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FORMATION OF B2C CHANNEL BLENDING DECISIONS: TRUST VS. EFFICIENCY

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Abstract

Trust is known to be vital to business to customer (B2C) electronic commerce adoption. However, its role in customers' blending of the online and traditional channels is largely unexplored. In this study, we progress beyond single channel adoption and investigate the interplay of trust and perceived efficiency on channel blending. Our conceptual framework models channel blending as a dynamic construct, which evolves across purchase stages based on the evaluative outcome of a trade-off between trust and perceived efficiency. Specifically, we argue that trust does not necessarily predict channel preference when the use of a channel does not justify transaction efficiency. Our paper contributes to the IS literature by identifying how and what IT artifacts can be configured to build trust in online channels. Drawing on the transaction costs economics framework, we also present methodological contributions by operationalizing perceived efficiency in terms of economic and behavioral costs.

Keywords: Trust, channel blending, transaction cost economics, online channels, click and mortar