



# Consumers' Trust Transferability in Cross-Border Social Commerce and Its Impact on Perceived Risk and Purchase Intention

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**Abstract.** Cross-border social commerce is a fast-growing business leveraging social networks, offering hope to reach potential buyers around the world. However, the risk perception of foreign products still discourages consumers from purchasing. According to the trust transfer theory and the trust risk perspective, we propose to establish trust through friends and platforms and examine the perceived risk and impact on purchase intention. To test our hypothesis, we conducted an online survey. A total of 213 social commuters from Indonesia and his users participated in the scenario-based survey. Based on Partial Least Squares (PLS) analysis, we discovered that customer trust can be transferred from friends and platforms to brands. This result has important implications for trust transfer theory. The study also provides suggestions for practitioners in developing strategies for cross-border trade.

**Keywords:** Trust Transfer · Perceived Risk · Purchase Intention · Cross-Border Social Commerce

## 1 Introduction

The Internet is experiencing a worldwide social insurgency. About all of the 4.8 billion internet clients around the world are on social media, which means 57% of all the individuals within the world are using social media. In expansion, social commerce may be a \$1.2 trillion opportunity and ended up the following worldwide shopping insurgency [1]. Cross-border social commerce (CBSC) abuses this opportunity to expand showcase share. CBSC is one prevalent trade show that including unused migrants to offer items fabricated in a worker nation to a few companions in their domestic nation. For illustration, Indonesian migrants in Taiwan are still in touch with their companions through different social networking communication tools. By utilizing social commerce (e.g., Facebook, Instagram, TikTok), they can buy items and after that offer them to their companions living in Indonesia.

Although CBSC's economic potential is enormous, various risks (e.g., product risk, financial risk, time risk, social risk, and psychological risk) loom over buyers when it

comes to buying foreign products. Buyers may lose their money because of purchasing counterfeit or unsatisfactory products, payment fraud, and deliver failure as they transact with foreign sellers who are not reputable. Knowing how to minimize consumers' perceived risk in this business model is therefore important.

One possible way to easy perceived risk is building consumers' trust. Researchers has identified several sources of trust that drive users to purchase on social commerce such as sellers, platforms, brands, and other sources. When considering purchasing products online, individuals may have varying levels of trust in the brand and platform [2]. In addition, believe in certain platforms can be successfully exchanged to venders when dealers keep up a high-quality site in research [3–5]. However previous studies mainly focused on cognitive trust, while one important aspect of social commerce, “trust in friends,” was largely ignored.

## **2 Theoretical Framework**

### **2.1 Cross-Border Social Commerce**

Social commerce is a “trusted environment” where potential buyers make purchasing decisions according to the recommendations of their network of friends, family and colleagues. Online sellers and buyers using innovations in data and communications (ICT) to negotiate and exchange disparate regions and countries is called cross-border electronic commerce (CBEC) [6]. Recently, CBEC has grown into CBSC by coordinating the e-commerce level and social organization mechanism, allowing customers from different countries to search for research, conclusions, recommendations, suggestions, and shopping past or displayed on external brands. Allowing you to share your experiences. What sets social commerce apart from traditional e-commerce sites is the social intimacy that comes with it.

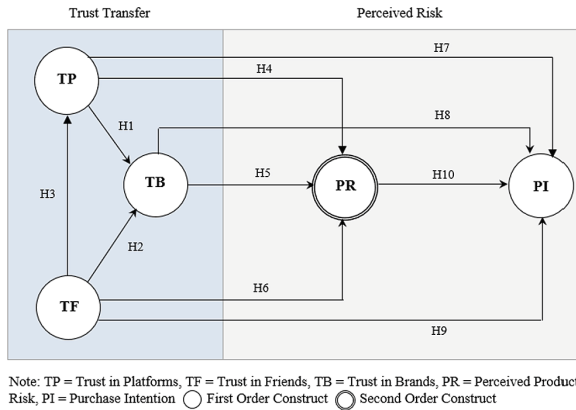
### **2.2 Trust Transfer**

Trust transfer process could be a cognitive process in which one's believe in a recognizable target can be exchanged to another target by ideals of certain affiliations [7, 8]. Trust transfer involving three performing actors in its transfer process: the trustor (who makes judgments on in the event that or not to believe others), the trustee (whose dependability is evaluated by the trustor), and a third individual (who is the broker within the trust belief transfer process) [9, 10].

