Active Citizenship by
Knowledge Management & Innovation
19–21 June 2013 · Zadar, Croatia

make learn

Management,
Knowledge and Learning
International Conference 2013

TOOLS OF BUILDING CUSTOMER TRUST

Joanna Paliszkiewicz
Warsaw University of Life Sciences
joanna_paliszkiewicz@sggw.pl

Bogdan Klepacki
Warsaw University of Life Sciences
Bogdan_Klepacki@sggw.pl

Abstract:
Many authors have emphasized the importance of trust for achieving organizational success. Trust can provide sense of security what will help survival in complex environments. Nowadays, the degree of ambiguity and uncertainty is said to be increasing, thus increasing the need for change, innovation, learning and risk taking. There is a need for more knowledge of how trust-building works as an interactive process, of the way trust is built up in a context of problems and adversity and how organizational policies and settings affect the generation and maintenance of trust. The aim of the article is to present the foundation for theory of customer trust building. It's a proven fact that building customer trust in products, service and company is a great way to increase profits and build a strong, dependable consumer base.

Key words: trust, trust management, customer trust

Active Citizenship by
Knowledge Management & Innovation
19–21 June 2013 · Zadar, Croatia

make
learn

Management,
Knowledge and Learning
International Conference 2013

1.   INTRODUCTION

Trust is a research interest of many disciplines including management (Mayer et al. 1995), information systems (Wang and Emurian 2005), and marketing (Morgan and Hunt 1994). Researchers examined trust from different perspectives, and multiple definitions of trust exist. Increasingly, businesses are focused on the development of long-term and mutually beneficial relationships with customers, other organizations, and employees. An essential ingredient in successfully achieving these long-term relationships is the establishment and maintenance of trust. The major objective of this study is to report on an analysis of the trust literature to contribute to the development of the topic. An overview of research findings is provided, and gaps in knowledge are revealed that could be addressed by future research. Author examined the literature for definitions of trust in different dimensions and determinants of trust, consequences of customer trust, and conducted tools to build customer trust.

2.   CONCEPTUAL BACKGROUND OF TRUST

Different disciplines treat trust as a research interest in significantly different ways. Trust can be categorized into three perspectives. First, trust is regarded as an individual feature from the viewpoint of personality theorists. Second, trust is considered as a part of relationship. Third, trust is a part of social and economic exchange.

Trust as an individual feature
Viewed from the individual level, trust is best understood by looking at the psychology of the person. Such a perspective can explain why a person trusts and why trust declines or increases. Some examples of definitions connected with this area are presented in table 1.

Table 1: Definitions of trust – psychology perspective

Author	Definition
Wrightsman 1966 Rotter 1967	Trust is a personality trait that reflects the general expectations of the trustworthiness of others.
Gibb 1978	Trust in instinctive, and, as a feeling, is so close to love.

Source: Author's research

Viewing trust as a psychological state implies that people vary in terms of when and how much they are willing to trust. People's readiness to trust depends on:
- people's estimation of the probability that those trusted will reciprocate the trust (Tyler and Kramer 1996),
- the nature of their personalities (Luhmann, 1979),
- people's developmental experiences, and cultural backgrounds (Mayer et al., 1995),
- propensity or disposition to trust (McKnight, Cummings, and Chervany 1998, Mayer et al. 1995),
- people's willingness or intention to depend on their interactional partners (McKnight, Choudhoury, and Kacmar 2002).

Trust as a part of relationship
Lewis and Weigert (1985) stress that individuals would have no occasion or need to trust apart from their relationships with others. This assertion emphasizes the sociological function of trust instead of its supposed psychological function. Trust is an essential ingredient in the initiation and maintenance of stable social relations, just as exchange obligations promote trust. Some definitions connected with trust seen as a part of relationships are presented in table 2.

