The Impact of Trust and Past Experience on Intention to Purchase in E-Commerce

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Abstract:- Buyer's behavior is affected by different factors that influence the intention to purchase online. This paper specified three factors Trust, Past Experience, and Social Presence that have strong relationship with the intention to purchase online. The study found that all these factors have positive correlation with buyers' intentions and purchasing behaviors, but "Trust" was the strongest factor that affects the intention to purchase online.Therefore the study concludes that trust is the main driver that improves online business. A meta-study of the empirical literature on trust and other two factors in e-commerce systems was conducted, and propose a qualitative model incorporating the various factors that have been empirically found to influence consumer trust increase the intention to purchase online.

I. INTRODUCTION

Trust and Past experience of consumers were found influential factors that affect the decision of buyers online. Trust is at once an important concept for different fields in business and life, and a critical attribute that must be adopted into e-commerce application. Trust bears a vast number of meanings, and it is deeply dependent upon the framework of information and user's background and perception. The literatures on adopting trust into e-commerce application reflect various meanings of trust with respect to purchasing online; there are a large number of articles discussed trust in e-commerce, but yet there is no clear theoretical support for the investigation of other dimensions of trust in e-commerce, however, is highly dependent on trust unlike traditional commerce; actually most of literatures showed that any e-commerce merchants that fails to establish a relationship based on trust with their customers is destined. Therefore is a firm need for specific guidance on e-commerce websites to adopt the effective dimensions of trust attribute and operate business that effectively promote trust for online buyers. Online trust varies by a consumer's buying experience (Liu, Dixon, and Murphy 2002) and is moderated by the consumer's degree of trust propensity (Lee and Turban 2001) and duration of relationship (Gounaris and Venetis 2002). Extending these notions, this study evaluation the factors that impact on buyer's trust and online purchase past experience as well as examine the effect of social presence on the intention to purchase.

Trust and Past Experience to buy online are the main motives for buyers to proceed in payment with full of confidence, and hence this paper will attempt to approve the correlation between Trust and Past Experience to purchase online with the intention to purchase online, and to examine the impact of Social Presence as well on buyer's behavior. The intention of buyer to purchase online has been discussed by many studies that highlighted the role of trust and other factors such as experience and social network (Hellier et al., 2003). This study showed that one of the important factors that have a significant influence in intention to purchase online is a buyer's general tendency to trust the e-commerce portal, and this tendency is referred to as "trust affection", which is a psychological attribute that is formed from early childhood and develops throughout the life period depending on an individual's socio-cultural background, developmental experiences, and his or her personality traits (Mayer et al., 1995).

Trust affection is defined in this study as "the degree to which an online buyer displays a tendency to be willing to proceed in purchasing with full confidence". In an e-commerce situation, the findings regarding the impact of trust on online trust are conflicting. The study assumes that "Past Experience to purchase online" & "Social Presence" are reinforcing factors with "Trust" that enhance the intention to purchase online. Social Presence representing the social context by the notions of social presence and trust.

1.2 Trust
Academic scholars have accepted trust as a central factor the enables e-commerce business to run successfully (Komiak & Benbasat, 2006; Gefen and Straub, 2010). Rousseau et al. (1998, p. 395) defined trust as: "a psychological position encompasses the intention to accept sensitivity based upon positive expectations of the intentions of the buyer or buyer's behavior. Trust can reduce uncertainty and therefore it is essential for commerce (Blau, 2008), and has been investigated to understand its impact on consumers' fears of unreliability and cheating (Jones & Leonard, 2008). In e-commerce, where the website is the only source of information that should be clear from any kind of uncertainty, however trust in online selling portals is highly important and

