

Empirical Research of Consumer Trust Mechanism - Based On Household Appliances Industry in China

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Abstract: Winning the trust of consumers for enterprises has profound meaning in such competitive environment. It is helpful to build a solid customer relationship, to maintain the market share, and improve customer loyalty. In the conditions of uncertainty, high risks, and lack of contracts and guaranty, the trust of customers is crucially important. The current study is focused on the factors that affect consumer trust mechanism and the effects of various mechanisms on consuming trust. The domestic academic researches of consumer trust mechanism is not plenty. The studies focused on specific industry are also limited. The current study is focused on household appliance industry, combine the mechanism analysis of consumer trust and antecedent analysis, build the consumer trust mechanism, construct the model of consumer trust mechanism, and related hypotheses is proposed. Two mechanisms which are trusted by consumers are made after group interview: process mechanism and transfer mechanism. By small sample survey, the main elements of each mechanism are explored. By empirical investigation, latest data are collected. And also by using scientific statistical method, the mechanisms which are trusted by consumers (process mechanism, transfer mechanism) and consumer trust (cognition trust, affection trust) are analyzed by regression analysis. In this study: 1. Process mechanism did great influence on consumer trust, especially the ability of salesperson and after-sales service quality have significant influence on two elements of consumer trust. technical level also had effect on consumer trust. 2. Transfer mechanism had effect on building consumer trust, especially the recommendation of relatives and friends. The popularity of the brand also affects consumer trust. The contribution of this study is the combination of consumer trust mechanism theory and antecedent empirical analysis, and finds the variables of each mechanism. Found the relationship between these variables and consumer trust, and the relationship of process mechanism and transfer mechanism and consumer trust by empirical research. The Model of household appliance industry consumer trust mechanism is testified which has great theoretical and practical contributions to the industry

Keywords: Cognition Trust, affection trust, process mechanism, Transfer mechanism.

1. INTRODUCTION

1.1 Research Goals:

International and domestic consumer trust theory researches are reviewed, combined real situations of domestic household appliances industry, and explore key influential factors of consumer trust in enterprises. Finally find the relationship of these factors and consumer trust, and construct consumer trust mechanism to household appliances enterprise.

1.2 Research Meaning:

1. Meaning of Theory First, the domestic studies of consumer trust of very limited, the ones aiming at specific industry are even rare. Consumer trust mechanism is meaning for domestic research.

Second, in the current marketing area, Empirical analysis on trust mechanism research is very rare. The study combined

the antecedent analysis and mechanism analysis and built a new research framework.

2. Meaning of Practice First, the study is focused on household appliances industry, the conclusions are helpful to industries to gain more understanding of consumers. More practical management strategies could be made to improve the long-term relationship of enterprises and customers. Second, the model of consumer trust mechanism of household appliances industry is theoretically helpful in domestic practice, and it could be the successful reference in other industries.

2. REVIEW OF LITERATURE

Trust plays important part in daily life and competitive market. Getting the trust of the consumer is the only way to be successful. Customer trust is defined as: under the condition of risk and uncertainty, the customers' expectation and behavior of reliability and trustworthiness on the enterprise.

