



Investigating the Effect of Social Media on Trust Building in Customer-Supplier Relationships

Fabio Calefato, Filippo Lanubile, *Nicole Novielli*

Department of Computer Science
University of Bari



Collaborative Computing @University of Bari



Fabio Calefato
Postdoc research
assistant



Filippo Lanubile
Associate professor



Nicole Novielli
Postdoc research
assistant

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<http://cdg.di.uniba.it>

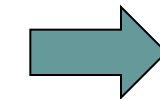
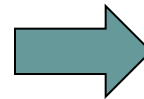
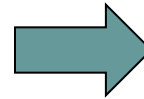
Research activities @ COLLAB



<http://cdg.di.uniba.it>

Active projects

- Machine Translation in Multilingual Requirements Meetings
- Social Awareness in a Collaborative Development Environment
- Social Media and Trust Building in Customer-Supplier Relationships



Open Source Software

- eConferenceMT
- SocialTFS, SocialCDE
- Enterprise Social Aggregator



Goal of the study

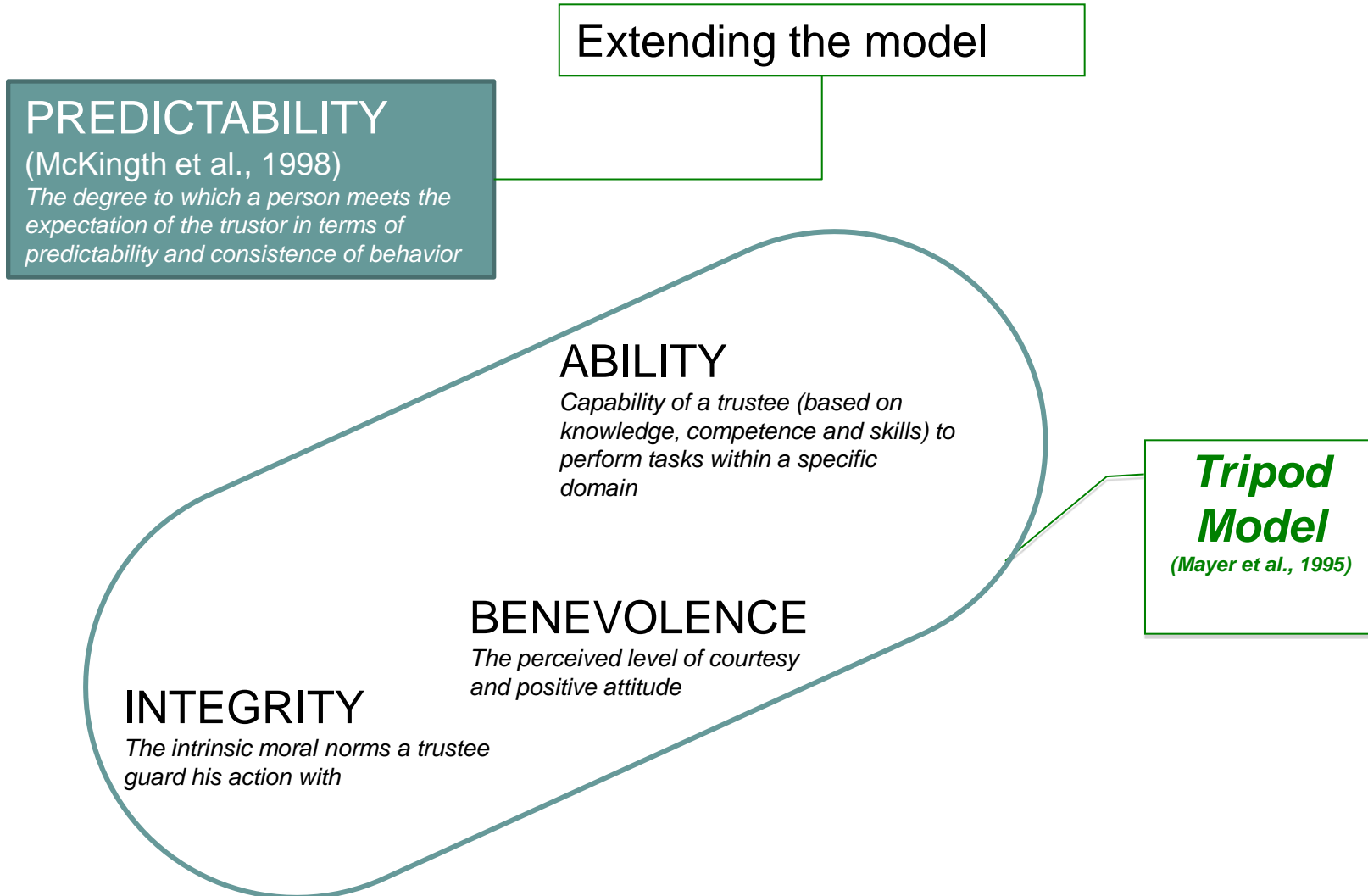
- Understanding the process of trust building towards a SME based on its web presence
 - Perception based on first impression
 - Role of the traditional websites vs. social media in trust building