Table 2: Definitions of trust – relationship perspective

Author	Definition
Luhmann 1979	Trust is a generalized expectation that others will handle their freedom, their disturbing potential for diverse action, in keeping with their personalities – or, rather in keeping with the personalities they have presented and made socially visible.
Bateson 1988; Garbarino and	An expression of confidence between the partners in an exchange or a relationship of some kind

Active Citizenship by
Knowledge Management & Innovation
19–21 June 2013 · Zadar, Croatia

make learn

Management,
Knowledge and Learning
International Conference 2013

Johnson 1999	
Dwyer and Oh 1987	Trust has been viewed as a belief that no partner to the exchange will exploit the other's vulnerability
Moorman, Deshpandt, and Zaltman 1993	The willingness to rely on the other party
Das and Teng 1998	Trust is positive expectations about another party's motives in situations entailing risk
Mayer et al. 1995	Trust is the willingness of a party to be vulnerable to the actions of another party based on the expectation that the other will perform a particular action important to the trustor, irrespective of the ability to monitor or control that other party.

Source: Author's research

Barber (1983) identifies three kinds of expectations in relation to trust:
- an expectation of the persistence and fulfilment of the natural and social order,
- an expectation of the technically competent role performance from those involved with an individual in social relationships,
- an expectation that partners in interactions will carry out their fiduciary obligations and responsibilities.

The three, presented perspectives on trust as an expectation highlight trustors' beliefs that the trustees are good and honest.

Trust as a part of social and economic exchange

Trust is essential in economic and social exchange. According to Blau (1964) social exchange is the voluntary action of individuals who are motivated by the returns they are expected to bring and typically do in fact bring from others. He wrote that the benefits involved in social exchange are not definitively priced in terms of a single quantitative medium of exchange. This is the reason why obligations in social exchanges are not specific, while economic exchanges are moored on a formal contract that specifies the exact amount to be exchanged. Though both exchanges conceptually differ, both depend on trust for their continuation (Buskens 1998; Doney et al., 1998; James 2002), and both exchanges involved varying amounts of uncertainty and risks (Molm, Takahashi, Peterson 2000). Some definitions connected with trust as a part of social and economic exchanges are presented in table 3.

Table 3: Definitions of trust as a part of social and economic exchange

Author	Definition
James 2002	Trust viewed from an economic standpoint is an expectation that people will not be exploited by others, which exists when there are no strong incentives for people to behave opportunistically.
Hosmer 1995	Trust is the reliance by one person, group, or firm upon a voluntarily accepted duty on the part of another person, group, or firm to recognize and protect the rights and interests of all parties engaged in a cooperative endeavour or economic exchange.
Anderson and Naurus (1990)	Trust is the firm' belief that another company will perform actions that will result in positive outcomes for the firms as well as not take unexpected actions that result in negative outcomes.
Sako (1992)	Trust can be treated as a state of mind, an expectation held by one trading partner about another, that the other behaves or responds in a predictable and mutually acceptable manner.

Source: Author's research

The concept of trust can be explained in different ways for example as an individual future, as a part of relationship and as a part of economic and social exchange, also we can look at definition of trust in different disciplines. For example, the economists define it as trusting the institutions and their accounts while the psychologists explain it with the reliable and unreliable behaviour of the individual and the sociologists use it as the reliable, fair and ethical behaviour in interpersonal relations. Author see trust as the belief that another party: a) will not act in a way that is harmful to the trusting firm, b) will act in such a way that it is beneficial to the trusting firm, and c) will act reliably d) will behave or respond in a predictable and mutually acceptable manner. Trust can be seen as a bridge between past experiences and anticipated future.

Active Citizenship by
Knowledge Management & Innovation
19–21 June 2013 · Zadar, Croatia

make
learn

Management,
Knowledge and Learning
International Conference 2013

Customer trust
A customer is any person who had, has or can have some interaction with a salesperson or salespersons. In the literature there are a lot of definitions of trust in the salesperson, some of them are presented in the table 4.