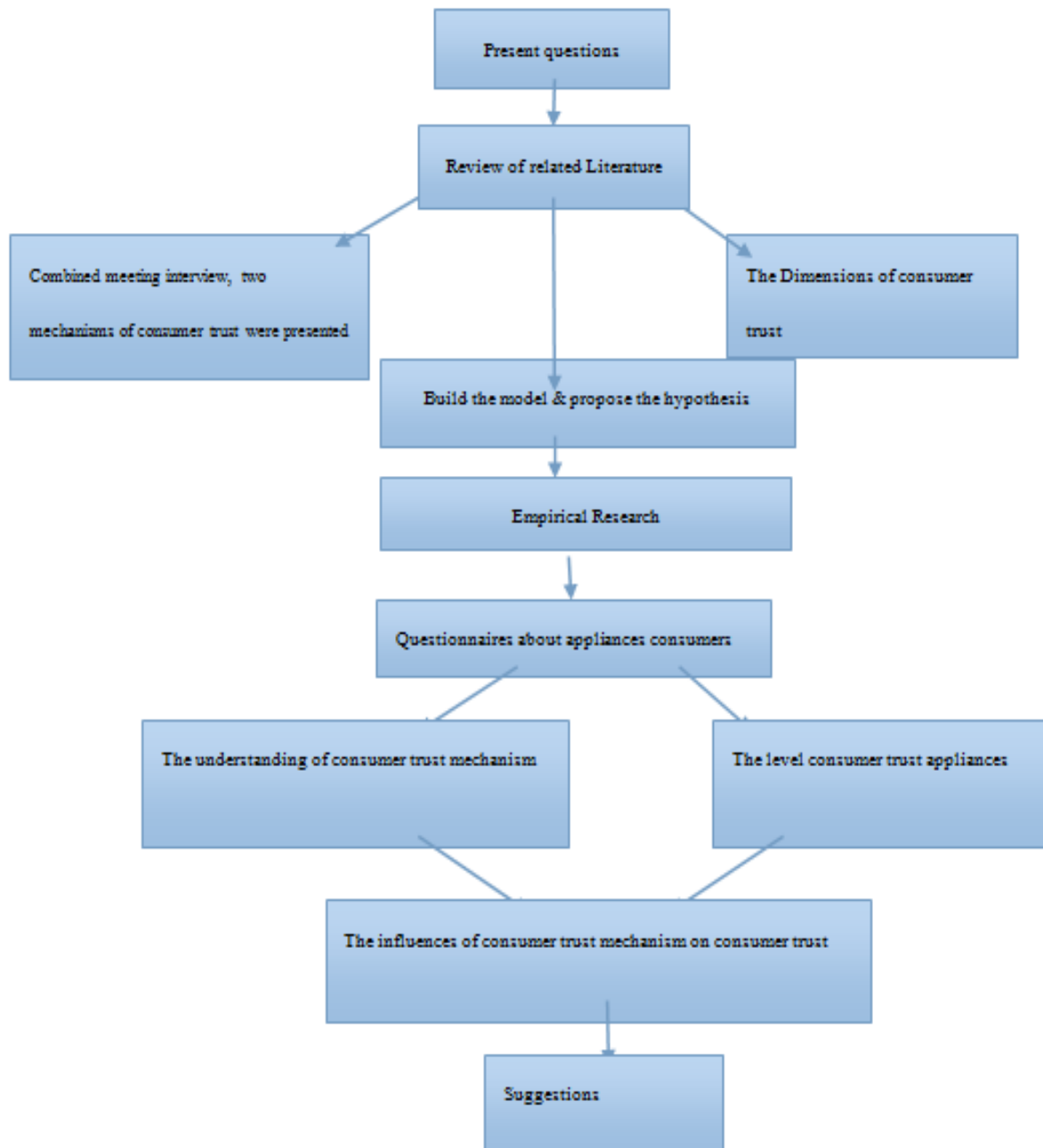
Consumer cognition trust is an experience or feeling directly from the quality, logo, pack or reputation from the products. It is generated from rational thinking but possibly varied by consumers' interests or the change of external environment. Besides, the consumer emotional trust is generated from using the products or services. It is an affectional experience, and built on emotional trust. Emotional trust is the premise of cognition trust, so cognition trust has positive influence on emotional trust.

From the literature, we could tell that antecedent research is based on empirical approach to explore factors that affect consumer trust. Mechanism researchers believe that trust is generated by certain pattern, and mechanism research is the rule to explore trust theoretically. Therefore, there are too theoretically mechanism researches lacking real practices. On the hand, antecedent research is very practical but lack of theoretically background. These two methods are from different point of view, one theoretical and the other practical. It is doable to combine these 2 ways to find the problems of consumer trust. Theoretical mechanism of consumer trust can be established through qualitative research, and variables of different mechanism could be testified. Thus, empirical researches back up theoretical mechanism, and empirical researches support theoretical mechanism.

