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From the Sociology of Trust Towards a Sociology of 'E-trust'¹

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Abstract: This paper focuses on the importance of trust in business-to-consumer e-commerce. Divided into three sections the paper first asks the question of why trust is important to the development and implementation of e-commerce and suggests some of the areas where user trust is specifically important. The second offers a view of trust developed using sociological theory and interactionism and looks at how this can inform our understanding of e-commerce users. Finally, the paper suggests a number of non-technical ways in which successful e-commerce retailers build trust and offer potential for further exploration.

Keywords: Trust, interaction, business-to-consumer e-commerce

The Merrill Lynch Forum recently posed the question, “how will the rapid technological evolution of the Internet as a medium for social intercourse and commerce force us to alter our definitions and contexts for trust?” (Merrill Lynch Forum, 1999) Whilst such a question is common enough amongst those exploring e-commerce use, it has encoded within it a highly prevalent assumption: namely that the increased omnipresence of network technologies will be both the precipitators of new social problems and uncertainties as well as, in time, the solutions to those very same issues. Such a determinist viewpoint suggests that through use of, and exposure to, these new technologies, users will adopt new forms of behaviour explicitly linked to the technology itself. Further, it suggests that these forms of behaviour will be novel such that they neither grow out of, nor bear any relation to, users everyday actions, experiences or routine practices. It implies that there is a special category of human behaviour which will come into being and be substantially different from the everyday systems of trust that we use to routinely order our behaviour. A primary assumption of this paper is that from anything but a profoundly technological viewpoint, such a viewpoint is unreasonable.

Organised in three main sections this paper argues for a more considered approach to the understanding of trust and the ways in which it affects people's e-commerce practices (and also their decision not to practice).

First, the paper explores how the notion trust can be applied to consumer e-commerce, exploring the ways in which trust is relevant and applied by users engaging in shopping transactions. Second, drawing on previous sociological research on trust, interaction and everyday experiences it re-asserts the position of trust within a non-technical or deterministic context. It demonstrates how users approaching e-commerce bring with them previous experiences of trust and apply them to the new computer-mediated situations rather than being *tabulae rasae* onto which e-commerce systems can write their preferred responses. Third, the paper takes the theoretical framework and offers four areas at which interaction and e-commerce systems intersect and as such are important for consideration when building and maintaining an e-commerce project.

¹ The author wishes to thank Greg Smith for his helpful comments on this paper and hopes that not too many readers will agree with another colleague who described some of the arguments contained within as “futile”.

1. Why is Trust Important for E-commerce?

Everyday, and often without any reflection, we place our trust in people and the services those people provide: we trust that our friends will not betray our confidences, that the food we buy will not poison us, that the car we travel in will not explode, that the chair we sit on will bear our weight, that people will listen to us when we talk to them, that our parents tell us the truth and so forth. The list is practically endless and staggeringly broad. If we did not place our trust so routinely life would be practically unliveable: everything we did, every option open to us would be filled with all sorts of fearful possibilities. Our life would rapidly descend in to chaos or inactivity as we were filled with a Kierkegaardian dread. As our behaviour demonstrated to others our total inability to trust, we would rapidly be tagged as neurotic, schizophrenic, obsessive-compulsive or some such label as we interrogated with suspicion everything from our drinking water to the news we read.

Thankfully, because of our culture, experience and the routine decisions we make mean that this scenario is, for most people at least, nowhere near our everyday reality. For the most part the trust we place in others and the actions we take are largely unreflective. We tend to organise our routine actions within a state of what Giddens (1991) refers to a “basic trust,” which, initially involving the trust of a child for their parent or carer, acts as a “screening-off device in relation to the risks and dangers in the surrounding settings of action and interaction” a “protective cocoon which all normal individuals carry around with them as the means whereby they are able to get on with the affairs of day-to-day life.” (Giddens, 1991: 39-40) However, there are occasions when our routine is broken, in which state of “everydayness” we normally inhabit ceases to apply and in which we have to give more thought to evaluating risk and assigning trust. Such occasions include approaching new situations as well as times at which the potential cost of making a wrong trust decision is drastically higher than the cost of not offering trust. For the user new to e-commerce – which includes most of the UK population – buying of the Internet falls into both these categories.