Trust can be transmitted from one website to another site [9], from an offline to a web setting [11], or from common web payment to mobile installment [12]. In a cross-border social commerce context, the source of trust transfer could be a friend, be a stage, and a foreign brand.

### **2.3 Perceived Risk**

Perceived risk is an important factor in explaining consumer behavior, as consumers often prefer to avoid mistakes rather than recursively maximize them [13]. Historically,



**Fig. 1.** Research model.

fraud and product quality have been identified as the main risks [14]. The definition of perceived risk has changed since online trading became popular. The current perceived risk is that it appears below as a multidimensional entity with 6 dimensions: performance risk, financial risk, privacy risk, time risk, psychological risk and social risk [15–17].

### 3 Research Model and Hypotheses

#### 3.1 Customers' Trust Transferability

Kim et al. [18] identified three alternative ways in which settlers and third-party trustees could be linked. Network closure (connecting via social interactions with third parties), trust portability (connecting via trusted third parties), and structural equivalence (connecting with all potential third connected through similarity of relationships). If an agent (i.e. a trust) trusts an unknown agent (i.e. a trustee) because the unknown agent is associated with a trusted third agent (i.e. an agent trusted by the trust), trust transfer will occur [19]. If the settlor trusts the third party and there is a close relationship between the settlor and the third party, the settlor's trust in the third-party transfers to the trustee [20] (Fig. 1).

Accordingly, we postulate the following hypothesis:

- H1 Customer's trust in platforms has significant effect on trust in brands.*
- H2 Customer's trust in friends has significant effect on trust in brands.*
- H3 Customer's trust in friends has significant effect on trust in platforms.*

#### 3.2 Trust in Platforms and Perceived Risk

Nowadays, the platform functions not as it were as a exchanging and data medium, but moreover as an internet mediator. Mediators decrease exchange instability by presenting controls that restrain the capacity of venders to lock in in debt behavior and give rules for worthy exchanging behavior [21]. Additionally, a trusted platform can be expected

to diminish vulnerability and decrease the level of chance related with exchanging in online markets. We subsequently hypothesises that:

*H4 Customer's trust in platforms has negative effects on perceived risk.*

### **3.3 Trust in Brands and Perceived Risk**

The original concept of trust in a brand was put forward by Chaudhuri and Holbrook [22], where established trust in a brand is defined as “the willingness of the average consumer to depend on a brand’s ability to perform its function”. Consumers face performance risks when it comes to trusting brands. People are less likely to reject a brand if they believe it will work as expected. We therefore propose the following hypothesis:

*H5 Customer's trust in brands has negative effects on perceived risk.*

### **3.4 Trust in Friends and Perceived Risk**

Consumers may buy what others have purchased. When consumers know about products, they can save time and buy what their friends have already bought. This is a strong no-charge guarantee that advertisers do not have to pay [23]. However, there is a risk if your friend is clearly untrustworthy. Therefore, the following hypotheses were made in this study:

*H6 Customer's trust in perceived risk has negative effects on purchase intention.*

### **3.5 Trust in Platforms and Purchase Intention**

Trusting in a platform is defined as the perceived integrity, benevolence, and competence of the platform provider [24]. Trust in a platform provider is a key indicator of willingness to do business on the platform [4]. Scientists in various fields seem to agree that trust in e-commerce providers is a very important condition for customers’ willingness to trade [24–26]. Confidence in a platform, like trust in a destination, can drive online shoppers’ willingness to buy. As a result, the following hypotheses are proposed.