Trust

- The belief that the trustee will behave according to our expectation
- Key issue in human relationships
 - Virtual teams [Rusman et al., 2010, Hung et al., 2004, Al-Ani et al., 2009]
 - E-commerce [Büttner and Göritz, 2008, Riegelsberger et al., 2003]
- Needs to be established as soon as possible
 - Importance of first impression and information provision on the trustee [Schumann et al., 2012]

Trust Antecedents





Bidimensional model

- **Cognitive Trust:** ‘cognition-based trust results from deliberate assessment of other’s characteristics and the process of weighting benefits of trusting over risks’
- **Affective Trust:** ‘affect-based trust involves one’s emotional bonds and sincere concern for the well being of the others’

Trust Model



Cognitive Trust

(Schumann et al., 2012)

PREDICTABILITY

The degree to which a person meets the expectation of the trustor in terms of predictability and consistence of behavior

ABILITY

Capability of a trustee (based on knowledge, competence and skills) to perform tasks within a specific domain

BENEVOLENCE

The perceived level of courtesy and positive attitude

INTEGRITY

The intrinsic moral norms a trustee guard his action with

Affective Trust

(Schumann et al., 2012)



Research Hypothesis

- H1- Traditional websites (***content-oriented***) and social media (***interaction-oriented***) have a different effect on trust building in customer-supplier relationships.
 - H1a – As compared to traditional websites, ***social media*** enhance ***affective trust*** building in customer-supplier relationships.
 - H1b – As compared to social media, ***traditional websites*** enhance ***cognitive trust*** building in customer-supplier relationships.

Assessing the perceived trustworthiness



- Questionnaire based on Likert scale (1 to 5)
 - integrates guidelines provided by previous studies about trust elicitation and perception based on first impression [Büttner and Göritz, 2008; Rusman et al., 2010]
- 21 Questions related to the ***antecedents***
 - Cognitive trust: 7 items for ability and 3 for predictability
 - Affective trust: 11 items for benevolence
 - We do not assess Integrity as it is peculiar of long-term relationships [Schumann et al., 2012; Rusman et al., 2010]

Assessing the perceived trustworthiness



- Self reporting about perceived trustworthiness
 - Which company do you perceive as the more reliable? Why
 - Which company would you choose for the catering service? Why?
 - Which company seems to be more concerned about the wellbeing and needs of its customers?
 - ...
- Final (exit) discussion between participants and experimenter