3. RESEARCH FRAME AND RESEARCH HYPOTHESIS

3.1 Research frame:

1. Present questions
2. Review of related literature
3. Combined meeting interview, two mechanisms of consumer trust were presented
4. The dimensions of consumer trust
5. Combine small sample research in household appliances industry, find the main factors
6. Build the model, propose the hypothesis
7. Empirical research
8. Questionnaires about appliances consumers
9. The understanding of consumer trust mechanism
10. The level consumer trust appliances
11. The influences of consumer trust mechanism on consumer trust
12. Suggestions



3.2 Research methods:

The current study combined the mechanism research of consumer trust (theoretical research) and antecedent research (empirical research), exploring how to build consumer trust. Qualitative and quantitative analysis are used to complete the goal.

1. Literature. The latest researches of consumer trust and marketing in sociology and social psychology are discussed, especially the relative consumer trust studies.
2. Interviews. In-depth interviews combined relative scales of household appliances industry helped create the new scales used in the current study. Final scales are finished after the little scale contents are revised.
3. Questionnaires. Questionnaires were issued national-wide: Beijing, Weihai, Yantai, Qingdao, Xi'an, and Guangzhou, and relative data and information are collected.
4. Data Analysis. Independent sample test and variance analysis are utilized in analyzing collected data.

3.3 Research Hypothesis:

The hypothesis is proposed based on research frame and the research model. Empirical analysis is applied at the end. :

H1: Variables of process mechanism have positive influence on consumer trust.

By literature research and small sample investigation, 3 variables of process mechanism are explored: After-sale services quality, Product technology level, and sales staff ability. Further correlation is testified in the study.

H2: Variables of transfer mechanism have positive influence on consumer trust.

By literature research and small sample investigation, 2 variables reflecting transfer mechanism are explored: Brand popularity, recommendation of relatives and friends. The variable brand popularity is widely discussed in the literature, and will be testified in current study. The relationship of recommendation of relatives and friends and consumer relationship has not been studied yet, the correlation will be testified.

4. EMPIRICAL RESEARCH DESIGN

After the hypothesis was proposed and the household industry model variables were confirmed, the concrete practical plans were carried out.

The subjects are in wide regions, including the consumers in Beijing, Weihai, Yantai, Qingdao, and Honjiao. They are representative samples of random sampling from 200 questionnaires.

5. EMPIRICAL ANALYSIS

The model and hypothesis are discussed in chapter 3, and the questionnaires are designed based on this theory. 169 valid questionnaires are collected and analyzed by Spss Statistics 17.0. Related statistical methods are Descriptive statistical analysis, reliability and validity analysis, correlation analysis, and Regression analysis. The information is analyzed by Spss17.0, and 3 results are gained:

First: Reliability and validity analysis:

The reliability of process mechanism, transfer mechanism and consumer trust are evaluated and required. The reliability coefficient of the measuring variables were greater than 0.7, which indicates that the reliability is higher.

After that, the validity of 3 items are evaluated by factor analysis. Adequacy of sample was tested through the KMO and Bartlett sphere test; the results indicated the samples are sufficient. Principal Component Analysis was used to extract the factors, and the results are consistent with the earliest design. The questionnaire reflected the research content, and the validity of empirical is higher.

Second: Correlation analysis:

The correlation is proved after the elements of process and transfer mechanism being analyzed with cognition trust and affection trust.

Third: Regression analysis:

Regression analysis is processed using cognition trust and affection trust as dependent variables and elements of mechanism as independent Variables. The goal is to find the reasons of consumer trust and the factors of causality.

The data from questionnaire is analyzed and empirical analysis for the model and hypothesis is sufficiently prepared.

6. RESEARCH CONCLUSIONS AND SUGGESTIONS

6.1 Research conclusions:

In the model of research hypothesis, after-sale service quality product technical level and sales staff ability are two variables that reflect process mechanism.

1. In process mechanism, sales staff ability has greatest influence on consumer trust.

The result showed the direct interaction sum of sales staff ability and consumer trust is 0.577, this indicates sales staff ability has significant influence on consumer trust. In the household appliances market, it is difficult to make decision on

various choices. The introduction of sales staff is very important. If the sales staff is professional and able to meet the consumers' needs is really important.

