

Trust on Online Social Networking Media Friends of ‘Generation Y’: A Multi-item Measurement Scale

Sabreena Zoha Amin*

University of Western Sydney

Syed Hakimur Rahman

University of Western Sydney

— *Review of* —
**Integrative
Business &
Economics**
— *Research* —

ABSTRACT

Trust is a key construct in marketing and consumer behaviour studies. Identification and confirmation of the measurement variables of the ‘trust’ construct in relation to generation Y’s online social networking friends is critical for further theory building in the field. In this research a multistage approach has been followed to identify and confirm the measurement variables of trust on online social networking friends of generation Y. These measurement items can now form the basis for various further researches, particularly in online social networking media involvement of generation Y, electronic word of mouth, attitude development and consumer behaviour.

Keywords: trust, generation Y, electronic word of mouth

1. INTRODUCTION

One generation that has grown up with the rise of internet and embedded it in their daily life is ‘generation Y’. A key formative characteristic for Gen Y is their heavy reliance on technology for entertainment and to interact with others (Immordino-Yang et al., 2012). In this connection, trust in contacts in online social networks of generation Y is a related construct that is worth consideration. Understanding generation Y’s trust in friends of online social networking media is critical for further theory building in social media research. This paper identifies the measurement items of trust on online social networking media friends of generation Y, based on multistage research findings.

2. CONCEPTUAL BACKGROUND

2.1 Generation Y

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ISSN: 2304-1013 (Online); 2304-1269 (CDROM)

There is a lack of agreement among researchers about categorization of Generation Y. In this paper, Brosdahl and Carpenter's (2011) categorization of Generation Y (born after 1981) has been followed. The scope of this paper is primarily based on studies of Gen Y members born between 1981 and 1994 – regardless of their circumstances. They are the first generation to have spent their entire lives in the digital environment; information technology profoundly affects how they live and work (Bennett et al., 2008; Wesner & Miller, 2008). Generation Y actively contributes, shares, works, plays, searches for and consumes content on social media platforms. Although social media have existed from the birth of Gen Y, they were widely adopted after 2003 (Boyd & Ellison, 2008).

2.2 Trust

Trust is defined as 'general belief of the truthfulness of the message (Awad & Ragowsky 2008; Sen & Lerman 2007). High trust indicates feelings of connectedness to one another in a community and a "standing decision" to give most people -- even acquaintances or complete strangers -- the benefit of the doubt (Delli-Carpini, 2004). In this research, trust has been considered directed towards friends of online social networking community members, which should be salient with regard to how users communicate and interact in the online social networking community. Trust is a focus in social science studies. Based on Social Exchange Theory (SET), it was initially developed for analysing human behaviour (Homans, 1958) and was later applied to understanding organizational behaviour (Blau, 1964; Emerson, 1962). The social exchange model states that people and organizations interact to maximize their rewards and minimize their costs (Salam, Rao, & Pegels, 1998). Related theories of exchange continued to emerge after the advent of SET, including exchange behaviourism (Homans, 1958), the exchange network theory (Emerson, 1962), exchange structuralism (Blau, 1964), and the exchange outcome matrix (Tsai et al., 2011).

With the recent rise of online social networking sites, community websites have placed greater emphasis on the exchange of information, interaction, and sharing. People interacting with each other frequently believe they obtain benefits from sharing and exchange (Hsu & Lin, 2008). SET has recently been adopted in social networking research, although this application area has not yet been fully examined (Shiau and Luo 2012). Based on SET, 'trust' has been studied in different areas such as; electronic commerce transactions (e.g., Salam et al. 1998), information technology alliances (e.g.,

