

# Antecedents of Trust: A Case study between Karachi and Dubai Facebook Shoppers

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## Abstract

*In the adoption of online shopping, the main issue faced by consumers is the development of trust. Consumers are unable to physically examine the products before making a purchase. The study aims to find out the factors that develop trust in Facebook shopping through case study analysis. A designed questionnaire was circulated to gather the data from participants. The participants included in the study were the shoppers of Facebook. An aggregate of 270 structured questionnaires was circulated in Karachi and Dubai out of which 225 were considered in the study. For the data analyses, demographic statistics frequency and bar chart and descriptive statistics, have been applied. The study concludes that online firms need to design separate strategies plus framework and for both the cities. Countries despite having similar cultural values vary greatly due to geographical distances. Online suppliers must focus on developing interpersonal trust by providing exchange and return policies to consumers that will reduce the risk to an extent and build trust between the store and Facebook shoppers.*

**Keywords:** *Facebook shoppers, consumers, online shopping, trust*

**JEL Classification:** *P4, P46*

## INTRODUCTION

The beginning of Web 2.0 plus Facebook has given birth to a new trend of an online shopping known as f-commerce or Facebook shopping (Liébana-Cabanillas & Alonso-Dos-Santos, 2017). Facebook is one of the social media platform used by online vendors/retailers that sell products or services to its customers. Hence, Facebook is considered to be an appropriate channel that allows online buying and selling as it offers facilities such as easy mode of payment like cash on delivery, buy on a single click, free delivery, low cost and convenience. While talking about shopping through a Facebook trust has been regarded as a vital role that affects consumer's purchasing behaviour. In the adoption of online shopping, the main issue faced by consumers is the development of trust. Consumers are unable to physically examine the products before making a purchase. While dealing in business or personal life, trust is the chief element that motivates an individual's lives and trust has been growing and varying with

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time to time.

There are several studies that have called for the lack of research study in online shopping while making comparisons in the cross-cultural context (Bianchi & Andrew, 2012); (Xu-Priour, Truong, & Klink, 2014). A research study has considered those factors that influence trust in the western background that is not compatible with the Eastern background (Binhui & Xuan, 2011). The present study will assist in getting insights about those factors that will help online vendors or developers to modify or design strategies that develop trust among the shoppers.

### *Research Objective*

The main objective of the study is to find how antecedents of trust differ across two cities that is Karachi and Dubai.

## **LITERATURE REVIEW**

The study has considered the social-technical theory and cultural theory in order to develop the model and hypotheses. According to the socio-technical subsystem, a system is formed when the technical subsystem and social subsystem combines together. There are many research studies that have considered a social commerce site as a social-technical system (Hajli, Wang, & Tajvidi, 2017). As stated by (Hofstede & Minkov, 2010) is “the collective programming of the mind which distinguishes the members of one group or category of people from another”. “The national culture is classified into six dimensions: power distance, individualism versus collectivism, masculinity versus femininity, uncertainty avoidance, long-term versus short-term orientation and indulgence versus restraint. “For the study, individualism vs collectivism and uncertainty avoidance opt as they are quite studied in cross-cultural particularly while comparing human behaviours (Basabe & Ros, 2005) and they are extensively applied in online studies (Kang, 2009).

In the recent study (Dutta and Bhat, 2016), the authors has considered the different characteristics of store that includes the knowledge of stores, size, reputation and perceived risk as the antecedents of an online store that leads to the development of interpersonal organizational trust and it helps in creating attitude towards store and eventually towards purchase intention. Basically, store brand knowledge is defined as creating awareness i.e. recall or recognize a brand and building either negative or positive associations with the brand (Keller, 1993). Reputation is defined as believing a store to be authentic and concerned for its consumers (Doney & Cannon, 1997). Store size can be measured in two dimensions. Initially, investment of capitals in an online store for scaling up to the size and secondly a number of honest clients that had repetitive made a purchase from the store (Koufaris & Hampton-Sosa., 2004).