essential because it is one of the most effective approaches for reducing buyers' uncertainty (Frederick & Schefter, 2000; Luhmann, 1979). Thus, online consumers must trust the seller and be sure that the website is clear from any kind of misuse or contain illegal actions such as violations of security and privacy or unfair prices, trust is likely to play a major role in determining consumers' intentions to purchase.. Collectively, they provide the basis for trust-related decision making regarding a vendor and many of the other trust dimensions proposed in the literature can be reconciled within these two encompassing trust dimensions (Bhattacherjee, 2002; Fuller et al., 2007). Although distinguishing between affective and cognitive trust is often done in explaining the concept of trust, findings from neuroscience indicate that a clear difference between them can hardly be maintained (Riegelsberger et al., 2005). Thus, cognitive trust and affective trust can exist at the same time for the same person(s) towards the same object (Corritore et al., 2003). In this paper, we consider both cognitive and affective trust dimensions.

1.3   Social Presence
Social presence defines how people relate to each other, which in turn affects their capability to communicate effectively in different ways (Kehrwald & Bejamin, 2008).

According to the theory of social presence communication would be effective if the communication medium has a proper social presence that is required for the level of personal involvement and for a particular task. For example, the face-to-face medium is considered to have maximum and highest degree of social presence, whereas text-based communication represents the weakest and lowest level of social presence. This study assumed that the social presence in e-commerce is a moderate level. Social presence theory describe any interaction involving two parties, both parties are concerned both with acting out certain roles and with developing or maintaining some sort of personal relationship (Short & Christie, 1976). The study assumes that social presence has a moderate effect on consumer decisions and their intention to purchase online a supporting factor with trust and experience to purchase online.

1.4   Past Experience to purchase online
The previous experience to shop online is an essential factor in deciding the reliability of the website. In this paper we assume that past experience of purchasing online should be considered as an auxiliary factor in the prediction of intentions to purchase online after the Trust factor and in combination with features of the social presence, we will have three factors (Trust, Past Experience, and Social presence) that affect together the decision making process and intention to purchase online. Empirical research (Yoh et al., 2003) shows that customers' previous internet experience is a strong determinant of their online shopping behavior. Moreover, Ranganathan and Jha (2007) found that past online purchasing experience has a strong correlation with intention to purchase online compared to other factors employed in their model

Intention to purchase online is related to the history of internet shopping and has a direct effect on the behavior of internet shoppers (Monsuwe et al., 2004). Knowing how past experience of buyers could affects purchasing behavior is important for the developer of e-commerce application and website because previous buyers of e-commerce behave differently from newcomers who are still new to the particular website. In particular, the correlation of past purchasing with the social presence is unclear.

1.5   Intention to purchase
Nowadays the world is more interested about community whenever the people intend to make a purchase decision. The current religious, ethical, and environmental regressions have compelled the people to think carefully of anything is serious or not, if it bear lies or truth (Shah et al; 2011). Intention to purchase is a kind of decision made by the buyer in which he/she verifies a brand in particular and neglect other brands. Constructs like trust in something before purchasing a brand and continuing to purchase a brand aids the scope of consumer's intentions to purchase (Porter, 2009), while Schoen (2004) found a type of loyal buyers whose purchasing decision is insensible to pricing, and buyers investing money in the brand that satisfy their needs which they extremely trust.

The intention to purchase is one the main drivers that tend buyers to continue in payment transaction and finishing with buying products or services. Intention to act is a psychological behavior. Fishbein and Ajzen (1975) used the relationship between cognition, intention and behavior as their premise in the theory of reasoned action, and they found that: "intentions are jointly determined by the person's attitude and subjective norm concerning the behavior". The intention to purchase can be classified as one of the components of consumer's cognitive behavior on how an individual intends to buy a specific product or service. Laroche Zhou (2009) suggests that variables such as customers' trust in buying a particular brand can be used to measure the intention to purchase of consumer. The trust factor can include the customer's interest as part of the overall decision-making process in determining the intention of buyers.

