

# Chapter XXV

## On the Need to Include National Culture as a Central Issue in E-Commerce Trust Beliefs

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### ABSTRACT

Trust and trust beliefs (trustworthiness) are key to e-commerce success but depend, to a large extent, on culture. With e-commerce being an international phenomenon, understanding the cross-cultural aspects of trust creation is therefore arguably required although mostly ignored by current research which deals almost exclusively with the U.S. This exploratory study examines whether definitions of trust beliefs as conceptualized and verified in the U.S. apply in Israel which differs markedly in individualism, uncertainty avoidance, and power distance. The data, cross-validating the scale of trust and its antecedents in both cultures, generally support the proposition that trust beliefs apply across cultures, and may be a relatively unvarying aspect of e-commerce. However, as expected, the effects of predictability

and familiarity on trust beliefs may differ across national cultures. Implications about the need to include national culture in the research on trust, in general, and in e-commerce in particular, are discussed.

### INTRODUCTION

Despite the differences national culture can cause in e-commerce behavior (Kacen & Lee, 2002; Lynch & Beck, 2001) and despite e-commerce becoming global, research on trust and trust beliefs in e-commerce has mostly ignored the possible effects of national culture.<sup>1</sup> With few exceptions (e.g., Jarvenpaa & Tractinsky, 1999), trust in e-commerce research has been conducted almost exclusively in the U.S. Yet the U.S. is in some regards a unique national culture because

of its patently high degree of individualism and relatively low degree of uncertainty avoidance (Hofstede, 1984), degrees so different from other national cultures that concerns have been raised in other realms of research as to whether research based on the U.S. can be generalized to other countries (Bagozzi, Wong, Abe, & Bergami, 2000; Hofstede, 1980b).

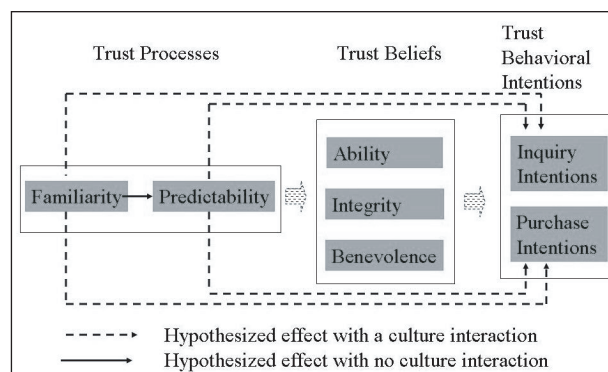
The underlying proposition of this study is that if national culture and trust are closely related, as proposed in theory (Doney, Cannon, & Mullen, 1998; Fukuyama, 1995; Hofstede, 1984) but not yet verified, then research on trust should include national culture as a prime aspect. This proposition is examined in the context of e-commerce because trust and trust beliefs are major players in e-commerce adoption (Gefen, 2000; Gefen, Karahanna, & Straub, 2003a; 2003b; Kim, Xu & Koh, 2004; McKnight & Chervany, 2002; Pavlou, 2003; Pavlou & Gefen, 2004). Trust in the context of e-commerce has generally been treated as even more significant than in other settings because of the lack of personal contact and the lack of social cues in e-commerce (Gefen et al., 2003a).

Accordingly, the objectives of this study are twofold. First, to verify that the psychometric

properties and nomological validity of trust beliefs as created in research about the U.S. applies elsewhere. And second, to verify that the way trust is created and the way it affects e-commerce does vary by culture.<sup>2</sup>

The research model is presented in Figure 1. Trust building processes, namely familiarity and predictability, are hypothesized to affect the three trust beliefs, which in turn, are hypothesized to affect behavioral intentions. The trust beliefs are proposed to apply to both cultures, although the trust building processes are hypothesized to differ in their effect. The outcomes of these consumer trust beliefs are (1) a willingness to buy online from the vendor (Jarvenpaa & Tractinsky, 1999; Reichheld & Schefter, 2000) and (2) a willingness to window-shop at the online vendor (Gefen, 2000; Gefen, 2002b). These trust beliefs are composed of three distinct beliefs dealing with integrity, ability, and benevolence (Gefen, 2002b; McKnight et al., 2002). The effect of national culture on trust beliefs is based on Hofstede (1984) and Doney et al. (1998) and examined by comparing the same model with data collected in the U.S. and Israel.

*Figure 1. Research model*



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