To illustrate, a 1998 international survey reported that 29% of British non-Internet users said the WWW had no relevance to them and almost 40% said they did not use the WWW as they “did not understand it.” (ICL/MORI, 1998) Such figures, even if they may not faithfully reflect the current situation (although current predictions suggest that by 2004 almost 14% of Europeans will still not own any “interactive device” - Datamonitor, 2000), do highlight a situation in which computing and e-commerce is unfamiliar to a large number of potential users and customers.

The world of e-commerce is often seen as one in which teenagers are making their dotcom fortunes before they are old enough to have to pay tax on it. Consumer computer technology has developed at such a speed that people who were using e-mail ten years ago remember the advent of Mosaic at the end of 1993², or still feel a little uncomfortable using a mouse when almost alchemic keyboard shortcuts serve them perfectly well are seen as almost prehistoric. It is an industry that moves so fast that it is very seductive to start thinking in the compressed perspective of “Internet time” in which things move faster, change quicker and become out date almost immediately. However, it is important for researchers to force themselves to step outside this bubble, put things into a more conventional perspective and recognise that most of this is still incredibly new to most people.

For most people the only access they have to computing (if at all) is at work and using computers is still a chore. Despite recent growth in PC ownership at home (although sales are predicted to fairly rapidly plateau) the technology is still not seen as a domestic one. It does not have the familiarity of other household technologies such as television and as such does not have the same place within the majority of people’s everyday routines (see for example, Lull 1990, Moores 1993). This has specific implications for the relationship that people tend to demonstrate towards the technology. The television has undoubtedly become a trusted piece of family technology (even if the programming itself is disagreed with) and the object of both focused and unfocused interaction (Goffman, 1963). Further, people appear find the augmentation of the facilities their TV offers an attractive prospect such that research has suggested that over a quarter of the population would access the Internet more if it were

² The exact release dates of the GUI browser, Mosaic, are hard to pin down as versions for different operating systems were often released at different times. Whilst the first official release is dated November 1993, x-mosaic dates back to December 1992. The release of Mosaic 3 in Jan 1997 marked the end of the browsers development by NCSA. See <http://www.ncsa.uiuc.edu/SDG/Software/XMosaic/>

delivered through the TV (Motorola: 2000).³ This goes beyond suggesting that familiarity is the prime basis for trust in e-commerce and points towards the importance of the place of the technologies have within daily routines and experience. This is one reason why the advent of interactive digital television offers so much promise for retailers as it moves towards a mass-market towards the end of this decade.⁴

As I will explore below, the Internet can be seen as a place in which the rules and knowledge that have informed everyday experiences are not seen to apply and as such is a place of potentially high risk for those that venture in to it. Indicative of this is that, according to GVU (1998), approximately 80% of Internet users are either “somewhat” or “very” concerned about “security” on the Internet. An impressive statistic but given the context above, how surprising is it?

Given many people’s feeling towards computers, their uncertainty about what the Internet is and the media concerns with the lawlessness of this frontier the Internet can be seen as the exemplar of Giddens’ vision of post-traditional society in which rather than going about our everyday interactions offering trust to other which through or reflection, the winning of trust is constantly necessary (Beck et al. 1994). This, he argues, is due to living an urban existence in which we do not know most of the people or institutions we have contact with and are forced to inhabit situations that are beyond our control. In this “risk society” both our perception of risk and our exposure to actual risk is higher than before. In such an environment, why should our approach to using e-commerce be greatly different? There is no evidence to demonstrate that different rules of trust are being applied to e-commerce use than other interactions.

This paper puts at the centre of its project trust as human quality which is observable through interaction. It looks at e-commerce not as a technical development or even a new type of online interaction but as a technology which mediates already established and long-practiced routines of human behaviour. As such, while not disregarding the importance of online security and the evolving systems that support it, there is a belief that security has little to do with general consumer trust. This is the case not only because of consumers’ lack of the expertise needed to make informed choices but, more importantly, because of their general lack of interest in the technology of security. This is, amongst other reasons, because it is seen a little protection against “disreputable or careless people” who will take credit card details and use them for their own gain and the owner’s loss? (Ratnasingham, 1998, Fukuyama, 1999)

As such it is of little surprise that about ¾ of UK Internet users have never bought anything online and that only 8% of female users have taken part in e-commerce.⁵ However, while trust is important in understanding why consumers choose to use, or refrain from using, e-commerce and understanding how they make choices about which B2C retailer they use, the opposite side of this coin is that for firms consumer trust offers initial and repeat purchase, strong brand loyalty and encourages word-of-mouth recommendation. Trust is a valuable (if intangible) asset which, as Fukuyama (1995) has persuasively argued, is firmly linked with economic success. Indeed, although the link between commerce and culture has been recognised since Adam Smith, and despite work done in both socio-economics and economic sociology the nature of these links still remains under-explored in many areas.