*H7 Customer's trust in platforms has positive and significant effect on purchase intention.*

### **3.6 Trust in Brands and Purchase Intention**

Becerra and Korgaonkar [2] observed that brand trust can increase the willingness to buy brand-related products online. Building trust is critical to the sustained long-term success of a brand, and it has been shown to strongly influence purchase and repeat purchase intentions [5]. Trust in a brand, or positive expectations of brand behavior, can increase purchase intent by minimizing possible uncertainties [27, 28]. Based on these discussions, we make the following assumptions:

*H8 Customer's trust in brands has positive and significant effect on purchase intention.*

### 3.7 Trust in Friends and Purchase Intention

Mayer et al. [29] defined trust as a behavior based on one person's assumptions about the traits of another. Despite being a crucial component of international e-commerce, trust in friends has received little attention in previous research. Additionally, if knowledgeable friends suggest particular products, a potential customer may buy them right away [30]. Therefore, we hypothesize that:

*H9 Customer's trust in friends has positive and significant effect on purchase intention.*

### 3.8 Perceived Risk and Purchase Intention

Trust issues in e-commerce can become even more important as e-commerce is more uncertain than traditional commerce. Previous research on e-commerce has shown that consumers' willingness to buy online is diminished by perceived risks [31]. Thus, we hypothesize that:

*H10 Customer's perceived risk has negative effect on purchase intention.*

## 4 Research Method

### 4.1 Measures

The survey measures for this study were derived from previous studies. Trust in friends was assessed by 3 items of [32], 3 items of platform trust [4], 3 items of brand trust [33], and measured perceived risk [34]. Was assessed using 6 items of Regarding purchase intention, we have adopted measures from [34]. Given the multidimensional nature of perceived risk [35], I delineate it into four primary reflex structures: performance risk, financial risk, time risk, psychological risk, and social risk. Threatened as containing secondary formation structures.

### 4.2 Data Collection

A questionnaire was distributed to Indonesian students who had social commerce experience through social media (WhatsApp, Line, Facebook, etc.). To ensure the accuracy and validity of the survey results, we reviewed all responses closely and discarded responses from all respondents who gave the same answer to all questions. In the final round, after removing outlier data, we received her 213 valid responses with a net response rate of 88%. This includes her 118 participants with no online shopping experience and her 95 participants with online shopping experience.

### 4.3 Research Design and Procedure

The whole examination takes after the situation underneath:

- Participants were inquired to total statistic information in a questionnaire.
- Participants were inquired to suppose that one of her trusted companions in another nation sent her a extraordinary message through her social commerce stage.

- Within the message, he/she supports the brand's products on a specific platform.
- We inquired them to rate their certainty within the brand and stage.
- Participants were inquired to rate the seen hazard of the items.
- Members were inquired to rate their level of believe in each brand and stage.
- Members moreover appraised the product's hazard to each brand.
- At long last, the member completed a survey to rate her buy deliberate on a 4-point scale.

## 5 Result

### 5.1 Measurement Model

Reliability testing of the constructs, convergent and discriminant validities of the items used in Partial least square (PLS). First, we assessed composite reliability (CR) and Cronbach's alpha in order to assess the level of reliability of the items. All the values exceeded the 0.70 threshold value [36], indicating a high level of each construct's reliability.

Second, we evaluated the convergent validity by testing the factor loadings, Cronbach's  $\alpha$ , and CR, and average variance extracted (AVE). Results show that the factor loading of all construct items ranges from 0.73 to 0.94, more prominent than 0.7 [37]. The AVEs of all builds surpassed the suggested esteem of 0.5 [37]. The values of Cronbach's alpha and CRs were all over the 0.7 cutoff esteem. These results illustrated a Hight convergent validity of the properties of the degree. Third, we examined heterotrait-monotrait proportion (HTMT) to survey discriminant legitimacy. The comes about appears that all values were less than the edge of 0.85 [38]. At last, all fluctuation swelling figure (VIF) values less than 3.3 demonstrate that the multi-collinearity was not a risk.

### 5.2 Structural Model

Perceived product risk was calculated as a secondary structure which reflected in four dimensions consist of performance risk, financial risk, time risk, psychological risk, and social risk. The most common fit statistics and recommended cut-offs were used, showing good fit as follows: -RMSEA value  $\leq 0.08$ ; -SRMR value  $\leq 0.08$ ; -NIF value  $\geq 0.90$ ; CIF value  $\geq 0.90$  [38]. This result showed that the agreement between the dataset and the measurements was our model.

