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A Comprehensive Study of the Antecedents of Trust in the Sharing Economy

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ABSTRACT: The sharing economy requires consumers and prospective users to have a high level of confidence in both the individual and the platform with whom they are interacting. The repercussions of transaction partners' opportunism may be serious, such as items being damaged or personal safety being jeopardized. As a result, trust is a critical component in overcoming uncertainty and reducing risk. There is, however, no comprehensive review of how confidence is built in this setting. We conducted a comprehensive literature study to learn how consumers' confidence in the sharing economy is affected. Following the screening, 45 articles were included in a qualitative synthesis in which the findings were categorized using a well-known trust typology. The findings indicate that different antecedents of trust in the sharing economy (such as reputation, platform trust, and interaction experience) are linked to a variety of entities (i.e. seller, buyer, platform, interpersonal, and transaction). In this economy, trust is often limited to the exclusive use of reputation systems. Our research, on the other hand, indicates that trust is much more complicated than that, and that it goes beyond reputation. Furthermore, our analysis clearly demonstrates that research on trust in the sharing economy is still lacking, necessitating further research to fully comprehend how trust is formed in this setting. Our study is the first to examine the factors that influence trust in online peer-to-peer transactions and to incorporate these results into an existing framework. The paper also makes recommendations for future research in order to further our knowledge of trust in the sharing economy.

KEYWORDS: C2C, Economy, Commerce, Online, Sharing Economy, Trust.

INTRODUCTION

Since the advent of the sharing economy, consumer behavior has altered dramatically. Companies like Airbnb and Couchsurfing have popularized the act of buying directly from strangers through an internet platform. Nonetheless, the sharing economy faces a number of obstacles that may jeopardize its long-term viability. Consumer protection, labor conditions, and fair competition are all pressing concerns [1]. Several sectors, such as the hotel and taxi industry, have complained to the disparity in regulatory requirements (for example, taxes) between their structure and the sharing economy's. Because suppliers of products and services are exposed to possible user opportunism, establishing trust among strangers is a major issue for all kinds of sharing platforms.

As a result, a lack of trust may create insurmountable obstacles to transactions. Trust is aptly described as "an efficient lubricant for social trade," since it is a cost-effective method to reduce transaction costs. As a result, trust has been consistently recognized as the most critical driver of customer-to-customer platform long-term performance [2]. In circumstances of risk, uncertainty, and dependency, trust is crucial. In the sharing economy, these three components are extremely important. Consider Airbnb hosts, who may face serious property damage or loss of personal goods. Because the sharing economy does not fit cleanly into conventional legal classifications, these concerns create challenging consumer protection problems, resulting in legal ambiguity and

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regulatory uncertainty. This may undermine future transactions by causing a lack of confidence in engaging in the sharing economy [3].

Because transactions take place between peers, are mediated through the Internet, and many of the trust problems inherent in C2C are comparable to those in the sharing economy, we consider the sharing economy to be a particular instance of C2C ecommerce. Transaction partners, for example, are unable to examine and assess products in beforehand, there is limited chance for human contact, and there are few norms and regulations. Because of the parallels in transactions and trust problems, we focused our research on the area of C2C ecommerce to get a better understanding of trust in online peer-to-peer interactions, such as the sharing economy [4]. Furthermore, there seems to be a scarcity of study on the antecedents of trust in the sharing economy. In the discussion section, we will compare and contrast the antecedents of trust for C2C ecommerce in general and the sharing economy in particular.

As a result, although there is a substantial body of information on online trust in general, and the problem of trust in the sharing economy in particular has lately gotten a lot of attention, there is presently no comprehensive overview of studies on the development of trust in this environment. As a result, the present study tackles the research question: What factors affect trust in sharing economy transactions? Our study goals are threefold: (1) to collect antecedents that affect trust in online peer-to-peer transactions, (2) to identify gaps in the sharing economy trust literature, and (3) to outline future research directions on trust in the sharing economy. To achieve these goals, we conducted a comprehensive literature review and synthesis of results on antecedents that affect trust in the sharing economy and C2C ecommerce. The sharing economy includes a wide range of platforms that are primarily differentiated by their consumption modes [5]. For example, the taxi platform Uber represents a typical market scenario in which customers pay for a service and the nature of the peer connection is unimportant.

On the other side, the hospitality website Couchsurfing seeks to create new relationships between travelers without requiring any monetary transaction. These distinctions may lead to discrepancies in sharing economy studies, therefore they must be taken into consideration [6]. By defining sharing as "the act and practice of giving what is ours to others for their benefit," it adheres to a wide definition. The prototypes of mothering and pooling within the family to clarify the concept of sharing, but many peer to peer platforms do not fall into this strict definition of sharing because these prototypes assume that sharing is done without reciprocity and that shared resources are joint possessions. However, renting an apartment via Airbnb, for example, necessitates the transfer of funds, and visitors may not treat the property with care. In contrast, many other actions, such as bartering, traditional sharing, lending, trading, giving, and exchanging, are included in their understanding of the act of sharing.