In the study (Eastlick & Lotz, 2011), the author has considered web accessibility as an antecedent of trust. As said by ISO 2008, “usability of a product, service, environment or facility by people with the widest range of capabilities”. As stated by (Ganguly, Dash, Cyr, & Head, 2010), trust can be increased in online shopping if a website gives out precise details and data. Further, (Tan & Thoen, 2000) have also assessed risk perceived by consumers as an antecedent of trust revealing a significant and positive relationship. Shopping through online medium needs high level of uncertainties than a brick and motor store as consumers are unaware of the shopping procedures, there is a fear of theft of personal data like credit card details, personal

number and address provided for delivering goods but this uncertainty can be minimized when trust enters between them (Doney & Cannon, 1997).

As stated by (Sharma, Menard, & Mutchler, 2017), trust plays a critical role by engaging consumers towards shopping through social commerce. The main factors considered include perceived security and privacy along with social presence and familiarity (Sharma, Menard, & Mutchler, 2017). Similarly, (Taheri & Shourmasti, 2016) in their research study revealed that the characteristics of social commerce have a positive influence in the performance of trust as it acts as a mediator and builds a strong relationship.

## METHODOLOGY

### *Data Collection*

This review study has used a quantitative approach and the questionnaire was prepared and used to collect the information required for the research. It includes closed-ended questions from the consumers who shop through Facebook from both the cities that are Karachi and Dubai.

### *Sample Size and Sampling techniques*

The consumers living in different areas of Karachi and Dubai filled the survey questionnaire. The questionnaire was filled from 450 respondents through a purposive sampling method. The respondents were mainly university students who have been shopping through Facebook.

### *Data analysis*

The data were analyzed by comparing mean and standard deviations from the data collected from the respondents living in Karachi and Dubai. Descriptive analyses and graphs were drawn to get an insight into the Facebook shopping.

## FINDINGS

The basic demographic variables considered in the study include gender (male and female). Out of 225 respondents, 87 (38.7%) were male and 138 (61.3%) were females in Pakistan whereas out of 255 respondents 104 (46.2%) were male and 121 (53.8%) were females in UAE as shown in table 1 and fig 1.

*Table 1: Gender Demographics*

|               |               | Country |     |     |
|---------------|---------------|---------|-----|-----|
|               |               | PAK     | UAE |     |
| <b>Gender</b> | <i>Male</i>   | 87      | 104 | 191 |
|               | <i>Female</i> | 138     | 121 | 259 |
| <b>Total</b>  |               | 225     | 225 | 450 |

