

# A Summary of Studies on the Influencing Factors of Consumer Trust in Vietnam's Shared Economy: A Case Study of Travel Services

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## Abstract

**Together with the growth of the sharing economy, online transaction trust has become a major obstacle to the development of this economic model. This paper sorts out the theories of consumer trust by domestic and foreign scholars in Vietnam and the research results of the sharing economy development model. Based on the actual situation of the sharing economy development in Vietnam, the influencing factors are summarized into three aspects: individual consumer factors, sharing platform factors and social factors. At the same time, we look forward to the research and propose future research directions, hoping to provide a reference for Vietnam's sharing of economic trust.**

## Keywords

**Trust, consumer trust, Vietnam's sharing economy, ridesharing.**

## 1. Introduction

At present, the rapid penetration of the Internet and the development of technology provide the possibility for the sharing of global public resources. Vietnam Government issued Resolution No. 13/NQ-CP dated February 8, 2018, to assign the Ministry of Planning and Investment to develop the sharing economy project. In the resolution, Vietnam government guided the development of the sharing economy model and agreed to develop a plan to share the economic model, while assigning Deputy Prime Minister Vuong Dinh Hue to guide the development of the project. As a resource-sharing economic model, the sharing economy has played an important role in resolving overcapacity, promoting resource flows, optimizing allocation and expanding effective supply. Therefore, under the background of the country's accelerated implementation of the "Internet +" strategy, the research and analysis of the development of sharing economy will have important significance and far-reaching influence. According to a survey recently conducted by Nielsen, Vietnam's economy has great potential for shared development in Vietnam. Vietnamese consumers favor a sharing economy model as the survey indicates 76% of respondents say they like using shared products or services. At the same time, the research on Shared economy trust in Vietnam and abroad has been growing rapidly in recent years, but there is still a lack of literature review on the factors affecting consumer trust in the sharing economy. Based on this, this paper starts from the concept of trust, sorts out the research on consumer trust in sharing economy both in Vietnam and abroad. Reviewing the influencing factors from three aspects from the perspective of consumer trust in sharing economy, this article hopes to provide some reference values for the research on consumer trust in sharing economy.

## 2. Trust

### 2.1. Trust Definition

Trust is an important factor in the smooth progress of human social activities, and it is also a key foundation for social activities to proceed. Therefore, many scholars have conducted in-depth research on the theory of trust. In sociology, trust is based on a moral level, that is, believing that the other party will not harm us even if it has the ability and opportunity. In the field of psychology, interpersonal trust is defined as the expectation that an individual or organization can be trusted through verbal or written expressions of language or commitment. In the field of management, organizational trust is defined as the belief that decision-makers will take the results of their favorable behavior, and can be used as an indicator of employees' satisfaction with organizational decision-making. In the field of marketing, trust is defined as consumers' perception of merchants' ability, goodwill, and credibility.

### 2.2. Consumer Trust in the Sharing Economy

The sharing economy is a brand-new business model, which means that the owner of the resource and the demander can be matched on the platform reasonably by relying on the third-party service platform which encourages them to exchange to achieve optimal resource reconfiguration, reduce resource waste, and reduce the cost of use. A model that achieves multi-win is also promoting social and economic development. And consumer trust is one of the decisive factors for the success of the sharing economy business model.

Consumer trust is often defined by scholars as a belief and willingness, which means that consumers believe that the other party will conduct beneficial or harmless behaviors when dealing with them. As a marketing concept of interpersonal interaction, consumer trust focuses on the relationship between the two sides of a transaction. In the sharing economy, the trading relationship between the two parties is no longer satisfied, and the trading components evolve into consumers, sharing platforms and service providers. Therefore, in the context of sharing economy, consumer trust is the positive expectation of consumers for the products or services purchased from the shared platform and the service quality obtained from service providers in the consumption process.

### 2.3. Travel Services in Consumer Confidence

Vietnam is vigorously supporting the development of the sharing economy and actively formulating and improving relevant laws and regulations. Yet in the process of the development of sharing economy, Vietnamese society is gradually evolving from the traditional "acquaintance society" to the modern "stranger society", and the traditional credit constraint mechanism is gradually failing, while the new credit mechanism has not been fully established. Therefore, the current lack of social integrity is very prominent. In many fields involved in the sharing economy, there are different levels of trust problems, especially in the travel service sharing economy.