2. In process mechanism, after-sale service quality has great influence on consumer trust.

The result showed the direct interaction sum of after-sale service quality and consumer trust is 0.509, this indicates after-sale service quality has significant influence on consumer trust. All consumers expect fast and complete services of maintenance and security. But the website shopping maintenance service is incomplete. Once there is problem, it is hard to find fast and complete service. Thus, consumers take much account of after-sale service quality.

3. In process mechanism, the influence of technical level on consumer trust is not significant.

The result of correlation regression analysis showed that technical level has significant influence on consumer trust; the value of direction action performance is 0.303. Besides, there is no significant influence on consumer emotional trust (deleted in regression analysis). Technical level is not taken seriously in purchasing household appliances (computer related products not included), the functions are first priority, and whether the technical level is advanced is not critically necessary.

In general, process mechanism has significant influence on consumer trust. Sales staff ability and after-sale ability has significant influence, and technical level has significant influence on cognition trust.

6.2 Research suggestions:

6.2.1 Meaning of enterprises' value of consumer trust:

Winning the trust of consumers is important in building solid relationship with clients, maintaining market share, and improving customer loyalty. In the conditions of uncertainty, high risk and lack of contract, the consumer trust is critically important for enterprise.

The improvement of consumer trust and enterprise economical benefits is helpful for employees' working condition. The more satisfaction the employees get, the more sense of belonging they have. This improves working efficiency, lowers training fees and reduces employee turnover. Thus, it becomes virtuous circle with improving consumer trust.

6.2.2 Ways that enterprise build consumer trust:

1. Process mechanism—provide personalized product and services, enhancing consumer satisfaction.

Consumer satisfaction and consumer trust are two problems. If consumer satisfaction is a value judgment, consumer trust is the behavior of consumer satisfaction. Thus, consumer satisfaction is the first step of consumer trust, it is the base of consumer trust.

Among the factors of improving consumer trust, personalized products and in-time services are key factors. Personalized products enhance experience of consumer cognition, and cultivate consumer trust. Consumers rely on personalized products and in-time services and this further cultivate emotional trust. Only personalized products and in-time services could meet the various needs of consumers.

2. Transfer mechanism—Enhance the brand popularity of the enterprise and maintain good social image and brand image.

Brand is the symbol of product and service quality. The higher popularity the brand has, the more sense of trust the consumers get. Before the recommendation of relatives or friends, brand is the only measurement. So the popularity plays important role on product choosing. Thus, creating high brand popularity is more than important. Maintaining brand image and enterprise image is a long-term and task mission. By achieving both, the enterprise could have a long-term competitive advantage.

6.3 Conclusion:

Consumer trust mechanism researches are tested and antecedent analysis is summarized. The question of the study is derived, which is in the condition of practical situation, consumer trust mechanism research is carried into empirical research.

The research frame and methods are proposed after the further literature search and relative studies are completed. The

consumer trust mechanism model is made, and after the detailed explanation, the hypothesis is proposed.

Based on the research models, research scales of process mechanism and transfer mechanism, consumer trust research scales are made and also research implementation plan is designed.

Collected data is analyzed SPSS 17.0, which is conducted by factor analysis correlation analysis and regression analysis. This concluded the results of the current study, and testified the hypothesis.

In general, the current study is an application study, combining theory and empirical research. Study the domestic household appliances industry, and study the influential factors of consumer trust mechanism. From the process and the conclusion, the study is systematic and scientific.

6.4 Limitation of Research:

1. Although a large number of relevant literature are discussed, the academic knowledge accumulation is still not enough. Besides, the research background is limited, so only process mechanism and transfer mechanism about consumer trust is carried out. This is still not comprehensive.
2. In the questionnaire, the regions are widely chosen, but the budget and time is limited. So the questionnaires in farther places are collected by the writer's social network. The investigation might have certain influence on the result.
3. The current study is focused on one concrete household appliance industry, so the conclusion might not be extended to other areas. The study area is limited.

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