Table 4: Definitions of Customer Trust in the Salesperson

Study	Definitions
Crosby, Evans, and Cowles 1990	Customer's confident belief that the salesperson can be relied upon to behave in a manner that serves long-term customer interests.
Doney and Cannon 1997	The customer's perception of the salesperson's credibility (expectancy that the salesperson's statements can be relied on) and benevolence (extent to which the salesperson is interested in the customer's welfare).
Ganesan 1994	Willingness to rely on an exchange partner in whom one has confidence. Two distinct components: (1) objective credibility, belief that the other has the expertise to perform the job; and (2) benevolence, belief that the other has motives beneficial to the target when new conditions arise for which a commitment was not made.
Hawes, Mast, and Swan 1989	Reliance upon information from another person about uncertain environmental states and outcomes in a risky situation.
Lagace, Gassenheimer 1991	An attitude that leads someone to commit to a possible loss contingent on the future behavior of the other person.
Lagace and Marshall 1994	A person committing to a possible loss contingent upon the subsequent behavior of a specific other person.
Schurr and Ozanne 1985	The belief that a party's word or promise is reliable and that a party will fulfill its obligations in an exchange relationship.
Strutton, Pelton, and Tanner 1996	A willingness to rely on an exchange partner in whom the customer has confidence.
Swan, et al. 1988	The emotion or affect of a buyer feeling secure or insecure about relying on the salesperson; and beliefs about the trustworthiness of a salesperson in a situation where the buyer faces some risk if the salesperson is not trustworthy.
Swan and Trawick 1987	The customer believes that what the salesperson says or promises to do can be relied upon in a situation where the failure of the salesperson to be reliable will cause customer problems.

Source: John E. Swan Michael R. Bowers Lynne D. Richardson, Customer Trust in the Salesperson: An Integrative Review and Meta-Analysis of the Empirical Literature, Journal of Business Research 44, 93–107 (1999)

Customer trust of the salesperson has two components, affect and cognition. Affect is feeling secure or insecure about relying on the salesperson, and cognition is the belief that the salesperson has both the necessary competence and motivation to be relied upon.

In any situation, trust is built over time, through numerous interactions between individuals, between partners. However, in key customer-supplier relationships it is irresponsible to rest on the effects of time to build the level of trust. Both partners must be willing to speed up the process by engaging the time, resources, and effort needed to get to know each other. Because a relationship between two companies is primarily a relationship between people, it is important to enlist the right stakeholders as owners / drivers of the future of the business partner relationship. For key customer-supplier relationships it is important to manage the dynamics both within and across partner organizations.

Dwyer et al. (1987) have published probably the most comprehensive framework of the development of trust in business relationships. Their framework, suggests that these relationships evolve through the following five general phases: (1) awareness, (2) exploration, (3) expansion, (4) commitment, and (5) dissolution. Each phase involves different types and levels of interaction, each having implications

Active Citizenship by
Knowledge Management & Innovation
19–21 June 2013 · Zadar, Croatia

make
learn

Management,
Knowledge and Learning
International Conference 2013

for the establishment of expectations, direct experiences, and interdependence. For example, in the exploration phase, the sub-processes of attraction, communication and bargaining, development and exercise of power, norm development, and expectations development set the tone for a future of trust or distrust. Exploration continues after the initial purchase for products and services that provide a promise of long-term performance.

The quantitative literature has provided measures of trust implying that trust is a product of customer evaluation of salespeople at three levels: (1) behaviors, such as "keep promises;" (2) attributes, dependability; and (3) overall trust, a general cognition/affect to rely or not rely on the salesperson.

3.   TOOLS OF BUILDING CUSTOMER TRUST

It's a proven fact that building customer trust in products and company is a great way to increase profits and build a strong, dependable consumer base. Most of the techniques come down to treating customers the way that they want to be treated.