Questions that this paper will address is why trust is such a significant issue for e-consumers, how is it negotiated and what practical solutions might be offered to encourage the development of trust between online consumer and retailer?

³ For further discussion of iDTV and other access platforms from a consumer perspective see Rutter & Southerton, 2000.

⁴ This paper focuses primarily on web-based e-commerce throughout and assumes access via a desktop computer. This is not in any way a rejection of the importance of other platforms - from interactive mobile telephony to games consoles - will have in future access to e-commerce but a recognition of their current marginal ownership and use.

⁵ For an overview of relevant research see McMeekin, Miles, Roy & Rutter, 1999.

2. What is Trust?

Although the “idea of trust has had a centuries-long intellectual career,” (Silver, 1985) sociological interest in trust dates back to Garfinkel’s “experiments” with trust in the early sixties (Garfinkel, 1963). From his work a number of crucial observations around trust develop:

- Trust is manifest in the actions of individuals
- That we judge how to act based upon the trust we have in others
- Trust is used to the benefit of both parties involved in an action
- Where trust is offered is it generally expected in return
- That trust is offered based upon “expectancies” of other’s behaviour
- That trust is used to define ones relationship to others

This offers an understanding of trust firmly based within the observation of participant’s action rather than modelling or technological systems. By accepting Garfinkel’s work as a basis for approaching consumer trust in e-commerce it becomes clear that trust has very little relationship to technical security. In fact, I wish to suggest that people do not trust technology. This I mean not in the sense that individuals are inherently Luddite and pervasively have a view of technology as “wrong”, “bad” or “evil”, but that, following Garfinkel’s insights, trust is something which one individual offers to another (see also Sztompka, 1999). I have adopted the argument that trust is not something that can be offered to technologies regardless of how artificially intelligent or interactive they may appear. Trust is a good traded between individuals rather than between people and mediating technologies. It is apparent that phrases such as “I trust my PC to help my do my home accounts” or “I trust this network with my credit card details,” are somewhat strange personifications. As neither of these objects can accept my trust it is not possible for me to bestow it.⁶

Work in the sociology of everyday life since Goffman (1959), Blumer (1969) and Becker (1970) has repeatedly demonstrated that day-to-day interaction with other people and agents does not just happen but it made and actively maintained. To take an important, if apparently mundane example, we do not enter into a conversation with the script for the talking already established, instead we respond to what others say and reply in an appropriate manner. By entering into the conversation we demonstrate that we are “alive” to what is going on by doing things such as asking and answering questions as appropriate and following the topics of conversation as they change and the interaction develops. Even during formal talk such as a political speech (Clayman 1993) or pre-scripted and rehearsed events such as stand-up comedy (Rutter 2000) performers must engage with audience actions and interjections.

There will be rules governing the organisation of the talk such as turn taking or avoiding overlap (see Sacks et al. 1974) but even these are context sensitive as can be seen from the differences in talk between friends in a social environment, those involved in courtroom business (Atkinson & Drew, 1979), and between customer and shop assistant in a service transaction (e.g. Aston 1995). These rules and the routines, scripts or “practical consciousness” that organise our everyday behaviour are “tacit or taken-for-granted qualities [which] form the essential condition which allows actors to concentrate on tasks in hand.” (Giddens, 1991: 36) Further, these organisational techniques, whichever discipline we look towards to name them, must be mutual to all those involved in an encounter. Garfinkel’s “experiments” demonstrate how easy it is to disrupt this and the consequences of doing so. We have all had experiences of talking through great confusion to others before recognising that we were “at cross-purposes.” Here each party talks and acts using different assumptions about what happening as the mutually we so often ignore become opaque through its breakdown. Such situations are a staple of farce from Molière to sitcom.

This mutuality of interaction is as important in business to consumer e-commerce transactions as it is elsewhere. The parties involved in the transaction must have a shared perspective of what is going on and the routines that generally (and acceptably) govern that interaction. Now the idea that both client and merchant know what is going on and behave accordingly may not sound a notable comment but if we unpack the process a little its profound relevance to successful e-commerce becomes apparent.

