Web Strategies to Promote Internet Shopping: Is Cultural-Customization Needed?

Abstract

Building consumer trust is important for new or unknown Internet businesses seeking to extend their customer reach globally. This study explores the question: should website designers take into account the cultural characteristics of prospective customers to increase trust, given that different web trust-building strategies have different cost implications? In this study, we focus on two theoretically-grounded practical web strategies of customer endorsement, which evokes unit grouping, and portal affiliation, which evokes reputation categorization, and compared them across two research sites: Australia (individualistic culture) and Hong Kong (collectivistic culture).. Institutional assurances (e.g. privacy, TRUSTe), another theory-based strategy, was controlled because a minimum level of such assurances may be needed before people would be willing to make online purchases (ACNielsen, 2000). The laboratory experiment, replicated in each research site, required subjects to browse through the website of an online bookstore to determine whether they believed it could be trusted and were willing to buy books. The results revealed that the impact of *peer customer endorsements* on trust perceptions was stronger for subjects in Hong Kong than Australia; whereas, *portal (Yahoo) affiliation* was effective only in the Australian site. A follow-up study was conducted as a conceptual replication of the experiment, and provided additional insights on the effects of customer endorsement versus firm affiliation on trust-building. Together, these findings point to the need for considering culture differences when identifying the mix of web strategies to employ in websites.