### 5.3 Hypothesis Testing

Partial least squares structural equation modeling (PLS-SEM) was used to test the hypothesis. As expected, platform trust had a significant impact on brand trust ( $\beta = .279$ ,  $p < .001$ ), supporting H1. Similarly, brand trust was significantly influenced by friend trust ( $\beta = 0.288$ ,  $p < 0.001$ ), confirming H2. In addition, there was also a significant relationship between trust in friends and trust in platform ( $\beta = .282$ ,  $p < .001$ ), supporting H3. These support our hypothesis that customer trust is transferred to foreign brands as trustees, directly or indirectly, by trusted third-party agents (platforms, friends, etc.).

Moreover, brand trust had a significant and negative impact on product risk perceptions in  $p < .001$  level ( $\beta = -0.566$ ), compatible with H5. As expected, platform trust had a positive effect on purchase intention ( $\beta = .216$ ,  $p < .01$ ), confirming H7. Contrary to our hypothesis, both H4 and H6 were unsupported because platform trust and friend trust were not associated with perceived product risk. Similarly, brand trust and friend trust do not directly influence purchase intent. That is, both H8 and H9 were not seen. Perceived risk negatively affected purchase intention ( $\beta = -0.179$ ,  $p < 0.01$ ). Therefore, H10 is now supported.

## 6 Discussion

This research examined the connections between trust of platform, trust of friend, trust of brand, perceived product risk, and intention to purchase in a nomological organize. Shi and Chow [39] contended that believe within the setting of social commerce is conceptualized as including two primary perspectives. Data (innovation) and interpersonal (society). In this think about, we hypothesized that the platform represents the specialized perspective and the friend represents the social perspective.

Our comes about convincingly appear that brand trust is straightforwardly impacted by platform trust and friend trust. Intervention tests moreover uncovered that shopper trust can be gathered from companions to brands through the platform. This result affirms that shopper certainty in CBSC is transferable. This implies that when buyers need to purchase a foreign brand, they can get suggestions from trusted companions to extend their trust within the brand and check the platform to urge more data approximately the brand's items. The result supports the well-established hypothesis of trust transfer, which may work through two forms: Communication and cognitive forms [7].

The process of communication of trust exchange happens when the people who trust is specifically affected by the source of trust amid their communication, whereas the cognitive process of trust exchange happens when the trustor bases his or her trust within the target on information of the affiliation between the target and a trusted source.

## 7 Implications and Future Study

### 7.1 Theoretical Implications

To begin with, this think about contributes to the improvement of the hypothesis of trust within the setting of social commerce by integrating the hypothesis of trust exchange with the hypothesis of perceived risk. In past studies, the two hypotheses were created independently. Examples Stewart [7], Wang and Chang [20]. Moment, our discoveries show that buyer believe in foreign brands may move absent from platform believe and companion believe. This impacts seen item hazard and buy expectation. We hence accept that this study not as it were generalizes the hypothesis of trust exchange to the setting of his CBSC, but moreover gives knowledge into how the impact of believe exchange can be misused to diminish chance in buyer items.

Third, our studies offer novel bits of knowledge into the CBSCs writing by considering believe in offline companions. The comes about appear that the nearness of

believe in companions fortifies the affect of believe in brands on decreasing seen item hazard. This underpins social impact hypothesis, particularly, the foremost common and inescapable form of social impact, that's similarity. Similarity could be a sort of social impact including a alter in behavior, conviction, or considering to adjust with those of others or with standardizing benchmarks.

## 7.2 Practical Implications

The comes about of this study improve our understanding of the instruments of the trust transfer process in marketing managers. We found that customer believe can be exchanged from friends to brands, either specifically or by implication through the platform. Subsequently, managers ought to make another exertion to pick up the believe of shoppers in other nations, particularly in case the company is looking to grow its commerce into the worldwide showcase.

Furthermore, current research highlights the importance of social impact in the context of CBSC. Trust has her two sources: platform trust and friend trust. These should have a significant impact in increasing consumer confidence in the brand. This reduces consumer perceived product risk and increases purchase intent.

## 7.3 Limitation and Future Study

We believe we have created and improved a hypothetical demonstrate for moderating perceived product risk in social commerce. However, there are a number of confinements that will constrain the generalizability of our comes about. To begin with, note that the information for this study was collected from shoppers in one nation. Such a limit focus may prevent generalization of comes about. Moment, the study utilized a smartphone as a test item to degree the estimation target. Depending on the individual, it may be unsuitable since it is costly.

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