⁶ Giddens’ notion of “ontological security” (Giddens, 1984, 1990, 1991) and the work of Fukuyama (1995, 1998) demonstrates better than the brief remit of this paper can why this is not merely linguistic play.

Questions arise about who is doing what, what preconceptions they are bringing to the interaction and how responsive (or “alive”) they are to the situation.

Take for example a user new to e-commerce. When approaching a new experience what people try to do is apply rules that have governed previous similar experiences. For the new e-commerce users this will most likely be that of shopping. However, even the most sophisticated and well developed e-commerce sites remove the situated experience usually associated with shopping: gone are geographical, temporal, tactile and social experiences of shopping. Now, in routine forms of shopping such as regular food purchases (which forms the majority of household shopping expenditure along with petrol and mortgages) this may be a good thing but for leisure and recreational purchases (which make up the majority of B2C e-commerce) it means that the e-commerce experience stops being shopping and is reduced to buying things. As one respondent in work done by Peter Lunt pointed out, e-commerce “is more like typing than shopping.”

What happens in such e-commerce interactions is that mutuality can begin to fall apart. Site designers and merchants believe, for their part, they are entering into a selling interaction while consumers are not necessarily involved in a buying interaction and therefore can often be uncertain as to what is required of them as the shopping routines they are aware of and experienced in fail to work. As the rules that usually apply to our social relationships cease to remain valid people become uneasy. Such an uncertainty heightens the importance of trust for the consumer and increases the need for the merchant to respond to it. However, this is often not the case.

A Garfinkel-like exercise is useful here. By entering a taken-for-granted situation and applying a different frame, set of rules, or behaviour to it the usually invisible organisation of the event becomes visible. Classically these experiments may take the form of acting like a lodger in one’s own home or finishing conversations by saying, “hello,” but they can equally be applied to developing a view of some of the interaction differences between shopping and B2C e-commerce.

Imagine going into a bricks-and-mortar bookshop. As you walk through the door you are met by a insistent member of staff who asks you for your name, address and daytime phone number and refuses you entry into the store before you provide those details. No ifs, no buts, no, “I’m only looking,” the rule is absolute: no personal details, no entry. Having had these details recorded and probably been added to the bookshops prolific mailing list you begin to wander around the store. However, you soon begin to notice that you are being followed around the store by what appears to be a store detective. This person watches everything you look at, notes down how long you look at it, whether you put it in a shopping basket and even tries to take a peak at our other shopping bag in an attempt to find out what store we’d just come from. You put up with this strange behaviour and eventually find a book you are interested in buying. This, unfortunately, has not been as easy as you thought as although the shop has an excellent stock, only the top selling books are easily found and others available not by browsing the shelf but by asking an assistant to bring you a list of all the books they can sell you (both in stock and available on order) that have a particular keyword in the title. While you are waiting for the list you are encouraged to take a look at a number of advertisements for this bookshop and other companies. The only snag now is that there is no price on the item you want to buy. You again return to the assistant who is more than happy to help you but only if you provide the company with your credit card details for their records first. However, the assistant assures you that once they have your details on file then shopping with them will be a lot simpler and quicker and that, in order to further tailor your shopping needs, would you mind completing this short questionnaire about you interests, income, shopping routine and details of why you chose this particular bookshop?

This scenario, as fanciful as it may seem, does highlight some of the differences between conventional shopping and e-commerce beyond the usual observations about lack of physicality and human contact. The interaction that online retailers often believe themselves to be involved in is one of collecting customer data first and selling the current stock item second. Customers, especially those new to the Internet and e-commerce, will be looking to for a shopping interaction. The two are bound to be irreconcilable. This is not to say that either is wrong or that the future of e-commerce will not continue to be data collection orientated – the intention of this paper is not to offer crystal ball gazing predictions – but that placed in interactional situations in which the customer is uncertain as to what is going on, entering fully into the interaction becomes difficult and potentially full of risk. In such a situation

issues of trust come to the forefront especially when the retailer makes demands on the consumer without offering anything either upfront or in return. Further, this scenario demonstrates how trust is negotiated through interaction and is specific to the individuals involved and their relationship. This means that trust in e-commerce cannot be reduced to a somewhat patronising top-down assumption that it is only a matter of consumers “learning” to understand e-commerce systems or putting into place increasingly sophisticated security and validation systems.