Given these many meanings, sharing may be seen of as a catchall word for peer-to-peer trade without ownership transfer. Taking this into account, and building on, we define the sharing economy as an economic model based on sharing underutilized assets between peers without the transfer of ownership, ranging from spaces, to skills, to stuff, for monetary or nonmonetary benefits via an online mediated platform, encompassing all the various types of activities that take place on the various sharing platforms. Furthermore, this definition emphasizes that sharing in the

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sharing economy is centered on peers who trade goods and services through an online platform. Trust has been extensively researched in anthropology, psychology, social psychology, and sociology, among other fields [7].

Trust is conceptualized and defined in a variety of ways across various academic disciplines as a study object for a conceptualization of trust in the sharing economy). We define trust as "a party's readiness to be susceptible to the acts of another party in the expectation that the other will execute a specific action essential to the trustor, regardless of the trustor's capacity to monitor or control that other party [8]. This meaning of trust refers to a connection with another identifiable person who is believed to behave and respond freely toward the trustor. This kind of connection is similar to the transaction scenario in the sharing economy, in which both parties are vulnerable to the other and have a particular expectation of the other's behavior.

A trust typology for ecommerce that combines the trust perspectives of various academic fields, thus making the notion of trust more finely grained, has been developed to better comprehend trust in an ecommerce context. They differentiate disposition to trust, institution-based trust, trusting beliefs, trusting intents, and trust-related behaviors in their typology. Because they serve as a tool to categorize the many methods in which trust has been assessed, these ideas offer a helpful summary of how trust is investigated throughout research. Four research looked at how reputational feedback affects a buyer's trustworthiness. It was discovered that negative reviews had a greater effect on trust than good reviews. This seems to be the case only if the object of criticism is within the seller's control. Detrimental feedback in text reviews on a seller's generosity or trustworthiness also has a negative impact on a buyer's confidence. Furthermore, when a buyer gives feedback that is intentionally favorable (i.e. despite a bad experience), it has a detrimental impact on their future confidence in sellers, as opposed to when the feedback is genuine [9].

Three research showed that the buyer-seller contact experience had a favorable impact on trust. Respondents cited the usage of online video conferencing prior to a transaction as an example of a step that would improve their confidence. Four research have shown that familiarity has a beneficial impact on trust. Familiarity may be split into two categories: familiarity with and the familiarity with the. The notion of perceived resemblance, also known as homophile, may explain the effect of familiarity. It refers to the process through which trust is established based on similarities between the trustor and the trustee. Finally, trusting ideas about the seller is a topic that has gotten a lot of scholarly attention. The reputation, verification, responsiveness to comments, and qualities of the vendor all play a role. The variables inclination to trust, perceived risk, and buyer attributes are important on the buyer's side. Platform features and confidence in the platform play a role in establishing trust in the marketplace. On an interpersonal level, the buyer-seller contact experience and familiarity are important in establishing trust. Finally, the seller's information quality has an impact on the buyer's trust[10].

2. DISCUSSION

Three variables related to the usage of reputation systems were found among the five studies that looked at trusting views toward the customer as their dependent variable. So far as to argue that the employment of reputation systems solves the traditional "lemons issue" (i.e., a scenario of

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information asymmetry in which a buyer risks buying a worthless product). The confidence that individuals have in a reputation system was also discovered by researchers who looked at Couchsurfing users. It's not only ratings and reviews that matter when it comes to building confidence; verification and signaling play a part as well. A person may be recognized by showing an email address or a phone number, and his popularity can be signaled by integrating his social network profiles.

Furthermore, the way a person portrays himself, such as via profile photos, has been shown to influence trust. The goal of this literature study was to gather and synthesize the factors that affect trust in the sharing economy. We looked at the literature on trust in C2C ecommerce and the sharing economy, and we took into account a range of variables that come into play when building trust. Trust seems to be widely regarded as the most crucial motivator in discussions about the future of the sharing economy. Consumers who do not participate in the sharing economy seem to be especially put off by the dangers involved, and they appear to have trouble breaking through the trust barrier.

Nonetheless, research on trust in the sharing economy is relatively scarce; we identified just nine papers that explicitly investigated trust in the sharing economy out of 45 total. Furthermore, only one of the nine research looked at the more idealistic side of the sharing economy, while the bulk of the studies looked at the commercial end of the spectrum. We utilized trust typology to categorize the different kinds of trust in order to account for the various methods in which trust is examined across research. We improved the idea of trusting beliefs throughout the process. To get a more context specific perspective of how trust is formed, we split this notion into trusting views toward the vendor, the buyer, the platform, and the community. We also connected the numerous antecedents identified in the literature as explaining trust to the various kinds of trust, which were subdivided by the entities involved (i.e. seller, buyer, platform, interpersonal, and transaction). The majority of the research focused upon trusting beliefs toward the seller, which didn't do credit to the sharing economy's peer-to-peer structure.