Young-Ybarra and Wiersema 1999), acceptance of blog usage (e.g., Hsu and Lin 2008), strategic behaviour and sales performance (e.g., Pappas and Flaherty 2008), B2B exchanges (e.g., Bunduchi 2008), buyer-supplier relationships (e.g., Hald, Cordon, and Vollmann 2009), selling performance of sales professionals (e.g., Flaherty and Pappas 2009), Sales professionals' organisational commitment (e.g., Fu, Bolander and Jones 2009) and Online group buying acceptance (e.g., Tsai et al. 2011). As discussed, SET presents a cost benefit analysis with respect to social interaction. For example, if an online exchange is perceived to be beneficial, the individual is likely to enter an exchange relationship with other online users. In this case, trust is believed to be used in calculating the perceived cost. Previous studies on interpersonal exchange have also suggested that trust is a precondition for self-disclosure because it reduces the perceived risks involved in revealing personal information (Metzger, 2004). Individuals with higher trust expect others to follow the same rules or beliefs and are more likely to belong to community groups, socialize with others informally, volunteer, and cooperate with others to solve community problems (Levi, 1996). Tsai and Ghoshal (1998) found that strong relationships are more likely to be effective because they tend to be trusting ones. On the contrary, Dwyer et al. (2007) found that, in online interaction, trust is not as necessary in the building of new relationships as it is in face to face encounters; in an online site, the existence of trust and the willingness to share information does not automatically translate into new social interaction. Studies have suggested that trust plays a vital role in information exchange and knowledge integration, as it allows individuals to justify and evaluate their decision to offer or achieve more useful information (e.g. Pigg & Crank 2004). When consumers generate information based on their personal experiences, this information tends to exert more impact on others' attitudes and holds more credibility than if it were generated by advertising companies and corporate marketing departments (Walsh et al., 2009; Bickart and Schindler, 2002). For experience goods and credential goods, either positive or negative online messages will be perceived credible as long as the messages are posted by those perceived to have close social relationships (Pan & Chiou 2011). Hence, consumers find the information exchanged on internet social networks more relevant and trustworthy, as the information reflects product consumption in real-world settings by other consumers and is free from marketers' interests (Bickart and Schindler, 2002; Jepsen, 2006). In this research, trust has been incorporated as an important factor using social exchange theory (SET) in the online social networking media (OSNM) context, especially for generation Y. Since the research on Australian generation Y within the context of OSNM is rarely examined, the domain of scale items to measure trust have been mostly adopted from social research and online media research findings.

3. METHODOLOGY

While some measurement items of trust have been identified from the current literature, those are not directly related to generation Y of Australia or to involvement of online social networking media without some refinement. To develop measurement scales for Australian generation Y's trust on online social networking media friends, the widely used three-stage procedure suggested by Churchill Jr. (1979) was followed and was also supplemented with confirmatory factor analysis (Bristol & Mangleburg 2005). Qualitative research was conducted to refine the measurement variables identified from the current literature, and quantitative methods to test and confirm them. To assess and refine the measurement scales in terms of reliability, uni-dimensionality and validity, there are two main approaches; exploratory factor analysis (EFA) and confirmatory factor analysis (CFA) (Hurley et al. 1997). The issue on which type of factor analysis (e.g., EFA or CFA) to use in a particular situation is the subject of a debate among organisational researchers (Hurley et al. 1997). This research employed a combination of both EFA and CFA to form a two-phase approach. The first phase involved employing EFA for scale assessment and refinement and the second phase involves employing CFA for scale validation (Fabrigar et al. 1999).

Data for both qualitative and quantitative phases of this research was gathered from Sydney, Australia. At the qualitative stage, in-depth interview sessions involving 12 members of generation Y were conducted. The data was analysed using content analysis method (Weber 1990). Data for the quantitative phase was gathered through an online panel using a web based survey. Online research is particularly beneficial in reducing social pressure on the participants to respond in a socially desirable manner because of the absence of direct contact with the participants. On the same token, as generation Y is known as 'tech savvy generation', it would be easier to conduct the research online. Direct importation of the text into a statistical package is possible (Granello and Wheaton 2004) through a web based survey which helps to reduce the workload as well as any chances of error and is considered as another advantage of this survey method. Web-based surveys also make it easy for the researcher to obtain response-set information due to the software development (Bosnjak and Tuten 2001). It was decided to make use of online panels, which is being increasingly undertaken in market, social, psychological and medical research (Callegaro and Disogra 2008). This was the preferred method because online panels require short field times and have a high response rate, access to panelists' historical and profile data (Goritz, Wolff and

Goldstein 2008). This makes targeting of a specific segment of potential respondents more feasible. As Chakrapani (2007) has highlighted the need to evaluate the validity of online panels used for research purposes, it was ensured through four stages of panel-management process implemented by the research agencies include: 1) Recruitment of panelists and sampling, 2) Invitations, Response Rates and Reminders, 3) Panel monitoring and maintenance, 4) Panel Relations. A total of 320 respondents were surveyed with equal representation of each gender.

4. FINDINGS

4.1 Refinement of measurement scale

Findings of this phase of research show generation Y trust their online social networking media friends. Generally, they think people would not lie while they make comments on some online post, status or picture. As online social networking media friends are mainly their family members, real life friends, colleagues, acquaintances or known ones, most of them consider their OSNM friends honest. Furthermore, they can be selective in befriending process because of the options available in online social networking media. Overall, members of generation Y attach strong credibility on the comments made by their online friends. Furthermore, a tendency to get reassurances from their online social networking media friends before making any new big purchase decision was observed. This shows some dependability on their OSNM friends. It mainly happens when there are options and they need to make the right choice. However, they also realise that taste and choice vary depending on individuals. Again they like to evaluate their own choice by depending on their OSNM friends.