Take the largest and fastest-growing third-party travel platform in Vietnam - Grab Bike as an example. According to the latest research by Google and Temasek, the market size of Vietnamese ride-hailing in 2018 is 500 million USD, which is expected to increase fourfold to 2 billion USD in 2025. In 2018, Grab paid the taxes over 441 billion VND (confirmed by Ho Chi Minh City direct management Grab tax agency) into Vietnam national funding. According to the national launch plan (July 7, 2019) published data, Grab has 70% of the Vietnamese taxi market, while the remaining 30% is shared by traditional taxi companies and technology companies in the country. With the rapid growth of the market scale of shared travel service, the potential safety problems increase rapidly.

In 2018, the media reported some news such as “A Grab driver in Ho Chi Minh city chased down and threatened to kill customers”, “Grab driver canceled the order without planning” and “Grab driver sexually harassed a 9 years old girl”, which aroused strong public opinion. According to the author’s search, the traditional taxi attacks on passenger incidents have also occurred, but did not cause such a response. On the surface, this event is a new thing of “car-hailing” with more media topics, which follows by people’s concern about its safety and trust. The issue of trust has always existed. In the process of moving towards a new stranger society in the post-industrial society, a cooperative trust is being generated. Especially in the sharing economy model, this kind of cooperative trust problem is more prominent, because the sharing economy is through the high trust between strangers, making idle resources fully utilized. Trust in each transaction has played a central role, contribute to deal. Therefore, to accelerate the development of the sharing economy, research on the factors affecting this new type of consumer trust is imminent.

### 3. Shared Economic Factors Affecting Consumers’ Confidence

Consumers’ trust in the sharing economy can be divided into personal trust, personal trust in the platform, and personal trust influenced by the society. Based on consumers’ trust in the sharing economy model and combined with the research status in Vietnam and abroad, the author divides the influencing factors of consumer trust in the sharing economy into three aspects: individual differences of consumers, shared platform factors, and social factors.

#### 3.1. Individual Consumers Trust Property and Shared Economic

For consumer trust in the sharing economy, individual’s difference is an important factor influencing users’ use of the platform. Individual’s differences can also be called personal trust tendencies. Each person’s growth environment is different, which leads to differences in their perception of risk and trust. Differences in age and experience can also lead to differences in the acceptance and use of emerging things.

**Table 1.** Individual Level Influencing Factors

Influencing factor	Definition	Source of literature
Trust Propensity	Faith and goodwill for others are usually kind and dependable	Mittendorf (2017)

#### 3.2. Platform Attributes and Shared Economic Trust

When using Grab travel and another shared economic platform, due to differences by different trading systems and trading processes, causing the user to provide a standardized platform also differ in perception. This study summarizes the following factors that affect consumers’ trust in the shared platform based on the situations that users may encounter during the specific use of the Grab platform.

**Platform reputation:** the accumulated reputation and good social image of the platform will also have an impact on the users’ willingness to use. Social activities will greatly increase the exposure of related companies, corporate behavior is an important factor in determining a company’s reputation among its users. Online evaluation reputation is important for users to judge platform security.

**Price mechanism:** as Uber and other shared economic travel platforms have a tidal pricing mechanism, the contradiction between supply and demand during peak travel time can be adjusted so that users who need more services can get service faster by providing tips. Grab takes a similar dynamic pricing and markup approach to ride-hailing. Different from taxis, the essence of sharing economy is the rational redistribution and optimal utilization of resources.

This dynamic pricing mechanism also raises concerns about the reliability of the platform for ride-hailing users.

**Travel safety:** the sharing economy travel platform cannot effectively control the background, quality, and morality of online ride-hailing providers. Therefore, ride-hailing has always been a safety hazard. Recently, China Didichuxing reported a case in which ride-hailing passengers were injured and killed by ride-hailing drivers. The user's travel safety for the network-based car platform is more and more worrying. Users are more and more worried about the safety of the journey of the ride-hailing platforms. Ride-hailing travel safety has an increasing impact on users' willingness to use, therefore, the ride-hailing platforms must fully consider the passengers' travel safety.

