevitt presented in his article referred to functional role of product and needs which functional roles can satisfy. Butover time and because of different issues such as competition and improving the level of well-being in the society,psychological needs become more important. Need for security is the first psychological need of customer and trustis a criterion for satisfying this need.In this paper, we are going to investigate the trust based on self-determination theory.

2. SELF-DETERMINATION THEORY

Self-determination theory (SDT) is a new theory of motivation, needs and development. [3]- [4] Self-determinationtheory postulates that human beings have three inherent psychological needs: the needs for competence, relatednessand autonomy. SDT depict needs as universal necessities. So, these needs are not learned but are innate and thus areindependent from gender, culture and time. To the extent that the needs are thwarted, one would expect to findpassivity, ill-being, and fragmentation and alienated functioning. SDT posits that human beings have both self-orientedand socially-oriented psychological needs, which are labeled 'autonomy' and 'relatedness'. [5] Autonomy involves thedesire to 'self-organize experience and behavior, and to have activity be concordant with one's integrated sense ofself' [6]

SDT argue individuals seek autonomy and self-expression within the context of social relationships. In particular, thetheory focuses on the factors that enable individuals to meet their psychological needs when they

are in a lower-powerposition.

The need for competence highlights inherent desire of people to be effective in dealing with the environment.Throughout life, people engage their world and try to master it and to feel they can manage it. The need for relatednessconcerns the universal propensity to have interaction with others. A lot of human activities are directed to havebelongingness feeling. Finally the need for autonomy referred to people's universal urge to be causal agents toexperience volition to act in accord with their integrated sense of self and to endorse their actions at the highest levelof reflective capacity. To be autonomous does not mean to be independent of others, but rather it means to feel a senseof willingness and choice when acting whether the actions are independently initiated or are in responsible for a requestfrom significant others.

Because these needs are essential, people tend to those situation that can satisfy their needs better and away from thosethat thwart their needs. However, human behavior is not specifically intended to satisfy its basic needs. Rather theydo what they tend based on their inner preferences and personality to satisfy their needs. [7]
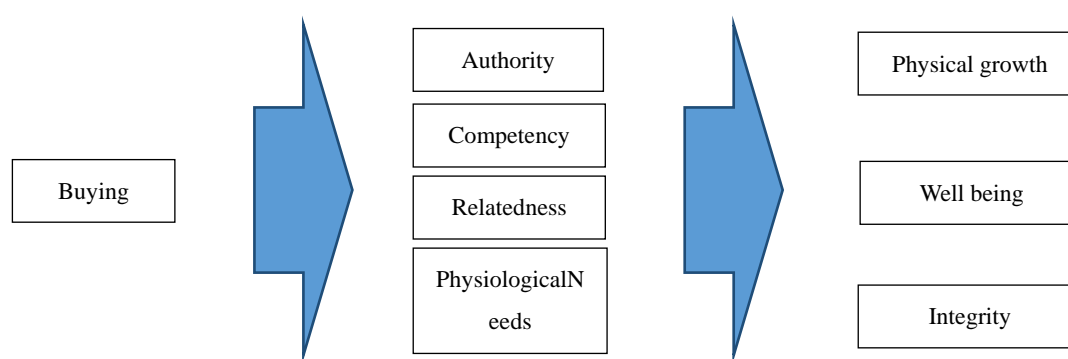

Figure 1: The effect of buying on customer needs and customer main goals

3. TRUST

Trust is a key facilitator of commerce especially of electronic commerce. [8]- [9] Trust includes two basic types, namelydirect trust and third-party trust. Direct trust is a trust relationship which develops between the two parties bythemselves. Third-party trust is a trust that develops between the two parties by intervention of a third party. In fact,the third party assures the security of the relationship. Third party trust is of especial importance in the e-commercebecause it is very common that in online transactions two parties be unfamiliar to each another. [10] Today, trustedrelationships are not created only between people or between people and organizations but can also be found betweenpeople and computing systems, or people and shopping agents. [11]

The challenge is that both the virtual and global context of e-commerce impede trust in its development as trustrequires face to face interaction, the very activity that virtual e-commerce eliminates. According to Handy (1995) "themore virtue the organization, the more its people need to meet in person". [12] Virtuality requires trust to make it work.In the virtual world, the customer doesn't have direct control over the actions of the seller. In virtual form trust is theprimary means of social controls and co-ordination. [13] Trust counteracts risk of opportunistic behavior and as a result, it can limit the transaction costs associated with an electronic exchange.

Trust is not specifically just between two people. It can be transferred from person to brand but not from our ownexperience but through recommendations of people who belong to our close social environment, such as family andfriends. [14]

4. METHODOLOGY

We applied deep interview in this research and focus on the importance of trust and its psychological roots. Weinterviewed with 14 persons in different gender and age. We asked open questions about pre-purchase,

purchase andafter purchase.

5. DISCUSSION

Trust and security are two construct that depend to each other extremely. People sense security when they can trust toanother part and trust when sense that their partner is secure. These two constructs are very important in the traditionalmarketing. In internet marketing also trust plays more important role.One reason is that in the e-commerce customer should trust on more factors. In traditional commerce, customers justcounteract with a sales person or company but in the e-commerce there are more factors. In the e-commerce, customerfirst should trust the e-seller for the quality of products, because they cannot check the product tangibly and also theyare not sure about receiving the bought product. After choosing the product then customer is conducted to bank webpage to pay the price. And customer again should trust to the bank. So traditional commerce needs less trust ratherthan e-commerce.