For example, the notion of perceived risk has not been studied from the viewpoint of sellers, despite the fact that trust is likely to be just as essential to them as providing access to their assets. In addition, in the sharing economy, most transactions are completed offline, typically face to face, at the seller's location. Because the seller's personal address is exposed, this poses a greater danger to him than it does to the buyer. When a buyer, for example, books an apartment and it does not match his expectations, the financial repercussions (i.e. the customer only risks the booking fees) and the product risks (i.e. a disappointed apartment experience) are both minimal. Furthermore, reputation is often held up as the cure for building trust, and considerable study has been dedicated to understanding how this process works.

Although reputation is important in building trust, our research indicates that trust is much more than just reputation. For example, a buyer's willingness to trust has a significant impact on the likelihood of participating in the sharing economy. To fully comprehend trust in the sharing economy, the entire range of antecedents must be considered. We integrated results from the area of C2C ecommerce with those from the sharing economy to gain a better understanding of how trust is affected in the sharing economy. We break it down by trust type to see how various results affect trust in different situations. In terms of institution-based trust, the sharing economy studies revealed no antecedents, while the C2C ecommerce research discovered numerous antecedents related to the platform.

The antecedents of trusting views toward the seller are reputation-related in both the sharing economy and C2C ecommerce. In the sharing economy, numerous antecedents linked to the platform, the buyer, and the seller were found to impact trusting attitudes toward the buyer, while in the C2C economy, only antecedents connected to the platform and the seller were discovered. When it comes to trusting beliefs toward the platform, the sharing economy and C2C ecommerce have a lot in common in terms of antecedents; they are mostly linked to the platform and the seller. Finally, trust-related behaviors are understudied in both settings (just two antecedents were discovered in total).

This analysis of antecedents in the two distinct situations demonstrates that the various kinds of trust are conceptually similar. This does not apply to institution-based trust, which is understandable given that the institutional protection is what differentiates sharing economy transactions from conventional transactions. Although it seems that establishing and maintaining trust in the sharing economy is more difficult than in other kinds of ecommerce. Our systematic evaluation leads to numerous recommendations for future research on trust in the sharing economy. First, there is a paucity of research on the antecedents of trust in the sharing economy, especially in light of the sharing economy's fast development and the emphasis placed on trust. Because the sharing economy is anticipated to keep expanding at a rapid rate, it's critical that we continue to look into how trust is built. Second, future research should look at trust from the seller's viewpoint. Trust was primarily investigated from the buyer's perspective in the present study.

This may be the consequence of integrating conventional C2C ecommerce research, in which the seller's position has not changed much. However, in the sharing economy, the seller is often exposed to greater risks, implying that the seller must also overcome a trust hurdle. This is a critical issue to solve, particularly in terms of ensuring the future supply of products and services in sharing marketplaces. Third, the sharing economy may be thought of as a collection of markets, each with its own unique approach to sharing. If the sharing economy is seen as a spectrum spanning from commercial to idealistic, most study has concentrated on the commercial end of the spectrum. Platforms that are idealistic in nature need greater study attention since they strive for societal and long-term objectives. It's possible that various trust mechanisms, such as a feeling of community, intrinsic motivation of users, and societal norms and values, are used to build trust on these kinds of platforms.

3. CONCLUSION

We integrated results from the area of C2C ecommerce with those from the sharing economy to gain a better understanding of how trust is affected in the sharing economy. We break it down by trust type to see how various results affect trust in different situations. In terms of institution-based trust, the sharing economy studies revealed no antecedents, while the C2C ecommerce research discovered numerous antecedents related to the platform. The antecedents of trusting views toward the seller are reputation-related in both the sharing economy and C2C ecommerce. In the sharing

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Finally, trust-related behaviors are understudied in both settings (just two antecedents were discovered in total). Our work has many limitations in view of the above-mentioned findings and future objectives. We'll wrap off our evaluation by pointing out certain flaws in the review procedure. To begin with, just one reviewer was engaged in the screening and selection of articles, exposing the process to potential selection bias. Nonetheless, we consider the error sensitivity to be low since the exclusion criteria and search keywords were developed in collaboration with all authors, and the coding procedure is simple. Second, it's conceivable that trust mechanisms important to the sharing economy aren't included in the findings since the studies chosen didn't look at them. The involvement of the government, multicultural settings, and economic cyclical effects are all examples of such processes.

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