II.   THE PURPOSE OF THIS RESEARCH

The fundamental factors to buyer's behavior such as Trust, Past Experience, and Social Presence, and their relationship to intention to purchase are very important for e-commerce systems. Online purchasing has unique features that make it different from the traditional shopping process. Therefore, understating the main factor that enhances the intention to purchase of buyer's will effect on e-commerce. This study seeks to investigate the relationship between Trust and intention to purchases online, in addition to that investigate two other factors Past Experience & Social Presence on Intention to purchase.

In this paper we argue that "Trust" is the strongest factor and considered as an initial factor in the prediction of purchasing intentions. This paper foresees that "Trust" needs to be included in an empirical model and investigate its effect on intention to purchase online. The other two factors Past Experience & Social Presence are moderate factors and both with the power of Trust factor influence the intention to purchase online by the buyers and change their purchasing behavior.

III.   SIGNIFICANCE OF THE RESEARCH

The significance of this study comes from its logical evaluation to the impact of Trust, Past Experience, and Social Presence on the intention to purchase online of. The study consider trust as the main driver that improve the business of online sellers through providing trust dimensions in e-commerce applications that let buyers continue in payment with full confidence. This paper critically identify the main hinders that affect the level of Trust among online shoppers and then set recommendations for companies doing business through e-commerce to remove the factors that affect Trust and increase revenues.

IV.   THEORETICAL FRAMEWORK AND HYPOTHESES

Following the long tradition in studying buyers' behavior, we assume that a person's behavior is affected by his/her intentions and personal attitude. The theory of reasoned behavior was the most theory frequently used by scholars to evaluate consumer-behavior that build the intention to purchase (Ajzen and Fishbein, 1980) and its extension, the planned behavior theory (Smith et al., 2008; Chih & Su-Chao, 2005). However, it is not clear how these theories identified the range of behaviors found in diverse social networks relevant to online purchasing. This study examines the relationship between past experience and intentions to purchase in its specific social presence. We use four constructs to explore this relationship: Trust, Social Presence, Past Experience, and Intention to Purchase.

The study assumes that "Past Experience" & "Social Presence" are reinforcing factors with "Trust" that enhance the intention to purchase online. Social Presence represents the social context by the notions of social presence and trust.

This study assumed "Trust" and "Experience to purchase online" as the independent variables, and the social presence in e-commerce is a moderate variable, while, and "Intention to Purchase" is the dependent variable.

H1.   Past experience to purchase online is positively correlated to Trust.
H2.   Trust is positively correlated to intention to purchase online.
H3.   Social presence is positively correlated to Trust.
H4a. Past experience to purchase online is positively correlated to intentions to purchase online. Similarly; past experience to purchase online relate to the uncertainty of making the interaction with the website. Trust is the strongest factor that is likely to increase buyer's intentions more than other factors. All these factors effects will, generate a stronger intention to purchase among buyers online. Trust, as shown below, reducing uncertainty significantly to enable the complex decisions involved in online purchasing.

We therefore expect higher trust to directly impact intentions to purchase, which represent a decision in the face of uncertainty. Past experience, social presence and trust affect the intention to purchase. Accordingly we suggest the following hypotheses:

H4b.   Social presence is positively correlated to intentions to purchase online.
H4c. Trust is positively correlated to intentions to purchase online.

In order to examine the concurrent effects of Trust, Past Experience of purchasing online, and Social presence on intention to purchase we suggested a model that contains these elements (Fig-1).
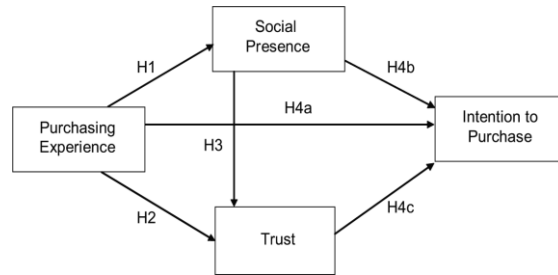
Fig-1 (The relationships between trust, Past Experience,
and Social Presence on Intention to purchase)