Strategies to build customer trust can be as follows:
- **Highlight professional accomplishments, certificates and awards on websites.** If company has been recognized by a professional association, then these information should be display on the website. Certificates and awards can be framed and posted for all to see onsite.
- **Share testimonials.** Testimonials and letters can help build customer trust in organization. Customers are willing to look at other success stories and compare them to their own lives.
- **Organizations should be honest and straightforward.** The key to building customer trust through marketing and advertising is being honest and straightforward.
- **Secured transactions.** Organizations should show clients that they want to protect their data by using secured communication. Organization then are showing them that they can trust them with their valuable information and trust the products that are selling.
- **Respond personally to correspondence.** If a customer gives a suggestion or complaint, take the time to express gratitude to that customer for expressing their opinion.
- **Social media presence.** Customers will perceive organization as being more accessible if organizations are seen as being in all of the same social media places as they are.
- **Make it easy for customers to complain.** Organizations should provide phone numbers, feedback email access and any other ways for customers to notify when there is a problem. The longer it takes to resolve a problem the more potential customers will hear about this particular customers dissatisfaction with your company.
- **Give the right advice to the clients**. Just as customers want to be able to trust the information the organization gives, they want to be able to trust the advice and recommendations organization gives. This means that if analysis of customer' situation indicates that product or service is not the right solution for their problem, salesperson should let them know and then direct them to where they can get the right product or service.
- **Professional web design.** One of the most important parts of any Internet business is the design of the web site, which is easy of use in the context of electronic services centers on the navigational structure of the website, which includes search functions, site maps, product indices, and the overall design and organization of the websites.
- **Use company branded email.** It is better in doing business to use an email from own domain name (sales@companyname.com) then a free email account like Gmail.
- **Customer review sites**. A customer review site is a great trust building tool. Sites like this allow customers to review companies they've done business with, telling others what they like and do not like about them. Potential consumers like to hear what others think.
- **Company profile.** Organization can build trust by introducing your customers to the people behind the company. Include traditional information such as history, why the company was founded and employee profiles if you have any.
- **Customer contact.** Having a contact page is very important. It is best to provide address, phone number, email addresses and a contact form for users that are not able to send email during their visit.

Salespeople should be trained to build trust with highly knowledgeable customers. This also suggests that some consumers who have taken the time to understand a product may have less need for a salesperson's assistance. With widespread Internet usage and information availability, consumers'

Active Citizenship by
Knowledge Management & Innovation
19–21 June 2013 · Zadar, Croatia
make learn
Management,
Knowledge and Learning
International Conference 2013

product knowledge is likely to continue increasing. Consumers may also view any such help from a salesperson as more of an attempt to persuade or unduly influence them than to provide factual knowledge to assist in the decision making process. Salespeople need to understand how to appropriately manage the selling situation with customer groups that seek information before making purchases.

Salesperson behaviors and attributes influence customers' satisfaction with the product ownership experience and the customer's trust of the salesperson. This relationship alone has many implications for hiring and retaining good employees. Companies should design sales training programs that help salespeople become more competent and successful at using low-pressure selling tactics and the means that improve their competence and professionalism. A competent salesperson with complete and accurate product knowledge creates satisfaction.

4. DISCUSSION AND IMPLICATIONS

Presented review of research on trust has covered definitions and measurement of trust, and consequences of trust, and a review of qualitative studies of trust. Drawing from various items covered in the review and some additional evidence, there are present some propositions for future research that to our knowledge have not been proposed or tested. The findings of this research suggest several implications for practitioners.

This research extends previous research in the area of trust in business, with a specific focus on relationships between consumers and salespersons. The findings indicate that there are multiple factors that create trust on the part of the consumer. Given the desire of many sellers to develop long-term relationships with customers, understanding how trust is developed is essential.

5. SUMMARY

Several generalizations are suggested by the definitions of trust. Most recent concepts of trust have three elements in common. One common theme is that trust is supported by salesperson competence, which includes skills, expertise, and ability such that information provided by the salesperson is valid and reliable. A second theme is that trust is rooted in the salesperson's benevolence, or motivation to protect the customer's interests. The final common point is that the relevance of trust increases as risk to the buyer of the failure of the salesperson to be trustworthy increases.