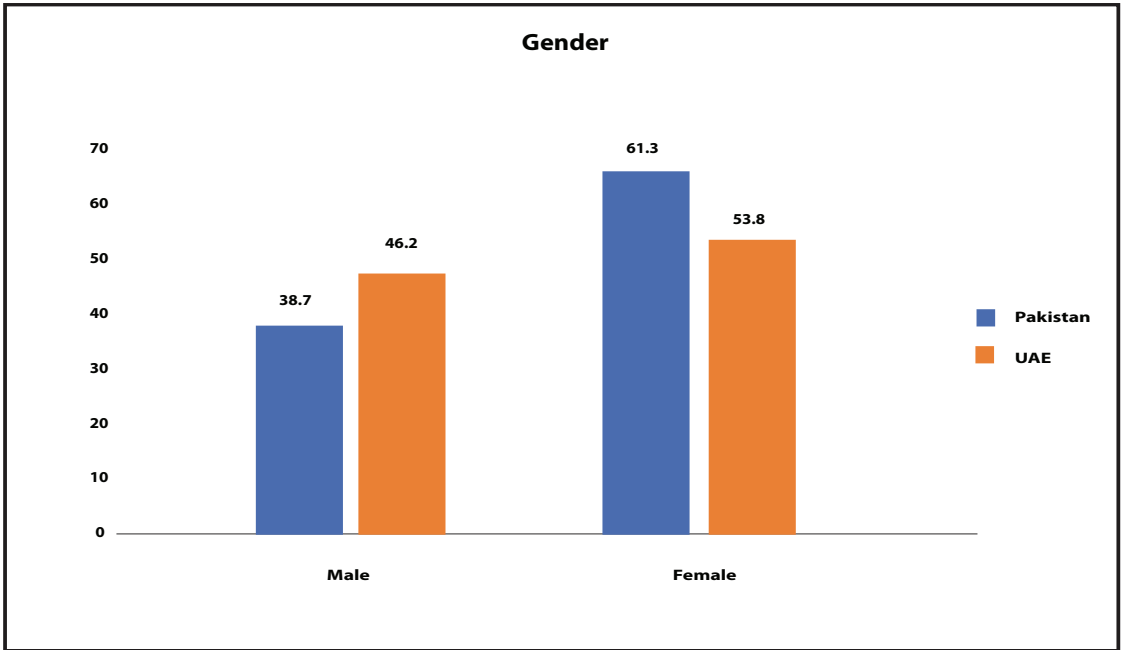


Figure 1: Gender in Percentage

The age group of respondents are summarized in Table 2 and their respected percentages are shown in Figure 2. In Pakistan, out of 225 respondents, the most represented age group is between 18 to 22 years with 127 (56.4%) participants and the least represented age group is between 33 to 37 years with 5 (2.2%) participants. In UAE, out of 225 respondents, the most represented age group is between 23 to 27 years with 100 (44.4%) participants and the least represented age group is between 33 to 37 years with 5 (12.9%) participants.

Table 2. Age Group of Respondents

|              | Country        |     |     |     |
|--------------|----------------|-----|-----|-----|
|              | PAK            | UAE |     |     |
| Age          | 18 to 22 years | 127 | 52  | 179 |
|              | 23 to 27 years | 67  | 100 | 167 |
|              | 28 to 32 years | 26  | 44  | 70  |
|              | 33 to 37 years | 5   | 29  | 34  |
| <b>Total</b> | 225            | 225 |     | 450 |

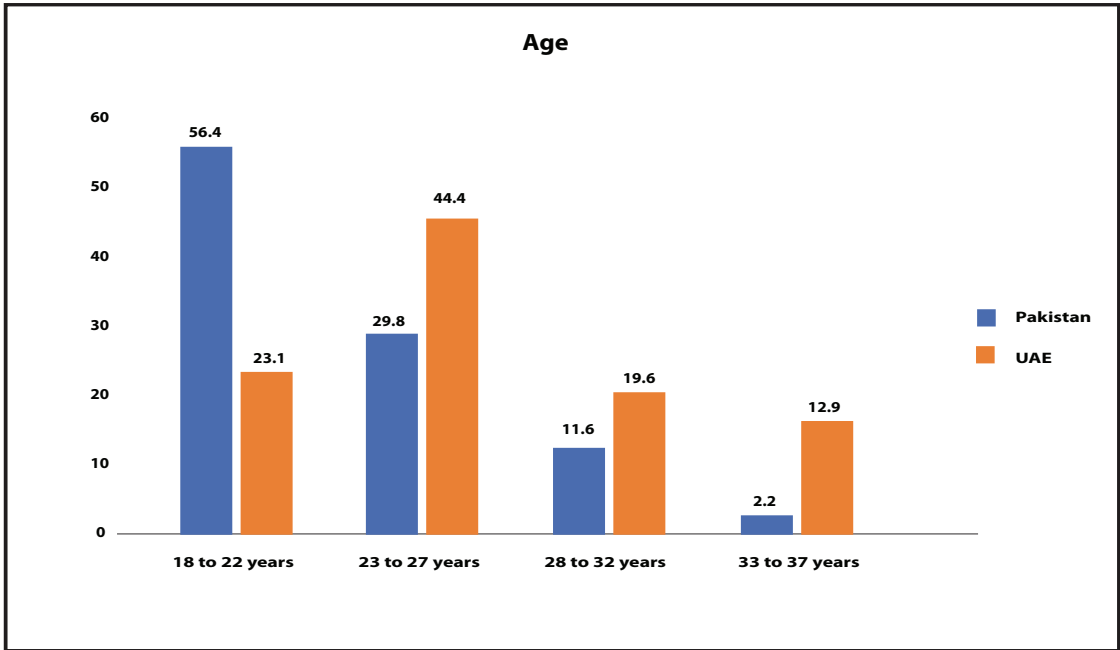


Figure 2: Age in Percentage

The family income group of respondents are summarized in Table 3 and their respected percentages are shown in Figure 3.1 and 3.2. In Pakistan, out of 225 respondents, the most represented family income group is between 100,001 and 150,000 with 72 (32%) participants and the least represented family income group is less than 50,000 with 21 (9.3%) participants. In UAE, out of 225 respondents, the most represented family income group is between 5,001 and 10,000 with 83 (36.9%) participants and the least represented family income group is less than 5000 with 30 (13.3%) participants.