V.   RESEARCH METHODOLOGY

To address this need, we have conducted a meta-study of the empirical literature on trust in e-commerce systems. This area of research is still immature, and hence our meta-analysis is qualitative rather than quantitative. We identify the major theoretical frameworks that have been proposed in the literature, and propose a qualitative model incorporating the various factors that have been empirically found to influence consumer trust in e-commerce. As this model is too complex to be of practical use, we explore subsets of this model that have the strongest support in the literature, and discuss the implications of this model for Web site design. Finally, we outline key conceptual and methodological needs for future work on this topic

Data were collected from 119 employees working in various high-tech companies, who use the internet in their daily work for knowledge sharing, surfing sites related to their work, and emailing. By high-tech companies we mean those that emphasize invention and innovation and employ a relatively high percentage of scientists and engineers in their workforce. About 65 percent of the participants had past experience to purchase online via the internet in the previous four years. Most of them (77 percent) were men, in terms of qualification of education, most of them held a university degree. Respondents were asked to answer a set of questions based on their "best purchasing experience you had via the internet".

We develop and test a model that explains the social context of online purchasing intentions by looking at past purchasing and these two constructs of social context. This model has implications for both academia and business.

VI.   RESULTS AND DISCUSSION
6.1   The effect of Trust and Social Presence on Intention to Purchase
In order to investigate the relationships between the dependent variable "Intention to purchase" and the independent variable "Trust" and "Social presence" according to hypotheses H1 & H1, the zero-order correlations was applied, which is used to measure the association between two variables or all predicted variables with the respondents' intention to purchase via the internet are presented in Table-1.

Table-2 shows that all hypotheses of the study (H1, H2, H3, and H4) were confirmed and there is strong correlation between the study variables as expected. Respondents who had past experience in purchasing online showed a higher perception of "Social Presence" when navigating the website (r = 0.27), and the respondents showed a higher degree of trust to experience e-commerce purchasing (r = 0.26), and this result is confirming H1 & H2, respectively. Respondents who perceived a higher "Social Presence" when navigating the website showed a higher degree of trust and wish to proceed on payment transaction with full confidence (r = 0.46), however this result confirming hypothesis (H3). Reducing social uncertainty would be through increasing social presence, predicting, and controlling the behavior of other people is a central motivating force of human behavior. When rules and customs are not sufficient, people rely on trust and familiarity as primary mechanisms to reduce social uncertainty. The social presence on the dimensions of trust, especially benevolence, has an ultimate contribution to online purchase intentions because of trust (Gefena & Straubb, 2009)

In addition to that respondents showed a higher intentions to purchase online in the future when they had previous experience in purchasing online (r = 0.49), a higher "Social Presence" (r = 0.49) and had higher trust in the website when proceeding in the purchase process (r = 0.58), however this result is confirming study hypothesis H4a, H4b and H4c, respectively).

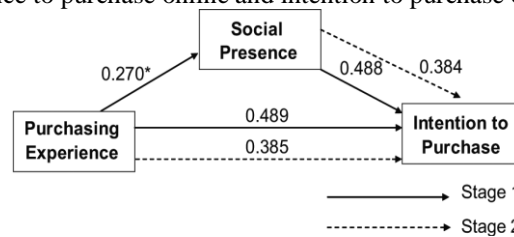### 6.2   Interconnection between Trust and Social Presence
In order to test the effect of "Social Presence" and "Trust" on the relationship between past experiences of purchasing online and intentions to purchase in the future we achieved multiple tests as suggested by Baron and Kenny (1986). The approach to know the effect depends on achieving three conditions: first, a strong correlation between the dependent variable and independent variable; second, a strong correlation between the independent

variable and intermediary variable and; and third, if the correlation between intermediary and the dependent variable is strong and the correlation between the dependent and independent variables tempt to be strong, then full intermediary is obtained whereas if the latter correlation decreases but remains strong, partial intermediary is obtained. The results of the mediation test are presented in (Figs 2 and 3) below.

