

# THE INFLUENCE OF TRUST TOWARDS CUSTOMER PURCHASE DECISION INVOLVEMENT ON COLLABORATIVE CONSUMPTION WITH USEFULNESS OF ONLINE SHARING REVIEW AS INTERMEDIARIES

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*Abstract. Background: In recent years, collaborative consumption has become a new trend in a business world. How people let everyone has the access of their assets to strangers sometimes might lead to trust issues. Through the creation of online review the collaborative consumption company has tried to conquer the issue since online review categorized as one of the powerful key resources for customer to consider on their purchase decision involvement. Purpose: This study expected to analyze the influence of trust and usefulness of online sharing review to the customers purchase decision involvement in the context of collaborative consumptionn platforms. Methods: As collaborative consumption, Airbnb has chosen as the object of this research. The data from this research will be gained by distributing an online questionnaire to its user in Java Island. The questionnaire will involve 400 respondents and the data will be analyzed using quantitative method by partial least square – structural equation modelling and sobel test is needed to check the mediating relationship for usefulness of online sharing review. Findings: This study reflects that trust has a positive correlation to purchase decision and usefulness of online sharing review has an important mediating role in this case. Originality/value: This research can facilitate the collaborative consumption platforms by the understanding on how important the online review written in the platforms for the customers purchase decision involvement.*

*Keywords: Collaborative Consumption; Trust; Usefulness of Online Sharing Review; Purchase Decision Involvement*

## INTRODUCTION

Collaborative consumption defined as the new trend of sharing product ownership. Instead of directly selling or buying certain products, people nowadays are more inclined to rent said products and get the access to the products to acquire the benefit without having to actually buy and own the whole products (Belk, 2014). The collaborative consumption have needed to conquer trust issues through the creation of review to maintain the trustworthiness (Bostman, 2012). Shawney (2006) has explained that customers purchase decision step might be confusing and the final purchase decision will be made after the customers got some information related with the products or services. Ahmed (2013) explained that information from online review is one of the key resources for customer consideration to decide the place to go and the product to buy. Customers will look for information from the others to verify about the real product or service for their own preferences before they decide to make a final purchase. In Travel industry one of the most well known collaborative consumption is Airbnb, Cox (2017) has explained on how Airbnb and the sharing economy company kept facing so many problems due to the trust issues between the users. One simple reason where people can't be trusted can lead to a big issue. How people in collaborative consumption try to maximizing their own resources and deny that the trust is getting more important since it could be one of the reason for the failing of collaborative consumption company. The previous research from Prasad et al. (2017) explained how electronic word of mouth influence customers' trust and purchase decision involvement. On the other hand the previous study from Bostman and Rogers (2010) has stated the implication of trust and to generate trust in collaborative consumption is very different compared to related industries.

There's still not enough research discussing this specific matter regarding how online sharing review influences the customer purchase decision involvement that's solely focused in the case of collaborative consumption. Therefore, by realizing how the trust and usefulness of online sharing review greatly influence customers' purchase decision involvement in collaborative consumption, it is necessary for companies in emerging markets to acknowledge the factors that can affect customers' purchase decision involvement after reading online sharing review. The objective of this research is to find out the impact of trust to the purchase decision involvement in the case of collaborative consumption and also to analyze the mediating correlation of the usefulness of online sharing review from the relationship of trust to purchase decision specifically in collaborative consumption.

## LITERATURE REVIEW

### 2.1 Collaborative Consumption

Collaborative consumption defined as the economic platform that let people share ownership towards a good or service by keep protecting and offering the core value of the product itself. According to Hamari *et al.* (2015) Collaborative consumption has four aspects. The first aspect is social commerce, the second aspect is online collaborative, the third aspect is online sharing and the last aspect is ideological considerations. As one of the aspect of collaborative consumption, online sharing can be defined as how people doing information sharing by online. Most of collaborative consumption companies provide the online sharing aspect by creating a special section on the platform for the user to express their last experience that is related with the unit or to give comments about the product by a review.

### 2.2 Online Sharing Review

Online sharing review can be defined as how people express their experience about some product or service on the site that is provided by the company or at a specific platform from such community. Hennig-Thurau and Walsh (2003) explained that the customer usually express their experience on a comment section or by choosing a specific rating by some levels. The customers will use the review that is written from the other customers on the site as a data before they make the final decision to buy something (Chatterjee, 2001). Zhao *et al.* (2015) has explained the positive correlation between usefulness of online sharing review to online booking. The usefulness of online sharing review can be defined as the degree on how users will believe that online reviews would help them with their purchase decision-making process, and one of the effective predictor for customer to follow a review is based on the usefulness of online sharing review (Park and Lee, 2009).