Table 3: Family Income of Respondents

| Income in Rupees  |            | Income in AED  |            |
|-------------------|------------|----------------|------------|
| <50,000           | 21         | <5000          | 30         |
| 50,001 - 100,000  | 63         | 5001 - 10,000  | 83         |
| 100,001 - 150,000 | 72         | 10,001 - 15000 | 48         |
| > 150,001         | 69         | > 15000        | 64         |
| <b>Total</b>      | <b>225</b> |                | <b>225</b> |
|                   |            |                | <b>450</b> |

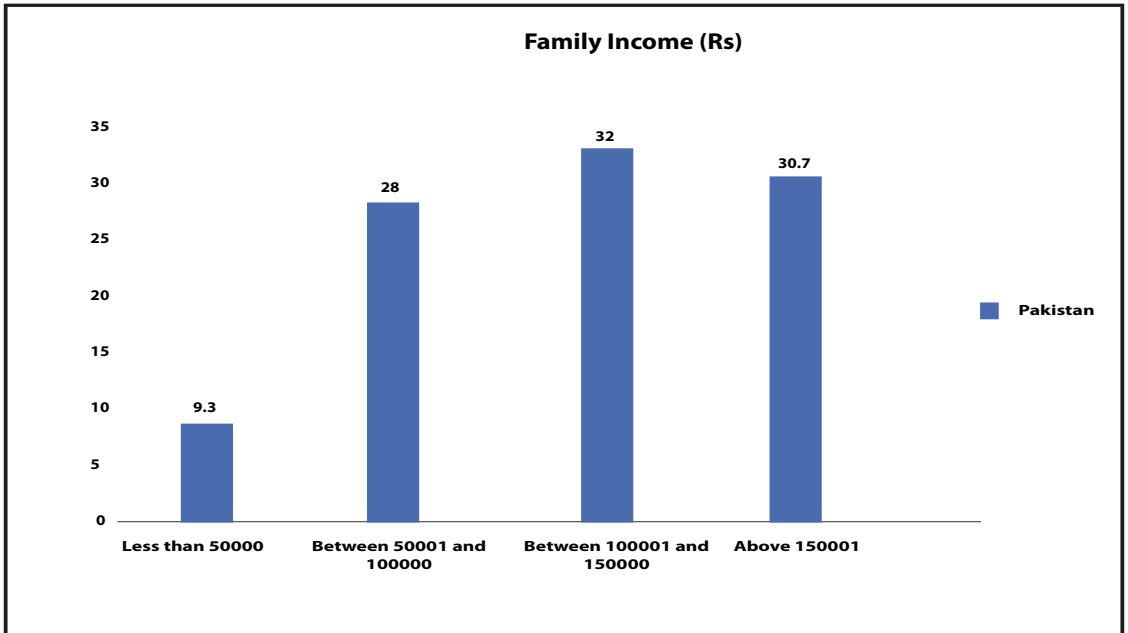


Figure 3.1: Family Income (Rupees) in Percentage

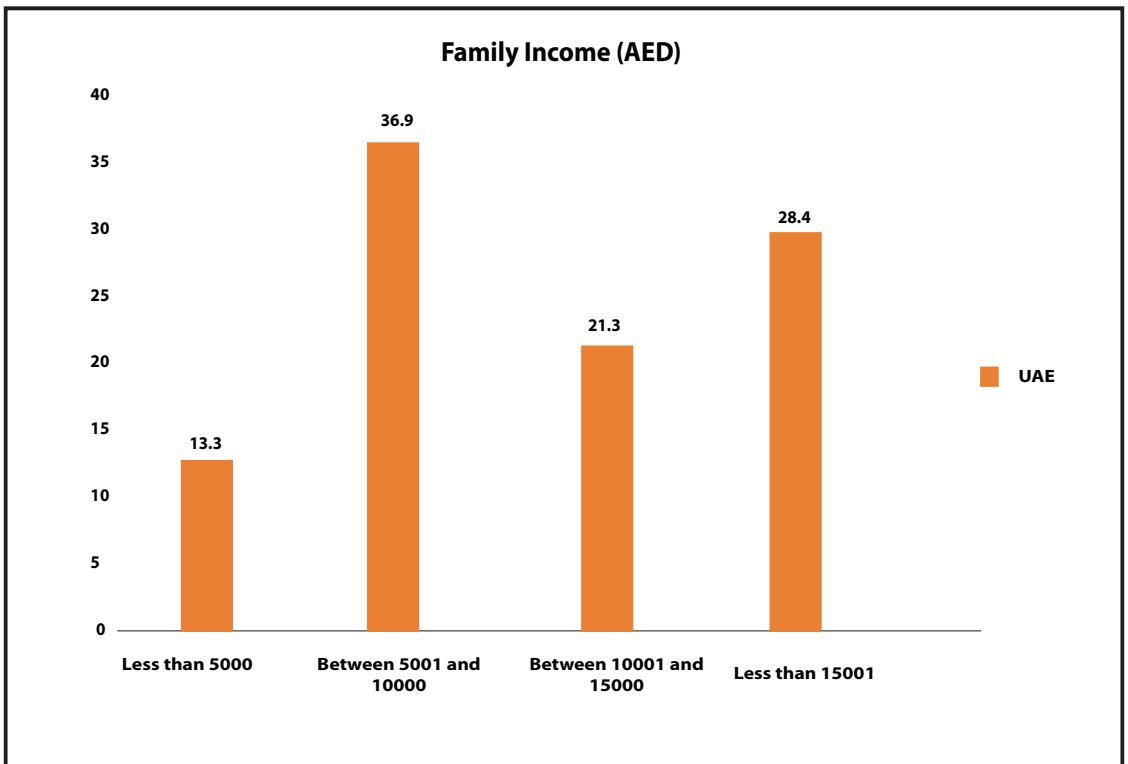


Figure 3.2: Family Income (AED) in Percentage

The time spend in respected countries of respondents are summarized in Table 4 and their respected percentages are shown in Figure 4. In Pakistan, out of 225 respondents, a large number of respondents live more than 15 years with 194 (86.2%) participants. In UAE, out

of 225 respondents, a large number of respondents live more than 15 years with 107 (47.6%) participants.

Table 4: Living in Country

|              |                | Country |     |     |
|--------------|----------------|---------|-----|-----|
|              |                | PAK     | UAE |     |
| Years        | < 5 years      | 19      | 30  | 49  |
|              | 5 to 10 years  | 9       | 44  | 53  |
|              | 10 to 15 years | 3       | 44  | 47  |
|              | > 15 years     | 194     | 107 | 301 |
| <b>Total</b> |                | 225     | 225 | 450 |