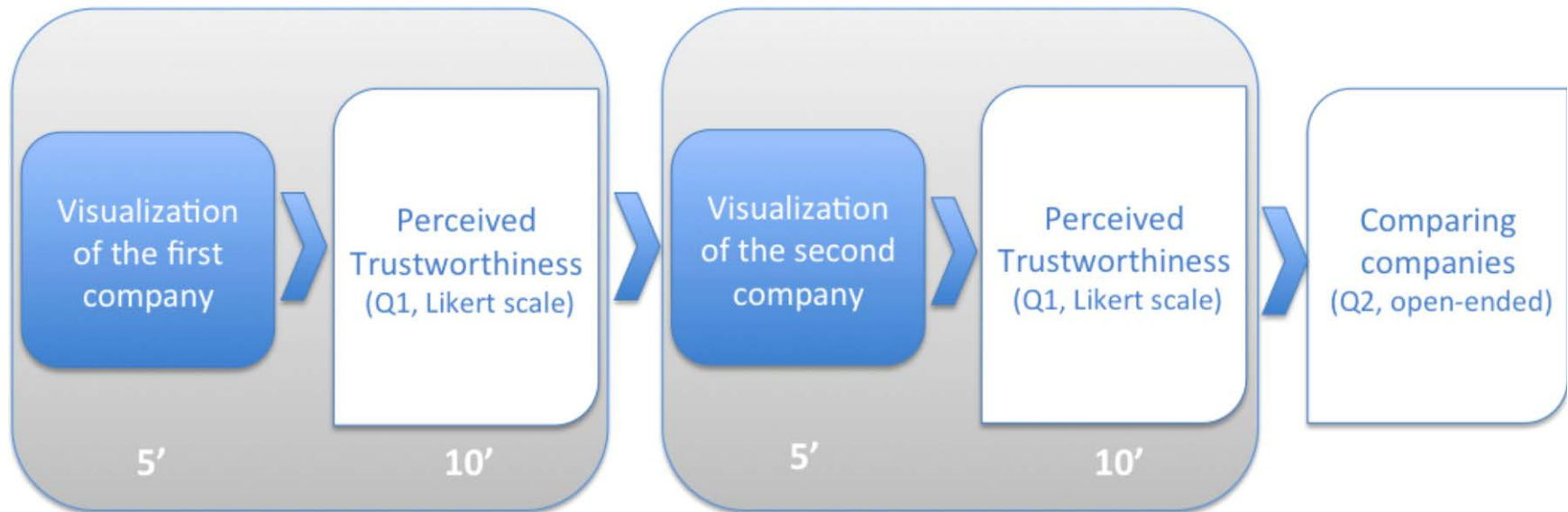
Study design

	Company A	Company B
Traditional Website	Group 1	Group 2
Social Media	Group 2	Group 1

- Dependent variables
 - Cognitive trust
 - Affective trust
- Catering scenario
 - Involves social aspects

