Co-Design and Trust in Social Network’s Websites

Jyh-Jeng Wu¹, Shu-Hua Chien², Khash-Orgil Gansukh¹, Xin-Jiao Yang¹

¹Department of Business Management, National United University, Taiwan
²Department of Insurance and Finance, National Taichung University of Science and Technology, Taiwan
Email: jjwu@nuu.edu.tw, chien9149@nutc.edu.tw, jjj141001@gmail.com, a0930966728@gmail.com

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Abstract

This research is focused on internet shoppers co-design, individual tendency of trust, trust belief, and purchase intention. An online questionnaire was set out in survey form on Google Docs in order to collect data. The survey was conducted of participants in Mongolia. 236 usable responses were obtained from Mongolian potential customers in order to examine constructs. The findings suggest that co-design and individual tendency of trust have significant positive effect on the trust levels throughout intention to purchase.

Keywords

Co-Design, Trust, Purchase Intention

1. Introduction

Recently, there has been still growing interest in an online environment over the world. The usage of the internet tends to increase year by year. Since 2000, 360,985,492 users were reported by Internet World Stats; moreover, the usage of Internet users has increased by 566.4% to 2,405,518,376 users by the end of 2012 [1]. Market of online shopping is hoisted constantly due to the high population of the Internet users. Mongolia is one of the countries that have experienced a high GDP growth rate in the economy. In particular, the GDP growth rate went to 18.1% in 2013, ranked at first among other economies (Top Growers economist.com). Due to the higher growth rates, Mongolia has attracted many international investors and firms.
2. Literature Review

2.1. Mongolian Internet Environment

Mongolian 1990’s peaceful democratic revolution, the science technology was carried on to develop at a whole new level. After the democratic evolution, internet was established in 1995. Since 2009, there have been introduced e-postal services, e.g. Post-SMS through [https://postnews.mn/](https://postnews.mn/). Tourist center and e-Post, a digital post-delivery box. As a consequence of these services, citizens and travelers are able timely to receive information on parcels, and other postal activities through e-mail and SMS. Mongolia is the most sparsely populated independent country in the world. It is a serious constraint to countrywide Internet deployment, but International Telecommunications Union reported, in 2012, usage of internet is over 16.4% (521,520 users) of the population.

As can be seen from Figure 1 and Figure 2, the social network’s popularity among Mongolian, including: Facebook, Twitter, YouTube, Biznetwork, Instagram, Viber. Population of Facebook is increased in end of the 2013 by 598,000. According to an analytical report, a usage rate of Facebook is significantly dominated 68.9% of the Mongolian users between the age of 18 - 35. With respect to the information, People of Mongolian usage of the internet tend to increase as an internet environment develops.
2.2. Co-Design

Authors who have tackled the theme of co-design include Penaloza and Venkatesh [2] who, in their writings, ascribe social construction to the active role of the consumer, in the sense that it enriches the products with meanings and symbolisms by their participation to design. By co-design Sanders and Stappers [3] indicate collective creativity as it is applied across the whole span of a design process.

2.3. Individual Tendency of Trust

Individual tendency of trust represents the internal traits that drive the individual behavior tendency to trust [4]. Individual tendency is important to the extent that it determines if one believes that nonspecific individuals or institutions are trustworthy. McKnight, and Chervany (1998) refers individual tendency of trust as the reliance of the trustee before the relationship is developed. Whitener, Brodt, Korsgaard, and Werner [5] suggest that the individual tendency to trust is a critical factor influencing the initial trusting formation when the information is incomplete. The high individual tendency to trust implies a positive personal trait to embrace wide spectrum of humanity and be more open to new situations and experiences. Individuals with a high tendency tend to develop trust toward the website from the initial contact (Moorman, Rohit, and Gerald, 2002).

2.4. Trust Belief

Trust refers to when an individual person feeling assurance while experiencing vulnerable, uncertain, or risky circumstances [6] [7]. In the online market relationship, a consumer/customer represents the trustor and a retailer represents the trustee [8]. Mayer, Davis, and Schoorman [8] distinguished between trust and trustworthiness, with trustworthiness being antecedent to and driving trustors’ levels of trust placed in the trustee. Mayer, Davis, and Schoorman [8] determined that there are three prime factors of trustworthiness: benevolence, integrity, and ability.