Despite this, there appears to have developed a tradition amongst technologically orientated writers which ignores sociological aspects of users interaction and aims to reify trust when exploring network communications. For example, Gerck (1998) defines the goal of his research on trust as producing a practical definition of trust is one which allows considerations to “be viewed non-antromorphically [sic] when dealing with the concept of trust in communication engineering and security design.” Such a view claims to solve the problem of trust by removing trust from the equation while suggesting it has been technological integrated. In such an argument it is unclear who is trusting or what it is that trust is being placed in. This is a vital question when addressing trust’s implication for business-to business (B2C) e-commerce.

Gerck places his notion of trust very much within an information theory model arguing that, “trust is that which is essential to a communication channel but cannot be transferred from a source to a destination using that channel.” That is, put more simply, we trust the information we receive. From a socio-interactive point of view this is somewhat over technological as we cannot trust information per se but rather, based on our previous experiences, the provider of that information or our own informed evaluation of it (this obviously raised questions about the relationship between knowledge and information). Trust is not information; it cannot be digitised and transmitted. As Fukuyama points out:

Trust does not reside in integrated circuits or fiber optic cables. Although it involves an exchange of information, trust is not reducible to information. A “virtual” firm can have abundant information coming through network wires about its suppliers and contractors. But if they are all crooks or frauds, dealing with them will remain a costly process involving complex contracts and time-consuming enforcement.

Fukuyama (1995: 25)

Given the exposition and theoretic approach above how can e-commerce solution providers and online merchants promote and exploit trust? It is not enough to demonstrate that consumer trust is not related in any significant way to technical security without offering at least some suggestions as to what it is related to. In the next section of this paper I want to sketch out a few possibilities that derive from the framework above but offer potential areas of practical exploration.

3. How Can E-commerce Foster Trust?

Keeping up to date in any broad manner with developments in the e-commerce industry has become to seem nigh on impossible as companies bloom, merge, and (in a number of quite spectacular ways) disappear. Predictions of company’s profit and loss, Internet use, platform penetration and market sectors values come from a plethora of organisations – market research, academic, industrial and journalistic – often with irreconcilable perspectives and always in need of revision further down the line. Software and consumer durables are rapidly looking naked without an interface to connect to the Internet or a firewall to keep others from connecting to you. Given such a dizzying rapidity of change it is very easy to ignore the relatively stable aspects of business which would make policy decisions and plans more sure.

Below are four areas for which the social sciences has a rich body of research to offer but which have direct relevance to e-commerce and consumer trust. In turn they are *community*, *flow*, *brand identity*, and *personal experience*.

3.1. Community

From MOOs and ICQ to Amazon.com, the idea of communities operating online has been an attractive one and despite their notorious fluidity they offer the online retailer a valuable resource for promoting user trust as well as promoting site “stickiness” and adding value to the site and the products it sells through providing (at little cost to the retailer beyond initial development) reviews, overviews, hints and tips, buying advice, etc. Although a richly discussed term, the following covers some of the main features of community as far as sociological research stands:

‘Community’ stands as a convenient shorthand term for the broad realm of local social arrangements beyond the private sphere of the home and family but more familiar to us than the impersonal institutions of the wider society.”

Crow & Allan, 1994: 1

In such a context we can see that what is happening in communities which pivot around online retail sites is the development of relationships. The virtual basis of these communities is largely irrelevant to the interaction involved and does not mean that the relationships involved are in any way less “real” as members increasingly feel part of the community and begin to align themselves with the community and, by extension, the community host. Being part of the community – especially if one is seen as a core or long-term member – begins to carry with it its own kudos or cultural capital as community membership begins to carry with it its own value. Therefore, as a community evolves members will begin to actively demonstrate membership of the community. This they will do inside the community through techniques such as displaying specialist knowledge of the community history and its members and outside of it through recommendation or favourable comparison with other, similar communities. This contributes not only to the sense of community found within the group but also the development of boundaries around it that marks it as separate for other online communities (Rutter & Smith, 1999).

Trust is heavily linked to the development, fostering and maintenance of such community relationships. By developing an “imagined community” (Anderson, 1991) (such as that Amazon promotes through its open community of reviewers) retailers become seen as a trusted part of the community rather than merely an institution. Further, the development of a community and its relationship to trust is a cyclic process: Members of communities demonstrate trust in other members they know and also in the other members by virtue of their membership of the community. The longer people remain a member of the community the more they are likely to offer greater amounts of trust to the community. As Fukuyama observes, “community depends on trust, and trust in turn is culturally determined” (Fukuyama 1995: 25).