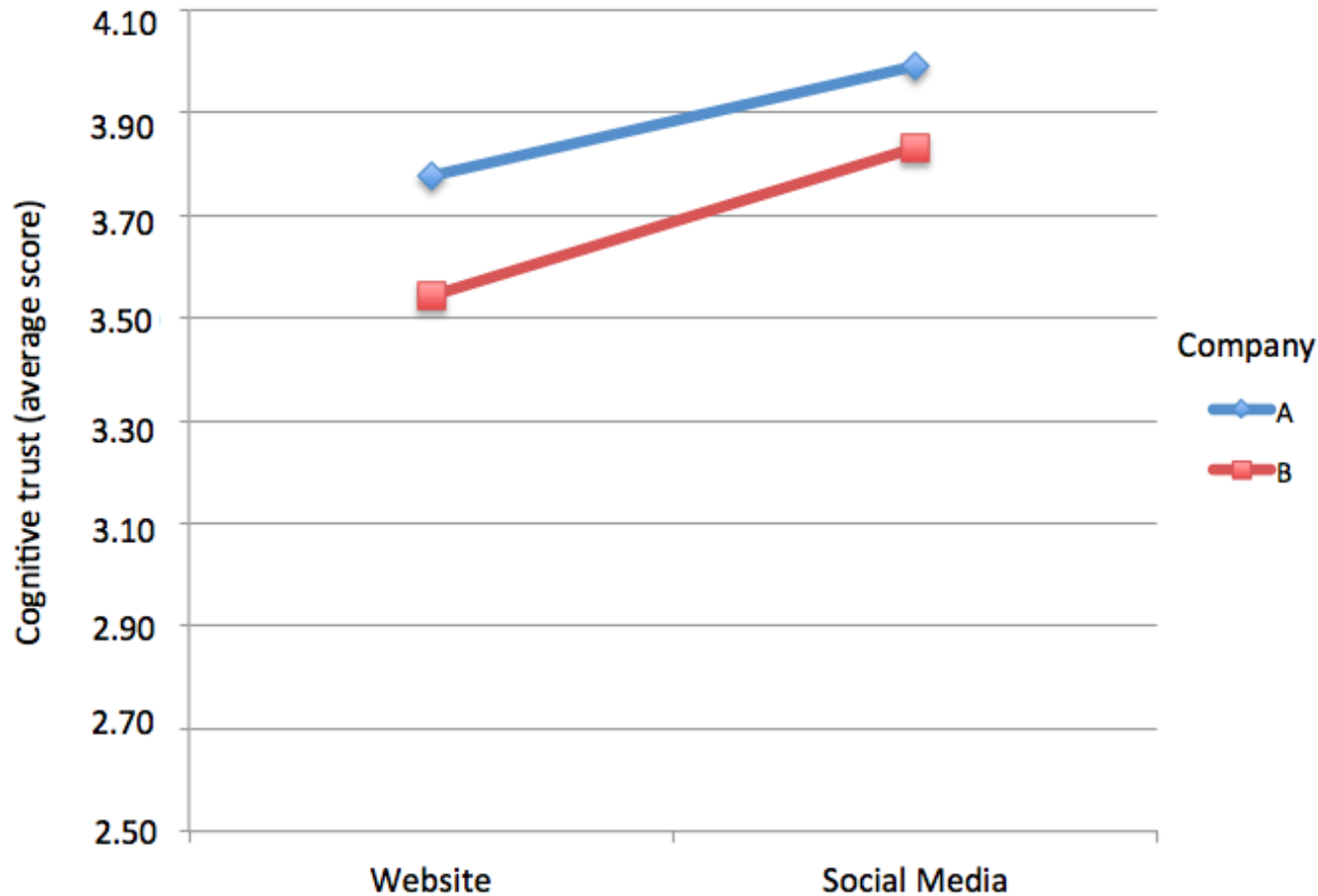


Procedure

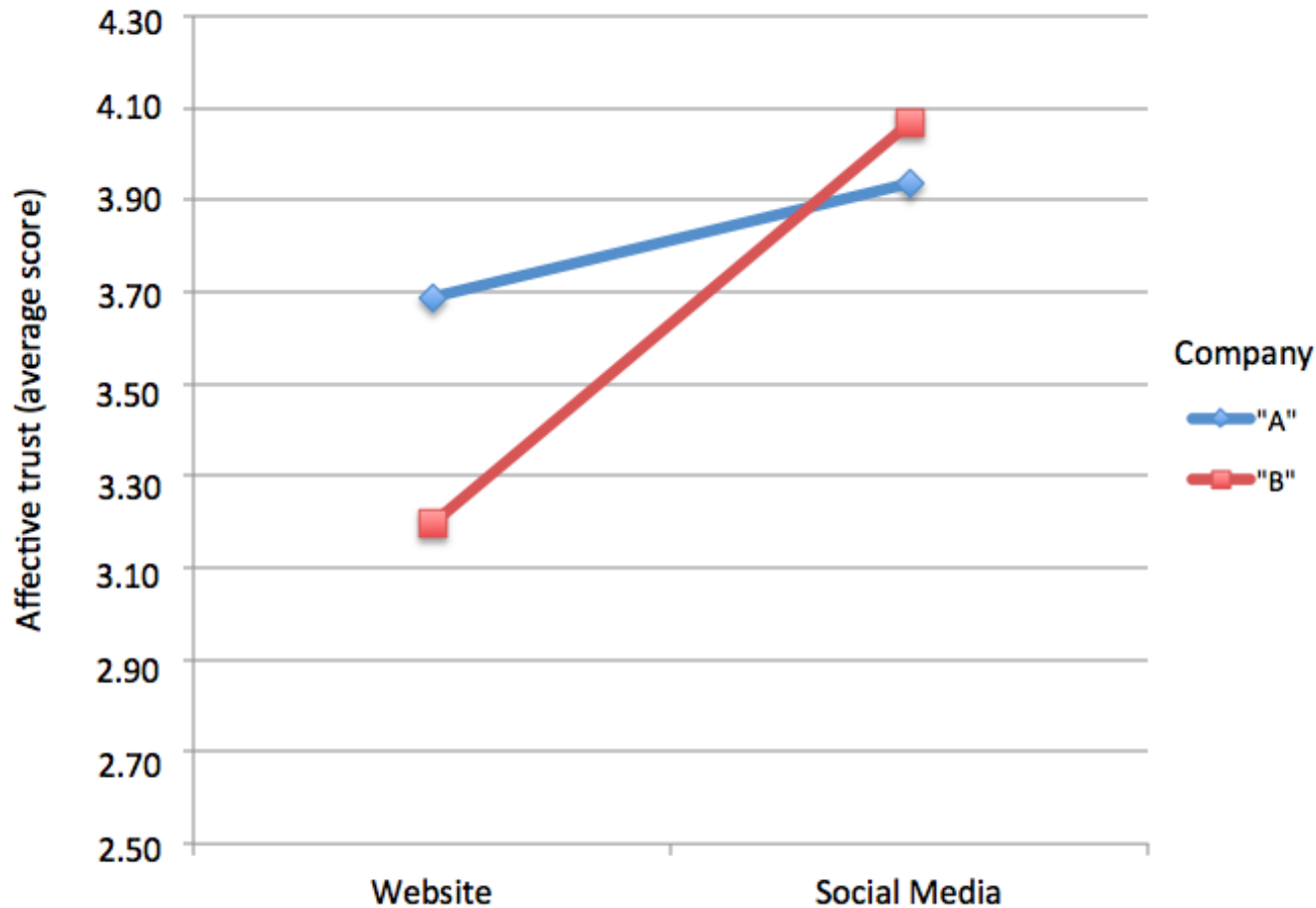


- 19 students from M.Sc. Course in CS
 - 16 males
 - 25 years old (avg)
 - Facebook users on a daily basis
 - They often use the Internet for their purchases

Combined effect of factors on Cognitive Trust



Combined effect of factors on Affective Trust





ANOVA on affective trust for the two companies

Company	Effect of Web Mode	
	F	P
A	1.211	0.287
B	22.152	<i>0.000</i>

- Need for controlling the equivalence of information elements for the two companies in the two web settings in future replications of the study



Replication of the study

	Dependent Variable (TRUST)	F	p
<i>Web Mode</i>	Cognitive	0,003	0,954
	Affective	7,263	0,009
<i>Company</i>	Cognitive	1,52	0,221
	Affective	0,287	0,594
<i>Web Mode * Company</i>	Cognitive	0,982	0,325
	Affective	2,797	0,098

- 44 participants
 - Computer Science master courses and the undergraduate degree in Physics
 - 66% male
 - 24 as average age

Affective Trust	Website	Social Media
Company A	3,65	3,79
Company B	3,36	3,83



ANALYSIS OF SELF REPORTING QUESTIONNAIRES AND INTERVIEWS

Impact of social media on affective trust



- 58% of subjects indicated as ***more benevolent*** the company for which they examined the Facebook page
- ***Openness*** to customers' suggestions and feedback is regarded as a sign of interest in their satisfaction
- Social media used to catch the 'atmosphere' of a work environment
 - i.e. the mood and courtesy of staff
 - the disposition of the owners towards the customers

Impact of social media on cognitive trust



- Presence of social media is perceived as an implicit statement of quality of goods/services
 - The company is directly exposed to customers' feedback
 - The company provides pictures of goods, location and staff

Different roles of websites and social media



- Traditional website is considered as the ‘***business card***’ of a website while Social media are regarded as the way of fostering ***customer loyalty***
 - Establishing personal relationship
 - Openness to customers’ feedback
 - Huge amount of material available

Different roles of websites and social media



- Subjects declare they need both source of information to form their own opinion about unknown companies
 - Social media are accessed first
 - In case of positive opinion the website is accessed
- Social media as a new version of word-of-mouth [Blanchard, 2011]
 - First impression based on social media
- Traditional websites are used to retrieve business related information
 - which goods/services, prices, locations, purchase conditions



Threats to study validity

- External validity: limited possibility of generalizing the findings
 - Same background, same level of familiarity with e-commerce and social media
- Conclusion validity
 - Minimal pool of participants
- Internal validity: study design
 - Both groups evaluated both web conditions but on different companies

Conclusions and Future Work



- Partial support to H1a about social media influencing affective trust building
 - Social media might have a significant role in enhancing affective trust building based on first impression
 - Larger and more varied pool of participants (age, background, gender)
 - Different domains, more control of the information elements
- Call for replications!



Thank you

Fabio Calefato

fabio.calefato@uniba.it

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