**Owner certification:** drivers of Grab travel are the main providers of services in the sharing economy. The people directly contacted by consumers in the process of using the service, and the most direct source of trust and risk. Because different drivers have different life experiences, education level, and culture training are not the same, it is easy for different consumers to experience different experiences when receiving services, and even lead to related personal property losses. In this case, the Grab platform uses a third-party authentication method to ensure that the driver has a legal identity before he or she takes up the job. At the same time, they must be certified for testing before taking orders to ensure that there is no impersonation.

**Feedback mechanism:** Feedback is a reflection of the degree of user satisfaction and the service provided by the driver. It is also an effective mechanism for consumers to protect their rights and interests. Grab provides feedback and guarantee agencies to make evaluation, satisfaction degree and score for the overall experience. As a driver service, its actual physical fitness is rated. Meanwhile, once consumers' rights and interests suffer loss or infringement, its guarantee mechanism can make corresponding timely response. It reflects a monitoring mechanism for the Grab travel platform service.

**Payment method:** payment security is an important mechanism for the security of the property involved in the user's use. At present, the travel sharing platform provides multiple payment channels, which is convenient and also brings hidden dangers to payment security. Grab has implemented appropriate safeguards for each payment method. When consumers use the services provided by the platform, the security of the payment link will also affect their willingness to use the platform. No one will be willing to use services that may bring property losses to themselves.

**Table 2** Platform System Factors Definition

Influencing factor	Definition	Source of literature
Platform reputation	Consumer recognition of the reputation of the platform	Qureshi et al. (2012)
Price mechanism	Degree of recognition of the price mechanism	Chen et al. (2015)
Travel safety	Degree of recognition of the security assurance mechanism	This paper proposes
Owner certification	Level of recognition of driver certification for the platform	Kooti et al. (2017)
Feedback mechanism	The feedback mechanism provided by the platform enables consumers to provide information feedback timely and effectively	Thierer et al. (2015)
Payment method	The degree of protection of the platform payment mechanism for accounts and payment channels before and after consumer transactions	Pavlou et al. (2004)

### 3.3. Trust and Shared Social Economic Confidence

For the consumer trust in the sharing economy, the degree of social recognition and government supervision are also inseparable factors in the users' use of the platform.

Social identity: social influence from social channels such as familiar friends and family will also have an impact on users' willingness to use, which will also have a certain impact on their consumer behaviour.

Government regulation: The government's attitude towards the travel platform determines the legitimacy of the travel platform and the basic access standards. Users will also feel the changes in the shared travel service caused by government policies and regulations during the consuming process, and the government's maintenance of users' rights in the event of a risk loss.

**Table 3** Definition of Influential Factors in Social System

Influencing factor	Definition	Source of literature
Social identity	The extent to which opinions and recommendations from friends affect consumers	Zloteanu et al. (2018)
Government Regulation	Consumers' perception of the government's recognition of the regulation and support of the travel platform	Xu et al. (2019)

## 4. Summary and Prospect

At present, most of the researches on sharing economic consumption trust (ride-hailing services as an example) in Vietnam and abroad are based on the above mentioned aspects. Although these three factors are not completely comprehensive, they can provide a more powerful explanation in the issue of consumers' trust in the travel service, and these factors are subject to theoretical research and empirical analysis by many scholars. Although the factors affecting consumer trust are multifaceted, the above research undoubtedly verifies that consumer trust affects purchase intention.

Regarding the development and research of the sharing economy, foreign countries have always been ahead of Vietnam. Vietnam's earlier researches on shared economic consumer trust is based on early foreign literature. However, in Vietnam, due to the influence of the economic environment, national policies, and the human environment, the factors affecting the trust in the context of the sharing economy are different from those in foreign countries.

The Vietnamese people's way of life can be described as relaxation, informality and mutual acquiescence, which is one of the advantages that can be exploited to develop a shared economy. Vietnamese traditional culture and national policies are more conservative and less open than foreign ones, which is a hindrance to the development of the sharing economy and the need to overcome consumer trust in this model. Therefore, future researches are needed in conjunction with Vietnamese culture, national conditions, more in-depth analysis and summary.

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