6.3   The Effect of Social Presence and Past Experience on Intention to Purchase Online

The first condition for a strong correlation between past experience to purchase online and intention to purchase in the future, which was met ($β= 0:49$), and this result confirming the study hypothesis H4a. The second condition requiring a strong correlation between past experience to purchase online and social presence, which was met ($β= 0.27$), and this result confirming study hypothesis H2.

The third condition requiring a strong correlation between social presence and the intention to purchase ($β= 0.38$), and there was a decrease from $β= 0.49$ - $β= 0.38$ in the relationship between past experience to purchase online and intention to purchase online, which indicates that there was partial intercession of social presence between past experience to purchase online and intention to purchase online, as shown in Fig-2 below:
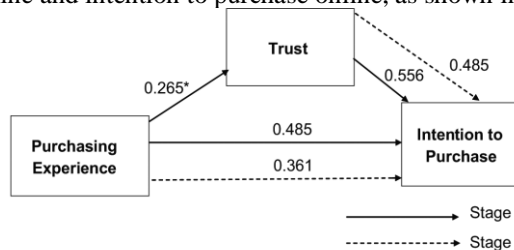

Note: Figures indicateβ coefficient

Fig-2 (Mediation of social presence between purchasing experience and intention to purchase)

6.4   The Effect of Trust on Intention to Purchase

The first condition for a strong correlation between past experience to purchase online and intention to purchase online was met ($β= 0.48$), confirming study hypothesis H4a. The second condition requiring a strong correlation between past experience to purchase online and trust, also was met ($β= 0.26$), and this result confirming study hypothesis H1. The third condition requiring a strong correlation between trust and intention to purchase online ($β=0.48$), while there was a decrease from ($β= 0:48$ to $β= 0.36$) in the correlation between past experience to purchase online and intention to purchase online, however this result indicates a moderate level of trust between past experience to purchase online and intention to purchase online, as shown in Fig-3 below:

Note: Fig indicate β coefficient

Fig-3 (Mediation of trust between purchasing experience and intention to purchase)

VII.   DISCUSSION

The Trust and Past Experience have been shown the most influential factors with high reliably to predict buyer's behavior, primarily in a stable e-commerce platform (Bagozzi et al., 2000; Oellette and Wood, 2007). Online purchasing is not a stable framework; to many buyers' it is threatening and maybe considering security penetrative. Buyers are very caution to buy online even buyers who have strong experience in purchasing online. Therefore the impact of Trust is strongest comparing to other factors, and this was identical with the result of the study. We evaluated the perception of participant to Trust, Past Experience and Social presence and their impression on these three factors, and the result showed that Trust (47%) is the most influential factor, followed by Past experience (33%) and Social Presence (20%). As shown in Fig-4 below. This means that buyers pay more attention to Trust elements in e-commerce before depending on their past experience or check the level of social presence in the web site
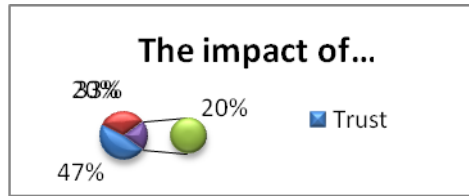
Fig-4 (The perception of buyers towards Trust, Past Experience and Social Presence)

The social context of physical or traditional shopping has a strong impact on buyers' behavior; however it is not in the same level in online shopping. Our findings showed that the social presence is important in affecting the intention to purchase by adding value to the products online through community share of user and visitors to the website. Moreover, the social context is correlated to the past purchasing experience; thus a view of the social presence in which it changes with buyer's experience is likely to be a considerable factor in determining the behavior of online shopping.