2.5. Purchase Intention

A great deal of recent research has demonstrated that greater trust is associated with stronger purchase intention [9] [10]. On the other hand, without trust, it is barely possible to persuade consumer to persuade them that the brand is worthy to purchase. In today’s market buyers have a great deal of choices from which to select [11]. Therefore, co-design affects purchase intention as a function of the way that it invokes trust of a brand. Finally, existing studies show that trust affects relationship commitment [12]. When a consumer has a higher degree of trust to the seller, the consumer will elicit higher degree of purchase intentions [13] [14]. If a consumer trusts online store, the consumer is likely to form a positive intention to purchase. When customers believe they are capable of performing a task, they will be more likely to engage in that behavior [15]. Similarly, as a co-designer role clarity in participation increases, customers will enhance their understanding of role requirements and be more likely to participate in future intention [16]. Such engagement in the product or service will influence purchase intention.

3. Research Method

3.1. Theoretical Method

The research model of this study is shown in Figure 3. As shown in the research model, there are four major construct in this study: co-design, individual tendency of trust, trust belief, and purchase intention.

3.2. Research Hypotheses

Hypothesis 1: Individual tendency of trust influences trust belief positively.
Hypothesis 2: Co-design influences customers’ trust belief positively.
Hypothesis 3: Trust belief is a mediator for co-design, individual tendency of trust and purchase intention.
H3a: Trust belief is a mediator between co-design and purchase intention.
H3b: Trust belief is a mediator between individual tendency of trust and purchase intention.

3.3. Measurement of Variables

The questionnaire classified into 24 questions of six sections: “co-design (8 items)”, “individual tendency of trust
In co-design construct, all of eight items above 3.43 which means the mean value was tend positive scale of measurement. Another four items of construct individual tendency of trust are averaged above 3 mean value. The questions are remarkably agreed by a participant. On the other hand, which means participant has a tendency to develop trust toward the retailer.
4.3. Hypothesis Testing and Regression Analysis

The following suggestions of Baron and Kenny [18] three conditions must be verified in order to prove the effect: (1) the independent variables must be significantly related to mediate variable; (2) the mediate variable must be significantly related to the dependent variable; and (3) when the mediate variable is involved, the independent variables should not be significantly related to or have a lesser effect on the mediate variable.

The results of main and mediator effect analysis are provided in Table 1. Variance Inflation Factor (VIF) values are below 2 across all models, which meet the standards of Hair, Anderson, Tatham, and Black [19], who suggested a VIF of less than 10 as the measurement for collinearity. In other word, multi-collinearity does not exist. As such, the regression model is appropriate. With regards to Table 1 all independent variables significantly effects with the dependent variables. Firstly, the Model 1 is to investigate the mediate effect of co-design and trust belief on purchase intention. Secondly, Model 2 is to test whether the mediate effect of individual tendency of trust and trust belief on purchase intention. Co-design has a significant influence Trust belief is described in Model 1, which is also supporting the Hypothesis 1 with (R² 0.509). Model 2 describes Individual Tendency of Trust has effect on Trust belief, since coefficient value (0.714***) and R2. It is supporting the Hypothesis 2. As result of Model 7, Trust belief has significantly effect on Purchase intention for Hypothesis 3. On the same time, we compare the final results of hypotheses in Table 2.

5. Conclusion

Firstly, the suggestion is trust tendency influence positively toward trusting belief. In addition, when individual trust tendency increases, the buyers have tendency to increase their trust level to the retailer company. Thus, Hypothesis 1 is supported. As a result for Hypothesis 2 is supported, co-design is positive effects to trust beliefs. If a customer allows higher participation in co-design with the company, it appears to have more trust from Table 1.

<table>
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<th>Table 1. Results of regression analysis (N = 236).</th>
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<td>Independent variable</td>
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*p = < 0.05; ** = p < 0.01; *** = p < 0.001

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<th>Table 2. Results of hypotheses.</th>
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<td>Hypotheses</td>
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<td>H1. Co-design has positive effect on trust belief</td>
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<td>H2. Individual tendency of trust has positive effect on trust belief</td>
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<td>H3. Trust belief has positive effect on Purchase intention</td>
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<td>H3a. Trust belief is a mediator between co-design and purchase intention.</td>
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<td>H3b. Trust belief is a mediator between individual tendency of trust and purchase</td>
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consumers. Hypothesis 3 is supported by having the higher trust degree that significantly affects intention to purchase. For the H3a and H3b mediating effect, trust belief has partially mediated with individual tendency of trust, co-design and purchase intention. Thus, all of the hypotheses and mediator have supported.

Limitations and Future Research

Limitation of this study is that data collected from young age groups, ages between 18 and 30. The suggestion for the future study is researcher not just focus on Mongolian consumers, also it could be focused on other countries. Latterly, companies use a co-design, and it is a fairly new concept and new trend in customer-centric marketing. For instance, those companies related to co-design platform that allows customers to customize their chosen products. Therefore, research also could be focus on impact of consumers’ relationship, satisfaction, Word of Mouth, service quality and other consumers’ behaviors.

References


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