As we mention before trust has two kinds: direct trust and third party trust. In the third party trust, a partner trust tohis/her partner because of the third party. In fact, the third party has a duty to develop the trust between trustor andtrustee. So what that is important in this kind of trust, is the reputation and the process of the website.Martin: I don't buy from all web sites. In china, I prefer to buy from JD, because JD is a B2C and can be trusted easily:

Zahra: in my country I just buy from DiJi because all products are original. I trust to this website because I counteractwith the website which is famous, not other partners who I don't know them. So I can't trust on Taobao.

Masu: I cannot trust on Taobao because although the security of this website is ok, but the product may be fake. I meanthe actual seller is not trustable.

Thus the intervention of the website and the reputation of the website especially for C2C and B2B websites are veryimportant. But why trust is so important?

The main goals of people are physiological growth, well-being and integrity [15]. All of actions in our life, includingbuying, is toward these main goals. These goals can be achieved through satisfying three basic needs. Human basicneeds are psychological but physiological need also affect them. These three basic needs are competency, relatednessand authority. People shall cost to achieve higher well-being so are going to gain the maximum well-being. But ifindividuals don't obtain what they demand, not only don't achieve their goals and sense satisfaction but also have anegative effect on their psychological needs.Customers in this situation feel incompetency because another person might utilize from what they have earned – theirmoney.

Markov: I don't have a good feeling because I am cheated. I feel I am an incompetent man.

Ali: I feel I've been humiliated

Gol: I feel my money has been stolen and I blame myself.

All people look for competency but when a customer is cheated, not only his/her needs for competency don't meet,but also customer feel incompetency because of losing his/her money and being cheated from another person that canbe a sign of being gullible. Trust in exchange is more important rather than common counteraction in the society. Asin the exchange, customer should cost, so through buying one thing customer will be divested from similar onesbecause of limitation in the budget.

Being cheated has negative influence also on relatedness need. This happens especially for symbolic brands. Customerbuys a symbolic brand to express him/herself in the society. When the product is fake, others may

don't give him/hergood feedback. The importance of this note – relatedness- refers to the other factors such as personality that customerhave extroversion either introversion personality.
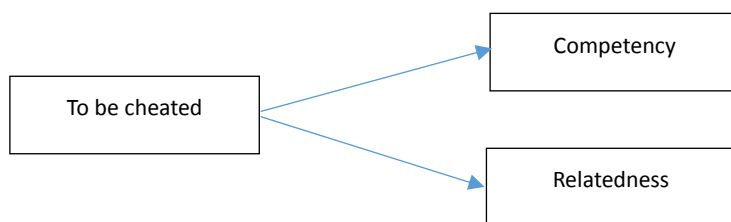

Figure 2: effect of being cheated on psychological needs

The reaction of the customer in this situation is considerable. They try to acquit themselves by incriminating the sellerand the company. They explain their negative experience to other people to convince them that they are competentpeople and the seller or company was dishonest. They state the story in such a way that the audience would not feelthey are simpleton.

Kyan: I was not going to study in this university. I have admission from one famous universities of Europe but oneperson who takes money from this university showed some certificates that this university is as same as that Europeanuniversity but cheaper.
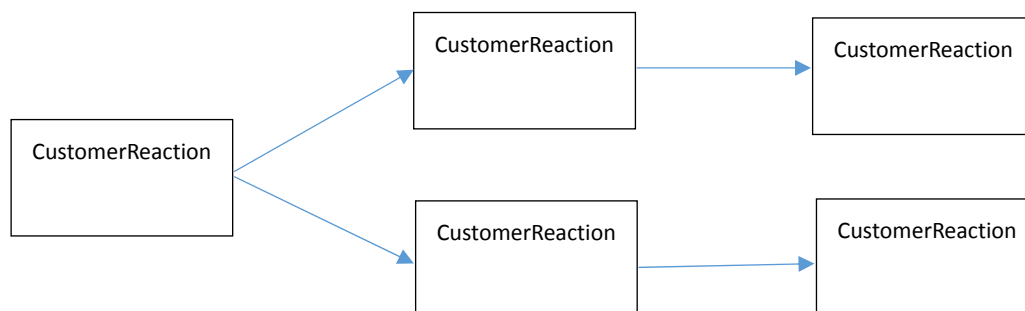

Figure 3: the reaction of the custome

6. CONCLUSION

Trust is one behavioral factor which plays an important role in business and the exchange cannot occur with trust'sabsence. Since the number of intermediaries has increased notably trust in the e-commerce is more highlighted. Thequestion of our research is that why trust is so important psychologically? In this research, SDT has been utilized toanalyze the trust's importance. SDT is a theory in social psychology containing a comprehensive view to the humanneeds. According to SDT, human have three basic needs: need for competency, relatedness and authority. In this study,deep interviews are conducted which nine interviewees participated and replied to the questionnaires. In thosequestionnaires, we asked open questions related to the trust in shopping procedure. The findings demonstrated thatindividuals try to purchase from reliable sellers as they worried to be cheated by unreliable people. It should bementioned that cheating has negative influences on people psychologically. Being cheated causes people feelincompetency because they have been supposed as a gullible man. It also has negative effects on need for relatednessespecially for symbolic brands. Reaction of customers in this situation includes sharing their negative experience with the society to blame the seller and express their competency to the individuals and society.

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