3.2. Flow

Although Csikszentmihalyi’s (1975) notion of “flow”⁷, the way computer users become absorbed in their activity to the exclusion of other things, is usually applied to athletes it has also been used in understanding e-commerce (Hel et al. 1999) and, more generally, to the online experience (Novak & Hoffman, 1997). According to Csikszentmihalyi, when in the flow state,

players shift into a common mode of experience when they become absorbed in their activity. This mode is characterized by a narrowing of the focus of awareness, so that irrelevant perceptions and thoughts are filtered out; by loss of self-consciousness; by a responsiveness to clear goals and unambiguous feedback; and by a sense of control over the environment...it is this common flow experience that people adduce as the main reason for performing the activity

Csikszentmihalyi, 1975

⁷ This is not to be confused with Raymond Williams concept of flow – i.e. the way items run into each other without marked separation - which is as applicable to web sites as it is to television.

Thus, for flow to exist there must be a level of challenge involved in the activity but that level of challenge must not be so great as to make those involved feel out-leagued and lose interest. Such challenge is often designed into computer games such as motor racing simulations. In such games when a player is performing badly and slips to the back of the race the cars at the front will start to gently slow down in order for there to be more of a possibility of the less skilled player to catch up. Conversely, the computer-driven cars will increase their speed and driving accuracy to maintain challenge and interest for the experienced gamers (Poole, 2000).

For the web designer or e-commerce solution provider this in itself presents a substantial challenge and in many ways it runs contrary to common knowledge of site design in which everything must be simple and transparent for the user as they are spoon-fed through the site. To facilitate flow in visitors to a site there must not only be clear and positive feedback (no more forms that don't explain to us the reason for submission of their contents) but a variable element of challenge to the interaction users have with the site. The easiest way to promote such challenge is perhaps by using the community that a successful e-commerce site can create around itself. Web sites that mediate the interaction between users can facilitate a profoundly more variable level of challenge and engagement than would be possible with a users and site interaction (while games made with Macromedia's Flash are fun they have little long term engagement.) The combination of goal orientated challenge, feedback, and interaction with other users perhaps goes some way to explaining the rejuvenation of interest in auctions that has been witnessed on the web.

When the idea of flow is applied to e-commerce, this engagement encourages users' involvement with a site, increases the amount of time they will spend on it, and makes the likelihood of their returning often greater. For a flow state to be entered into requires many of the same conditions that are necessary for trust. For example, there must be an established and recognisable sets of rules that govern the interaction and which people can expect others to adhere to and judge their action by. Given this situation, despite the challenge involved – which will itself fulfil users' 'expectancies', the interaction will avoid situations in which the site user is faced with the unexpected or situations in which mutuality of interaction fails to operate. Given such a relationship it is highly likely that trust will develop.

3.3. Brand identity

KPMG (1999) found that more than 50% of Internet users claimed that they would be more to shop online if major financial institutions or vendors guaranteed their transactions. The emphasis here of placing trust in organisations rather than systems is clear (even if the organisation stands as metonym for the individuals that make it). Similarly the 1998 *Which? Online* report found that almost half of the population believe that the Internet encourages fraudulent practices. Theoretically, as trust is fostered through relationship, it would appear that the trust that e-commerce users demonstrate would favour familiar brands. If this was so it is likely that there will be growing number of users visiting a select number of the largest e-commerce providers. Empirically, such a concentration can already be seen in general web use, according to US research, which found that although the number of Internet users and the time they spend online continues to grow, the range of sites that they visit is dropping (Media Metrix 1999).

Branding is also linked strongly with trust services such as Verisign, TrustUK and *Which? WebTrader*. In situations in which a retailer is a member of such a professional or regulatory organisation it is easy to simply assume that trust can be produced by a regulatory agency. However, the problem arises about why we should trust e-Trust or *Which?* in the first place. These services rely on a previous trustworthy relationship between the consumer and the trust service.