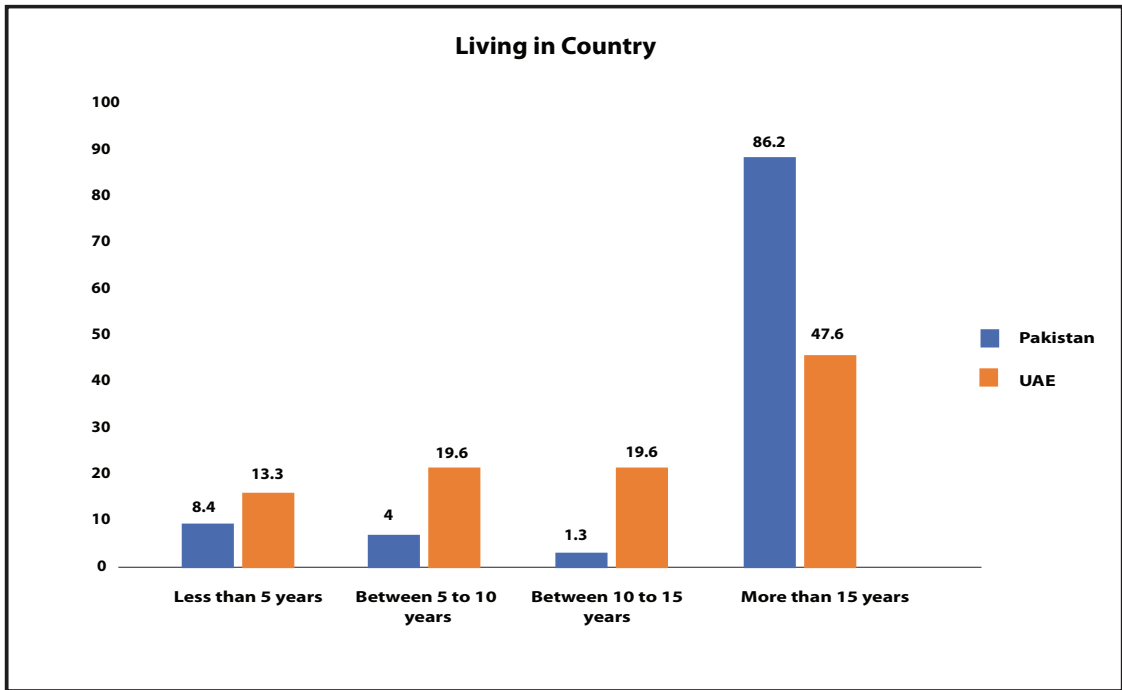


Figure 4. Living in Country in Percentage

The time spent by respondents on shopping through Facebook are summarized in Table 5 and their respected percentages are shown in Figure 5. In Pakistan, out of 225 respondents, the most represented Facebook shopping group is more than a year with 119 (52.9%) participants and the least represented Facebook shopping group is 12 months with 28 (1.8%) participants. In UAE, out of 225 respondents, the most represented Facebook shopping group is 12 months with 93 (41.3%) participants and the least represented Facebook shopping group 3 months with 29 (12.9%) participants. It is an industrial norm for an online business to enter with a fanfare strategy at launch. It is also important to invest money in developing a market plan. Not doing this would ultimately lead to the closure of the business. It is a tactic used by almost all online businesses to sign in more customers and multiplying their revenues. Online marketing tools include the following:

Table 5: Facebook Shopping

|           |                  | Country |     |     |
|-----------|------------------|---------|-----|-----|
|           |                  | PAK     | UAE |     |
| Time Span | 3 months         | 46      | 29  | 75  |
|           | 6 months         | 32      | 38  | 70  |
|           | 12 months        | 28      | 93  | 121 |
|           | More than a year | 119     | 65  | 184 |
| Total     |                  | 225     | 225 | 450 |