### 2.3 Trust

Trust explained as the willingness to rely on something that we confidence of (Moorman *et al.*, 1993). The lack of trust can bother customers from collaborating in online purchase also it can be one of the boundary within the success of online transaction (Chen and Barnes, 2007). The relationship between trust and the purchase decision involvement is supported by the online review as in the previous research from Prasad, *et al.* (2017) has demonstrated a positive correlation from electronic word of mouth to purchase decision involvement that is mediated by trust. This research will combine the model and apply it into the collaborative consumption platform. McKnight *et al.* (2002) explained there are three main points of trust beliefs. The first point is benevolence, the second one is competence and the last one is integrity. Benevolence explained as the enthusiasm to the willingness and motivation that comes from trustee to the truster. Competence can be described as the capability of the trustee to fulfill the needs of the truster. The last point, Integrity can be defined as the capability on how the trustee will keep their promises to the truster.

### 2.4 Purchase Decision

The research from Prasad, *et al.* (2017) represents that purchase decision involvement has been influenced by the customer's trust to the online sharing review. The purchase decision is a process for customers to make a decision by the five stages which are demand search for information, evaluation of alternatives, purchasing, and purchasing result (Engel *et al.*, 1993). Meanwhile the purchase decision involvement can be explained as the stage of concern and importance that customers take to bear with the purchase decision task (Mittal, 1989). Online review has a vital role to the purchase decision involvement and how customers will believe that online reviews will facilitate them during the purchase decision proses also be considered in their intention to make an online booking (Zhao *et al.*, 2015). In evaluation of alternatives stage, customers will seek for the information related about the products or services. The analysis to evaluate the information of products will lead the consumers' purchase intention of the process for the buying decision (Gollee *et al.*, 2010).

### 2.5 Research Framework

The previous research from Zhao, *et al.* (2015) explained a positive and significance direct impact from several factors to online booking. This research has chosen one of the factor which is usefulness of online review since this factor categorized as one of the most impactful factor and also has supported by Willemsen, *et al.* (2012) that stated usefulness of online review is the primary reason for customers to rely on online review. Furthermore, Prasad, *et al.* (2017) has explained a positive and significance direct impact from trust to purchase decision involvement. The previous research mentioned below only explained the direct impact of each construct and this research combined the model from the previous study to fill the gap and analyze the impact of usefulness of online sharing review as the mediation from the indirect relationship of trust to purchase decision involvement specifically in collaboration consumption.

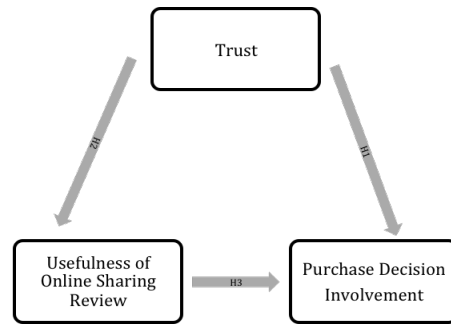


Figure 2. Research Framework

## Hypothesis Development

### Trust and Purchase Decision Involvement

Prasad, et al. (2017) has shown a correlation between trust to the purchase decision. Where the positive correlation from electronic word of mouth to the purchase decision involvement is mediated by trust. In addition, According to Park and Kim (2008) one of the electronic word of mouth is online sharing review written in the platform. Thus, the first hypothesis proposed in this research is related to the relationship between the trust of online review to the purchase decision.

*H1: Trust has a positive and significance correlation to the purchase decision*

### Trust and Usefulness of Online Sharing Review

Hennig-Thurau et al. (2004) explained that trust to the online review will helps customers to decreasing the uncertainty in transaction especially in the context of a quite complex service experience that is affected by how customers would likely to believe that the online review would facilitate them. In addition, Ladhari and Michaud (2015) stated that the trust in online comments influenced the usefulness of the review that will facilitate them in the purchase-decision process. Hence:

*H2 : Trust has a positive correlation and significance to the usefulness of online sharing review*

### Usefulness of Online Sharing Review and Purchase Decision Involvement

Zhao et al. (2015) explained some of the factors that influenced the online hotel booking. Beside the other factors, usefulness of online sharing review is one of the critical factors on how online review can influence the online booking. In addition, Cheung *et al.* (2008) and also Park and Lee (2009) showed that usefulness of online reviews suggested as one of a powerful predictor of customers willingness to rely with a review. Furthermore, one research stated that the quality of a review that is measure by the number of the usefulness, it has positively influenced the consumer decision-making (Chen *et al.*, 2008). Thus, the third hypothesis in this research has listed below.

*H3 : Usefulness of online sharing review has a positive and significance correlation to the purchase decision involvement.*

## METHODOLOGY

The primary data in this study will be collected by distribute an online questionnaire and the secondary data from the previous literature will be use as the supporting data for the further analysis. The sampling method for this research is using non probability sampling (convenience sampling). The criterias of the respondents set for this research are of the Male and Female groups who have ever used and made purchases on Airbnb either through its website or application. According to *Survei Penduduk Antar Sensus* in 2015 the total population in Java island is reaching to 145.13.573 people. Calculated by using slovin's formula with 5 percent margin of error the total sample size needed for this research is 400 respondents. The analysis of the data will be use partial least square – smart equation modeling with SmartPLS as the software. The PLS calculation section, bootstrapping calculation, and blindfolding calculation will be needed to check the model and doing the hypothesis testing. Furthermore, this research will test the hypotheses using t-test and the test will be using two parts of testing. The p value and t statistics can be used to test the direct effect, meanwhile to check the mediation result in this research, the researcher used sobel test to check the correlation of the indirect effect of the intermediaries in this research.