Since no research, has examined a more comprehensive model of the antecedents of trust at the consumer level, this research can serve as a guide for future study in this area. Previous research regarding trust has focused primarily on the exchange relationship at the organizational level, particularly on the role of the salesperson in creating trust on the part of the buyer. This study represents a step toward better understanding of the development of trust in the relationship between consumer and seller, focusing on multiple and relevant determinants.

Several ideas for future research can be suggested that would extend the findings of this research. By exploring the concept of trust in different countries, a more global approach to marketing could be incorporated into strategic planning. Another area for investigation would to determine how trust is developed over time. It would be interesting to evaluate how and why trust levels change over time. For example, how long does the sales experience play a role in trust building? If the quality of the product declines with age, how is trust influenced? What factors affect the development of trust over time? A final area for future research relates to a system approach to understanding customer perceptions and attitudes. When buying at the retail level, a customer is potentially influenced by multiple departments within the retail organization as well as by impressions regarding the manufacturer of the particular product. The interaction among these factors in creating trust and satisfaction should be assessed further.

REFERENCE LIST

1. Anderson, J.C. and Naurus, J. (1990). A model of distributor firm and manufacturer firm working partnerships, *Journal of Marketing*, *54*, 42-58.
2. Barber, B. (1983). *The logic and limits of trust*. New Jersey: Rutgers University Press.

Active Citizenship by
Knowledge Management & Innovation
19–21 June 2013 · Zadar, Croatia

make learn

Management,
Knowledge and Learning
International Conference 2013

3. Bateson, P. (1988). The Biological Evolution of Cooperation and Trust. In D. G. Gambetta (Ed.) *Trust: Making and Breaking Cooperative Relations*, New York: Basil Blackwell, 14-30.
4. Blau, P. (1964). *Exchange and power in social life*. New York, NY: John Wiley & Sons Inc.
5. Buskens, V. (1998). The social structure of trust, *Social Networks*, *20*, 265–289;
6. Crosby, Lawrence A., Evans, Kenneth R., and Cowles Deborah. (1990). Relationship Quality in Services Selling: An Interpersonal Influence Perspective, *Journal of Marketing, 54*, 68–81.
7. Das, T. K., Teng B. S. (1998). Between Trust and Control: Developing Confidence in Partner Cooperation in Alliances, *Academy of Management Review, 23*(3), 491-512.
8. Doney, P. M., and Cannon, J. P. (1997). An Examination of the Nature of Trust in Buyer-Seller Relationships, *Journal of Marketing*, *61*, 35–51.
9. Doney, P. M., Cannon, J. P., Mullen, M. R. (1998). Understanding the influence of national culture on the development of trust, *Academy of Management Review*, *23*(3), 601–620.
10. Dwyer, E. R., Sejo Oh. (1987). Output Sector Munificence Effects on the Internal Political Economy of Marketing Channels, *Journal of Marketing*, Research 24 (November), 347-358.
11. Dwyer, F. R., Schurr P. H., Oh S. (1987). Developing buyer – supplier relationships, *Journal of Marketing*, *51*, 11-27.
12. Ganesan, Sh. (1994). Determinants of Long-Term Orientation in Buyer- Seller Relationships. *Journal of Marketing*, *58*, 1–19.
13. Garbarino, E. Johnson M. S. (1999). The Different Roles of Satisfaction, Trust, and Commitment in Customer Relationships, *Journal of Marketing*, *63*, 70-87.
14. Gibb, J. R. (1978). *Trust, a New View of Personal and Organizational Development*. Guild of Tutors Press, International College, Los Angeles.
15. Hawes, J. M., Mast, K. E. and Swan, J. E. (1989). Trust Earning Perceptions of Sellers and Buyers. *Journal of Personal Selling & Sales Management*, 9, 1-8.
16. Hosmer, L. T. (1995). Trust: The connecting link between organizational theory and philosophical ethics. *Academy of Management Review*, *20*(2), 379-403.
17. James, H.S. (2002). The trust paradox: a survey of economic inquiries into the nature of trust and trustworthiness, *Journal of Economic Behavior & Organization*, *47*, 291-307.
18. Lagace, R. R., and Gassenheimer, J. B. (1991). *An Exploratory Study of Trust and Suspicion toward Salespeople: Scale Validation and Replication*. American Marketing Association Proceedings, 121–127.
19. Lagace, R. R., and Marshall, G. G. (1994). Buyers' Trust of Sales- people: Does It Go Beyond the Dyad? In Weilbaker and Ridnour, (Eds.), National Conference in Sales Management, 44–48.
20. Lewis, J. D., Weigert, A. (1985). Trust as a social reality, *Social Forces*, *63*(4), 967–985.
21. Luhmann, N., (1979). *Trust and power*. Chichester: John Wiley.
22. Mayer, R. C., Davis, J. H., and Schoorman, F. D. (1995). An integrative model of organizational trust, *Academy of Management Review*, 20, 3, 709–734.
23. McKnight, D. H., Choudhoury, H., Kacmar, C. (2002). The impact of initial consumer trust on intentions to transact with a web site: A trust building model. *Journal of Strategic Information Systems*, *11*, 297–323.
24. McKnight, D. H., Cummings, L., Chervany, N. L. (1998). Initial trust formation in new organizational relationships. *Academy of Management Review*, *23*(3), 473–490.
25. Molm, L. D., Takahashi, N., Peterson, G. (2000). Risk and trust in social exchange. An experimental test of a classical proposition, *American Journal of Sociology*, *105*(5), 1396–1427.
26. Moorman, Ch., Deshpandt, R., Zaltman, G. (1993). Factors Affecting Trust in Market Research Relationships, *Journal of Marketing*, *57*, 81-101.
27. Morgan, R. M., and Hunt, S. D. (1994). The commitment–trust theory of relationship marketing. *Journal of Marketing*, *58*(3), 20-38.
28. Rotter, J. B. (1967). A new scale for the measurement of interpersonal trust, *Journal of Personality*, *35*, 651-665.
29. Sako, M. (1992). Prices, Quality and Trust, Inter-firm Relations In Britain & Japan. Cambridge University Press, Cambridge.
30. Schurr, P. H., and Ozanne, J. L. (1985). Influences on Exchange Processes: Buyers' Preconceptions of a Seller's Trustworthiness and Bargaining Toughness. *Journal of Consumer Research*, 11, 939-953.
31. Strutton, D. E., Pelton, L. E., and Tanner, J. F. Jr. (1996). Shall We Gather in the Garden: The Effect of Ingratiatory Behaviors on Buyer Trust in Salespeople. *Industrial Marketing Management 25*, 151-162.