Members of generation Y also express strong information receiving/sharing desire in online social network because they think their OSNM friends are reliable. 'Gen Y' also feel strong bonding with their OSNM friends and they believe in their OSNM friends. They show confidence in their OSNM friends while they consume information from OSNM communication. It also affect in spreading the piece of information of their interest in online and offline setting as well. One participant (AW_1) said, 'Due to the availability of online information, one can easily cross check the piece of information. Spreading or sharing wrong information also affects their personal impression on other network friends in seconds due to the rapidness of social networking media. So, people are very much careful about sharing wrong information or deceptive information among friends. This is one of the reasons I trust my OSNM friends'.

Generation Y not only trust their OSNM friends but also develop attitude towards brands from their trustworthiness. If they see any liked post regarding any brand from their OSNM friends, they have a tendency to do a bit of research regarding the brand, value the information and form some attitude towards the brand. Sometimes they also participate in events liked by their OSNM friends. However, even though members of generation Y trust their OSNM friends, they also like to research online and read blogs, online discussion boards and forums regarding product and brand reviews and make a quick comparison of information consistency. They are also aware of abuse of online social networking media, cyber bullying, online theft, harassment, and stalking of online strangers as these are the concerns in recent days.

4.2 Assessment and confirmation of measurement scales

Based on literature review and the findings discussed in the previous section, 7 measurement variables of the construct trust in OSNM friends of generation Y were adapted for further quantitative testing (See appendix). At this stage EFA was applied using principal component analysis extraction method. After this stage, one variable (Generation Y trust opinions of their close OSNM friends about a brand more than opinions on electronic discussion boards) was dropped from further analysis due to poor factor loading (less than .50). The remaining six measurement variables of trust on online social networking friends of generation Y were then confirmed through CFA. The coefficient alpha of the CFA model was 0.918, indicating that the variables are a good measure of trust in online social networking friends of generation Y in Australia. Standard regression weights of all six variables are more than 0.7. Goodness-of-fit indices also indicate that the model fitted data well, with the P value, GFI, AGFI, NFI, TLI, RMSEA and CFI all within acceptable levels. Composite reliability 0.92 also indicates the reliability the underlying variables of 'trust' of online social networking media friends of generation Y in Australia.

5. CONCLUSIONS, CONTRIBUTIONS AND FUTURE RESEARCH

In this research a widely used multi-step process of developing measurement scales of marketing constructs have been followed. Initially the measurement items of trust were identified and the same were refined and adapted for Australian generation Y's online social networking friends, through qualitative research. These scale items were then tested using two-stage quantitative measures resulting in the confirmation of

a six-item measurement scale for generation Y’s trust of online social networking media friends. Table 1 shows the tested six-item scale.

Table 1: Multi-item Measurement Scale of ‘Trust’ in Online Social Networking Media friends of Generation Y	
Construct	Measurement Items
Trust	1) ‘Gen Y’ find most of their OSNM friends are dependable 2) ‘Gen Y’ think most of their OSNM friends are honest 3) ‘Gen Y’ think most of their OSNM friends are reliable 4) ‘Gen Y’ trust comments made by their OSNM friends 5) ‘Gen Y’ have confidence in their OSNM friends 6) ‘Gen Y’ can believe in their OSNM friends

These measurement items can now form the basis for various further researches, particularly in online social networking media involvement of generation Y and their attitude development in consumer behaviour. Understanding the process of attitude development towards any object is the key issue for any marketer. Further, since OSNM enable the users to articulate and maintain real world relationships (e.g. friends and family) and easily exchange information with them, the established trust may extend to the other contacts in networks in general, thereby improving the overall sense of trust in the environment. As electronic word of mouth is considered very significant to marketers these days, trust in networks might play a vital role in willingness to receive electronic word of mouth through involvement in online social networking media. Online media strategist and business sponsors also can get a clear indication of generation Y’s trust in their friends through OSNM helps developing their acceptance level for any type of communication made in online social networking media, which might be helpful for their marketing strategies. Academic researcher will also be benefited from the findings as this research will contribute to the generational cohort research.

This research has been conducted only in Sydney. Accordingly, the findings of this research may not be treated as completely applicable to Australia, and needs to be tested further in other metropolitan cities in Australia as well as other countries to get a complete view of generation Y’s trust of their OSNM friends. Further research is required to re-test such scales for possible refinement and future usage for internet business and policy makers and confirm its applicability.

APPENDIX

Measurement items of 'Trust in OSNM friends of generation Y' for quantitative testing

'Gen Y' find most of their OSNM friends are dependable
'Gen Y' think most of their OSNM friends are honest
'Gen Y' think most of their OSNM friends are reliable
'Gen Y' trust comments made by their OSNM friends
'Gen Y' have confidence in their OSNM friends
'Gen Y' can believe in their OSNM friends
'Gen Y' trust opinions of their close OSNM friends about a brand more than opinions on electronic discussion boards

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