

Cinite, I, Kumar, V., and Kumar, U. (2008). Trust in e-commerce in Canada and the Baltic states: a comparative study. Proceedings of the ASAC Conference, 29(25).Halifax, Canada, May 24-27.

Summary

Increasingly more people worldwide engage in buying, selling, or other types of commercial transactions via computer networks. However, countries differ in the degree of Internet penetration and adoption of e-commerce due to national wealth and varying technological capabilities. Moreover, in several studies it has been found that people's propensity to trust others also plays a major role in this respect. In the present comparative study we attempted to empirically explore the impact of trust in e-commerce on online purchasing intentions and its antecedents in Canada and three new European Union member states: Estonia, Latvia and Lithuania (known as the Baltic countries) using the partial least squares (PLS) methodology.

The antecedents of trust in e-commerce used in the model can be grouped into three categories: 1) trustworthiness of the Internet vendors (perceived privacy and security control as well as perceived integrity and competence of the vendors), 2) external conditions (legal framework existing in the country, third party recognition, cultural environment with respect to trust, and social influence), and 3) individual attitudes (perceived risk of e-commerce and propensity to trust in general). These measures were tested for their reliability and validity.

Trust was found to have a significant impact on intentions to shop online in all four samples, especially in the three Baltic states. However, few of the ten antecedents of trust were significant (except in Estonia where eight of them were significant) although together they had a strong predictive power. Perceived risk was the only universal antecedent significant in all samples. There are certainly other factors beyond this model that also must influence people's willingness to engage in e-commerce. In addition, there were cross-cultural differences in the way how trust affects e-commerce.

The technological aspect in the four countries is conducive to a rapid growth of e-commerce. While Canada is still superior to the Baltic states in this respect, Eastern Europe in particular is the growth driver in Internet adoption in Europe. In all four countries, there is a great potential for a dynamic development of e-commerce. At the same time, there is evidence that e-commerce growth might be slowed down due to lack of trust in this type of transactions.