Active Citizenship by
Knowledge Management & Innovation
19–21 June 2013 · Zadar, Croatia

make
learn

Management,
Knowledge and Learning
International Conference 2013

32. Swan J. E., Bowers M. R., Richardson L. D. (1999). Customer Trust in the Salesperson: An Integrative Review and Meta-Analysis of the Empirical Literature, *Journal of Business Research*, *44*, 93-107.

33. Swan, J. E., Trawick, I. F. Jr. (1987). Building Customer Trust in the Industrial Salesperson: Process and Outcomes, *Advance in Business Marketing*, *2*, 81-113.

34. Swan, J. E., Trawick, I. F. Jr., Rink, D. R., and Roberts, J. (1988). Measuring Dimensions of Purchaser Trust of Industrial Salespeople, *Journal of Personal Selling & Sales Management*, *8*, 1–9.

35. Tyler, T. R., Kramer, R. M. (1996). Wither trust? In R. M. Kramer, T. R. Tyler (Eds.), *Trust in organizations: Frontiers of theory and research,* Thousand Oaks, CA: Sage Publications Inc., 1–15.

36. Wang, Y. D., Emurian, H. H. (2005). An overview of online trust: concepts, elements, and implications, *Computers in Human Behavior*, *21*(1), 105–125.

37. Wrightsman, L. S. (1966). Personality and attitudinal correlates of trusting and trustworthy behaviors in a two-person game, *Journal of Personality and Social Psychology, 4*, 328–332.