Trust in a firm is not about doing business with them because *Which?* will refund me the £50 that my credit card company may not if the company disappears with my money and fails to deliver the new television set I ordered from them. Such safety nets (like the emphasis Fukuyama places on hierarchy) are the product of distrust and act to minimise the effects of wrongful behaviour.⁸ In a trusting

⁸ For further exploration of trust services and consumer trust see Cheskin Research 1999

relationship, the display of a trust service's logo or banner on the retailer's site assures the consumer that the business done there will conform to a set of norms which are already established, available for review, and familiar to the parties involved. It restores a sense of mutuality as discussed and highlighted above. If I have trust in the behaviour sanctioned by the trust service then such legal assurance become less important.

If people who have to work together in an enterprise trust one another because they are all operating according to a common set of ethical norms, doing business costs less. Such a society will be better able to innovate organizationally, since the high degree of trust will permit a wide variety of social relationships to emerge. Hence highly sociable American pioneered the development of the modern corporation in the late nineteenth and early twentieth centuries, just as the Japanese have explored the possibilities of network organizations in the twentieth.

Fukuyama, 1995: 27

It is like being introduced to a friend of a friend. We assume, because of the trust relationship we have with our friend, that our new acquaintance will demonstrate similar points of view to ourselves; that they will not be untrustworthy, offensive, abusive, etc. In close relationships the recognition of the power of this trust can make it embarrassing to point out that we don't like our friend's friends and, conversely, to have a friend we have introduced act in an inappropriate manner.

3.4. Personal experience

All of the above three aspects of trust form part of this fourth one. However, this is not to say that this aspect is by any means tautological or redundant as it lies at the very centre of what the short paper has had to say about trust. That is trust is a quality which grows out of, and informs, local interactional experiences. This is because personal experience and personal narratives have profound importance in the creation of trust (see also Jones & Vijayasarathy, 1998). We make decisions to trust through our own (often limited or misrepresentative) experiences and the anecdotes offered us by those we trust more readily (and pragmatically) than by any rational evaluation of available facts. Trust may have components of rationality (especially when it is institutionally processed) but this does not mean it is a rational system.⁹

As Cheskin Research (1999) point out, "Trust" is understood by most customers to be a dynamic process. Trust deepens or retreats based on experience." As such, there is a pattern which can be seen to the developments of trust through personal experience which applies as readily to e-commerce as it does to friendships:

In the early stages of a relationship, the level of trust is low for both parties involved. As neither party knows much about each other, mutuality appears lows and the risk of having an offering of trust abused is potentially high. This is why we tend to avoid giving our life saving to shifty-looking strangers or sending our credit card details to what looks like a transient site hosted on free web space. As the level of trust is low, as is the investment we have in the relationship, the breach of trust needed to jeopardise the relationship is minimal. For example, a customer new to a retailer is less likely to offer return business if they receive a single instance of poor service than and established customer. Given that the level of trust and the risk involved is higher in the retail interaction than for the merchant this is understandable.

It is at this stage that trust services, consumer law, well formulated and displayed return policies play their major role in the trust process. This is when the new customer seeks reassurance that the level of damage they open themselves up to, the risk that they take, and the amount of misappropriation that can be done by the company is limited through law and officially sanctioned regulation. It is only as the trust relationship builds through successful interaction that more informal transactions can be

⁹ The importance of experience can be further seen by the drop in the concerns of using e-commerce that experienced users demonstrate (GVU 1998)

comfortably entered into. As the level of satisfactory service the customer receives grows so does the level of trust they have in the retail. Linked to this is the growth in tolerance towards variability of service. All but the most highly-strung of established customers will tolerate the occasional mix-up in order or slightly delayed delivery so long as recompense is made and apology is offered. Such repairs demonstrate to the consumers (as does an apology to a friend) that the relationship is valued and that there is a desire to maintain its development.

Such an observation, which effectively boils down to a commitment to provide a service or regular quality with a focus of customer recognition and satisfaction is not new but as online retailing continues to be more about the service offered than the product sold the quality of that service becomes increasingly important.

4. Conclusions

By looking at web-based business-to-consumer e-commerce this paper has placed trust within a context of everyday routine, interaction and local experience. I have suggested that although who is involved in e-commerce and how business is done will certainly change in the coming years our routine behaviour and our approaches to interaction will, in general, not be so obliging in the rapidity of its change. As such there will remain a need to build upon social science research in general, and interactional sociology in particular, in order to develop the initial observations that have been offered above. The task that these paper leaves us with is not only to refine our understanding of trust for the online consumer but see how this tallies with research in other fields and explore how it can inform the development of e-commerce solutions.

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