We examined the impact of (Trust, Past Experience and Social presence) on Intention to Purchase from the perspective of participant, and the result showed that Trust (42%) is the strongest factor that affects the intention of buyers to purchase online, followed by Past experience (31%) and Social Presence (27%). As shown in Fig-5 below.
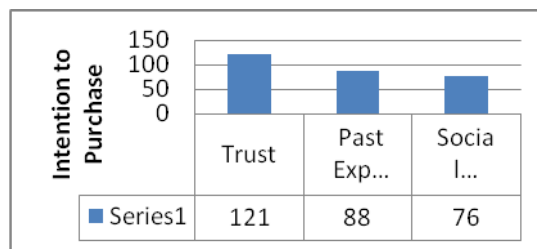

Fig-5 (The relationship between Trust, Past Experience and Social Presence with the intention to purchase)

The result is identical with our primary assumption that Trust is the most influential factor, followed by Past Experience and then Social Presence. However the combination of all factors together contributes to stronger intention to purchase by online buyers.

VIII.   CONCLUSION

The study concluded that three factors; Trust, Past Experience and Social Presence have strong relationship with the intention to purchase online and all have positive correlation with buyer's intentions and behaviors. The study found that Social presence positively influences online instruction through enhancement of social networks in e-commerce; however, frequency of participation does not represent high social presence." In both a quantitative and qualitative analysis of respondents we found that social presence to achieve positive impact, online communication was more strongly related to experimental and organizational skills of respondents, As a result, Trust was the strongest factor that affect the intention to purchase online and in the decision-making process as well, while the reason for this result of trust is that both knowledgeable processes and background of consumers may play a role in the formation of trust to e-commerce.

IX.   RECOMMENDATIONS FOR FUTURE STUDIES

This study limited to evaluate the impact of three factors (Trust, Past Experience and Social presence), where there are other factor could influence the intention to purchase and should be evaluated in future studies such as (the usability of e-commerce, Information quality, and Payment security).
The study emphasizes that further evaluation to the impact of demographic factors such as gender, age, and intelligence of buyers may affect their intention to purchase and behavior.

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Tables

Items	Intention to purchase	Trust	Social presence
I accept to my credit card to purchase from e-commerce website	0.86	0.20	0.14
I accept to buy from other websites as well	0.84	0.23	0.02
I may back again and buy from the same website	0.82	0.28	0.28
I recommend to buy from this website	0.73	0.29	0.43
I feel completely trust in the purchasing process	0.28	0.89	0.21
I feel completely trust in because of website's efficiency	0.19	0.89	0.10
I feel completely trust when providing personal details to the website	0.32	0.73	0.28
I understand that other buyers are present on the same website I used to buy from	0.03	0.14	0.80
I feel the people behind this website	0.16	0.26	0.80
I feel the efficiency of service and availability of other customers	0.39	0.08	0.67
Variance (%)	52.04	12.64	11.74

Table-1 (Correlation between Trust and Social presence with Intention to Purchase online)

Variables	Mean	Standard Deviation	Past purchase	Social Presence	Trust
1. Past experience to purchase online (1 = yes)	1.41	0.49	0.27 **		
2. Social presence (scale 1-5)	2.90	1.12			
3. Trust (scale 1-5)	3.32	1.19	0.26 **	0.46 **	
4. Intention to purchase in the future (scale 1-5)	3.37	1.14	0.49 **	0.49 **	0.58 **

Table-2 (Means, Standard Deviations, and Correlations factors to verify the study hypothesis (H1, H2, H4, and H4a, H4b and H4c respectively)

B		S.E.	β	t	Sig.	(,)	DR
(Constant) "Social presence" (1-5), "past experience to purchase online" (1 = yes), "Trust" (1-5)	2.53	0.39	0.30	6.40	0.00 0.00 0.00 0.01		0.24 0.22 0.04
	0.70	0.16	0.36	4.26			
	0.34	0.07	0.25	4.67			
	0.26	0.08		3.28			

Table-3 (Regression results for intention to purchase by past experience to purchase online, trust, and social presence).