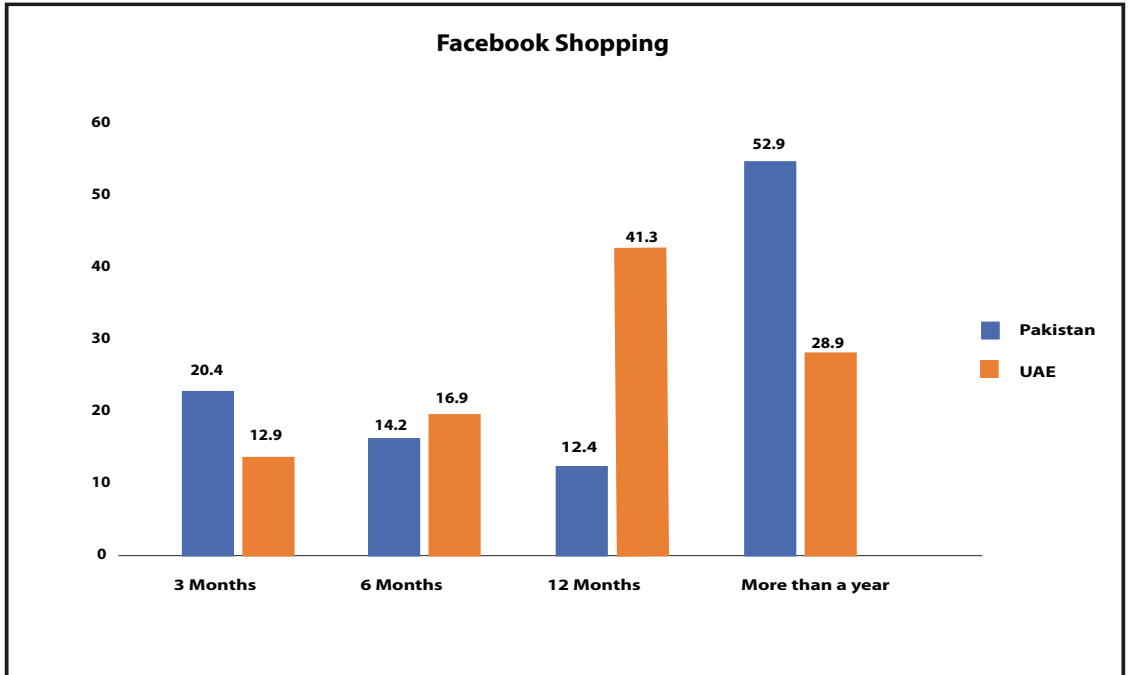


Figure 5. Shopping through Facebook in Percentage

### Descriptive Statistics

Mean and standard deviation for Pakistani sample and UAE sample is shown in Table 6. Respondents from Pakistan demonstrates less preferences for store brand knowledge ( $M = 3.56$ ,  $SD = 0.81$ ) as compared to respondents from UAE ( $M = 3.62$ ,  $SD = 0.66$ ). Regarding the view of store reputation, respondents from Pakistan pays more importance to the reputation of an online store ( $M = 3.52$ ,  $SD = 0.99$ ) as compared to respondents from UAE ( $M = 3.35$ ,  $SD = 0.91$ ). In relation to the perception of perceived store size, respondents from Pakistan reveals more preferences for perceived store size ( $M = 3.15$ ,  $SD = 0.98$ ) as compared to respondents from UAE ( $M = 2.50$ ,  $SD = 0.98$ ). Furthermore, respondents from Pakistan has less concerns for web accessibility ( $M = 3.64$ ,  $SD = 0.91$ ) as compared to respondents from UAE ( $M = 3.87$ ,  $SD = 0.79$ ). Moreover, respondents perceived risk in Pakistan are more for an online store ( $M = 3.45$ ,  $SD = 0.83$ ) as compared to respondents from UAE ( $M = 3.53$ ,  $SD = 0.75$ ). Respondents from Pakistan are higher for individualism ( $M = 3.86$ ,  $SD = 0.82$ ) as compared to respondents



from UAE (M =3.37, SD =0.90) and consequently, respondents from Pakistan are greater for uncertainty avoidance (M =3.53, SD =0.89) as compared to respondents from UAE (M =3.48, SD =0.93). Additionally, respondents from Pakistan has less interpersonal trust on an online store (M =3.27, SD = 0.94) as compared to respondents from UAE (M =3.55, SD = 0.77). Lastly, respondents from Pakistan exposes more purchase intention from an online store (M =3.24, SD = 0.95) as compared to respondents from UAE (M =3.54, SD = 0.96).

*Table 6: Case Processing Summary (Pakistan)*

| Factors               | Descriptive Analysis |      |      |      |      |
|-----------------------|----------------------|------|------|------|------|
|                       | N                    | PAK  |      | UAE  |      |
|                       |                      | Mean | SD   | Mean | SD   |
| Store Brand Knowledge | 225                  | 3.56 | 0.81 | 3.62 | 0.66 |
| Store Reputation      | 225                  | 3.52 | 0.99 | 3.35 | 0.91 |
| Perceived Store size  | 225                  | 3.15 | 0.98 | 2.50 | 0.98 |
| Web Accessibility     | 225                  | 3.64 | 0.91 | 3.87 | 0.79 |
| Perceived Risk        | 225                  | 3.45 | 0.83 | 3.53 | 0.75 |
| Individualism         | 225                  | 3.86 | 0.82 | 3.37 | 0.90 |
| Uncertainty Avoidance | 225                  | 3.53 | 0.89 | 3.48 | 0.93 |
| Interpersonal Trust   | 225                  | 3.27 | 0.94 | 3.55 | 0.77 |
| Intention to Purchase | 225                  | 3.24 | 0.95 | 3.54 | 0.96 |

## A WAY FORWARD

The results give a brief overview of the main aspects of an online store that needs to be get focused while setting a Facebook shopping framework in both the cities. Online stores like Ali Express and Utopia that deliver goods in both cities need to design separate strategies plus framework and focus on the separate area to boost their online sales. Countries despite having similar cultural values vary greatly due to geographical distances. Online suppliers must focus on developing interpersonal trust by providing exchange and return policies to consumers that will reduce the risk to an extent and build trust between the store and Facebook shoppers. Much attention must be paid in advertising that will allow consumers to browse the web pages creating awareness among consumers about the specific brands and it can be done by including sale advertisement videos, pop-ups banners offering discount or sales. The trend of Facebook shopping is emerging and it is in their earlier stages in Karachi and Dubai and there is a long way for them to go.

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