Hypothesis	Structural Path	Path coefficient	T- Statistics	p-value	Result
H1	Trust -> Purchase Decision	0.322	4.413	0.00	Accepted
H2	Trust -> Online Sharing Review	0.872	62.454	0.00	Accepted
H3	Online Sharing Review -> Purchase Decision	0.494	6.822	0.00	Accepted

The measurement of purchase decision involvement will be three points adapted from Mittal (1989), the measurement for trust will be three points that adapted from McKnight et al. (2002) and the measurement for usefulness of online sharing review will be four points adapted from (Zhao et al., 2015). The research measurement for this study will be use Likert Scale method with 5 intervals regarding with the answer from the respondents. The 5 interval points measure as point one will means strongly disagree, point 2 means disagree, point 3 will means neutral, point 4 will means agree, and point 5 will means strongly agree with the statement from the question.

## FINDINGS AND ARGUMENT

From 411 respondents, the major respondents that filled up the questionnaire in this research are mostly females, aged from 18 to 23 years old and located in Jabodetabek. The data from the respondents has been analysed using Smart PLS software. The hypothesis test conducted using path coefficient, T-statistics, and p-value. The positive value of path coefficient reflects a positive correlation between each construct. The T-Statistics is acceptable if the T-statistics is above 1.96 at 0.05 significance level that indicates the variable significantly associated with the other variable. The p-value is acceptable if the value is less than 0.05.

Based on the result from the PLS Calculation using SmartPLS, there's positive correlation between trust to the purchase decision in 32.2%. The T-Statistics from trust to purchase decision has a value of 4.413 which means it's higher than 1.96 hereby the t-value is significant and the p-value is 0.00 hence H1 is accepted. From trust to the usefulness of online sharing review, there's positive correlation of 87.3% and the T-Statistics from trust to usefulness of online sharing review has a value of 62.454 that indicates that the t-value is significant and the p-value is less than 0.05 hence H2 is accepted. The relationship from usefulness of online sharing review to purchase decision has shown that there's positive correlation of 49.4% with T-Statistics that has a value of 6.822 so the t-value is significant and also the p value is 0.00 hence H3 is accepted.

Moreover, based on the result from the sobel test calculation, there's positive correlation between trust to the purchase decision through the usefulness of online sharing review with a path coefficient 0.431. The t value has a value of 6.819 thus the relationship from trust to purchase decision through the usefulness of online sharing review is significant at 0.05 significance level. Comparing the direct and indirect effect of the relationship between trust and purchase decision involvement, the direct effect has shown a positive correlation of 32.2% meanwhile the indirect effect has shown a 43.1% positive correlation. Since the indirect effect has a stronger impact and more significance result hereby the usefulness of online sharing review has an important role in mediating the relationship between trust to purchase decision involvement.

## CONCLUSION

There are so many online platforms can be categorized as collaborative consumption nowadays, to maintain the trust issue between the users has become an important duty for the platforms. How people let everyone use their own assets or goods is getting risky. Online review is one of the tools that can make the user evaluate the units and also to examine the other users. This research explained that in collaborative consumption platform there's a significantly and positively correlation between trust to purchase decision involvement and also trust can impact the purchase decision involvement directly and indirectly through the usefulness of online sharing review. There are three main measurements that used in this research as the indicators that built trust. It has affected by how benevolence the writers are, the writer's the integrity and also the competency of the writers.

This research has combined the two research models from Prasad, et al. (2017) and also Zhao et al. (2015). The result from this research has supporting the previous research mentioned and tried to explore more on how usefulness of online sharing review can influence the purchase decision involvement as the mediating factor and apply the relationship between those indicators in the case of collaborative consumption platform.

As the findings and result in this study has explained that the usefulness of online sharing review has taken an important role to mediate the relationship of trust to the customer's purchase decision involvement. It is recommended for collaborative consumption company to focus more on development to make customer will likely believe that the review written on the sites will be more relevant, genuine, and neutral so that they will tend to feel that the reviews written are reliable and useful for them. As example by creating user review levels so that the users can evaluate the writers of the review. Also by changing the point rating system into a required free comment section to make the users will tend to speak up about their own opinion without have to be driven by a specific scale points. Moreover a requirement to give proofs such as pictures to every statement that they will post on the review might be useful by doing the research and development before the implication to increase the usefulness of online sharing review and enhance the purchase decision involvement.

Since there are lots of collaborative consumption platforms nowadays and each of them must have a different type of business that might also lead to have a different type of customers and this research is only analysed on how trust and usefulness of online sharing review affected the purchase decision involvement specifically in one collaborative consumption platform, the next research can try to conduct a research for the other collaborative consumption platforms. Not only limited for the platform, this research also limited to the specific targeted population in Java Island hence the next researcher can expand the research to another cities, island, provinces, or even countries.

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