

Chapter 3

Conceptual Model and Hypotheses Development

Introduction

Chapter 1 posed four research questions: What are the dimensions of trust of Thai consumers in a business-to-consumer context? Which are the most important dimensions of trust for Thai consumers? What are the antecedents of Thai consumer's trust? What are the consequences of Thai consumer's trust? The first two questions focus on the development of a scale, while the latter questions focus on the nomological validity of the scale. Following the review of service marketing and relationship marketing literature, the conceptual research model and hypotheses relationship of this study are proposed in the following section.

Conceptual Research Model

The model, which is presented in Figure 3.1, serves as a conceptual framework for this study. It is conceptualized from a literature review of service marketing and relationship marketing based mainly on the commitment-trust theory of relationship marketing by Morgan and Hunt (1994) and also Ellen and Mark (1999). In addition, the focus of this study is on the development of a scale which is presented in the center of the model. The other components of the model are used to test whether the scale behaves as expected.

The conceptual framework can be divided into three main parts. The first and the most important part of this dissertation is the SERVTRUST scale which will be developed to measure the trust of Thai consumers. This study proposes 13 dimensions of trust: benevolence, confidentiality, contractual, credibility, experience, expertise, friendship, information sharing, integrity, power, reliability, signal, and timeliness. The dimensions of trust for Thai consumers which are proposed as the three most important are friendship, signal, and contractual trust.

The second and the third part of the model are the antecedents-SERVTRUST relationship and the SERVTRUST-consequences relationship, respectively. The arrows show the causes and effects within the model, as suggested by previous research reviewed in the chapter 2. Because the focus of the study is on the development of a scale, not causes and effects of trust, this study proposes only four causes of trust: communication, problem solving, quality of the service, and satisfaction. In addition, two consequences of trust are proposed: commitment and loyalty.

From Figure 3.1, a final conceptual research model can be identified. Figure 3.2 shows the main constructs: four antecedent variables (communication, problem solving, quality of the service, and satisfaction); the construct of interest in the present study (SERVTRUST); and two consequent or outcome variables (commitment, and loyalty). The proposed directions of the relationships are presented as H₁ to H₆; refer Figure 3.2.

Hypotheses Development

From the literature review in chapter 2 and conceptual model in figure 3.1, six hypotheses have been identified. As stated earlier, the hypothetical relationships are employed in order to show the nomological validity of the SERVTRUST scale only. Table 3.1 shows the proposed hypotheses, the direction of the relationships, and references based on the literature reviewed in chapter 2.

Figure 3.1
Conceptual Framework

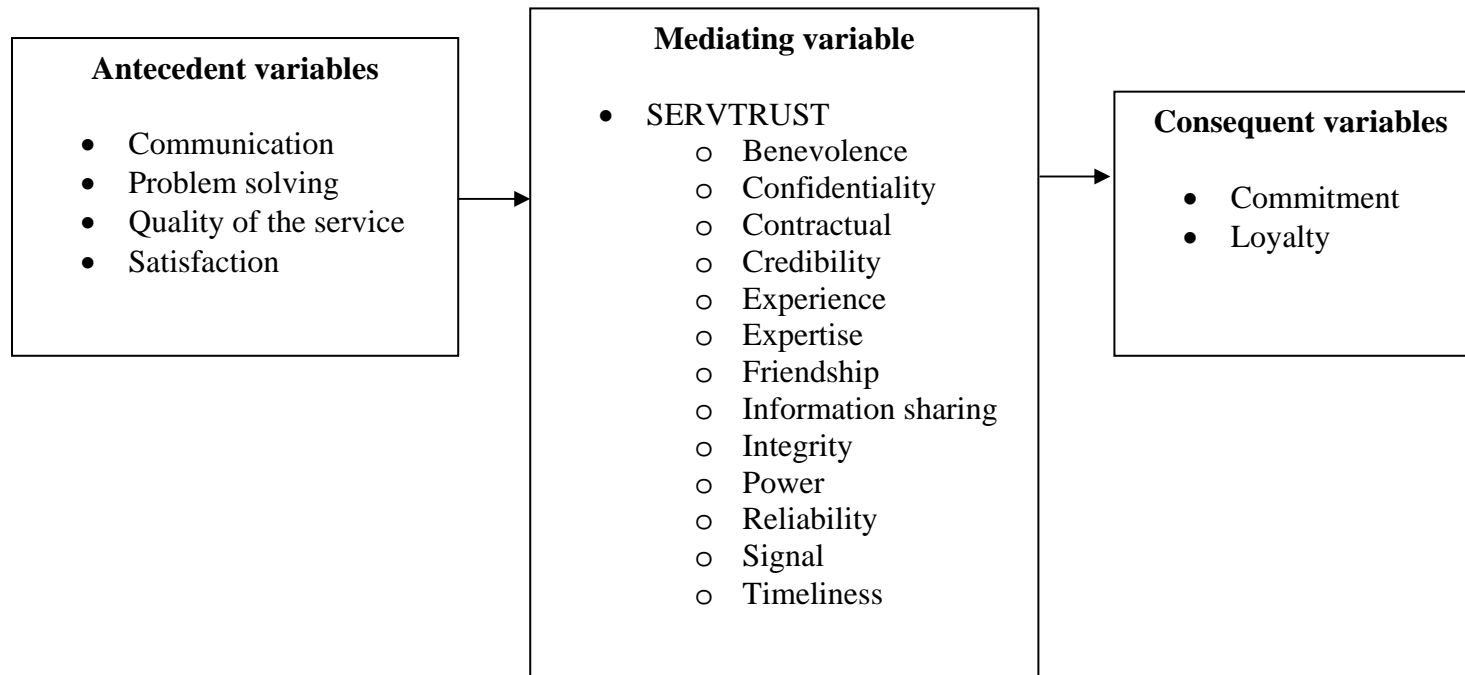


Figure 3.2

Direction of the Relations between Antecedents-SERVTRUST-Consequences

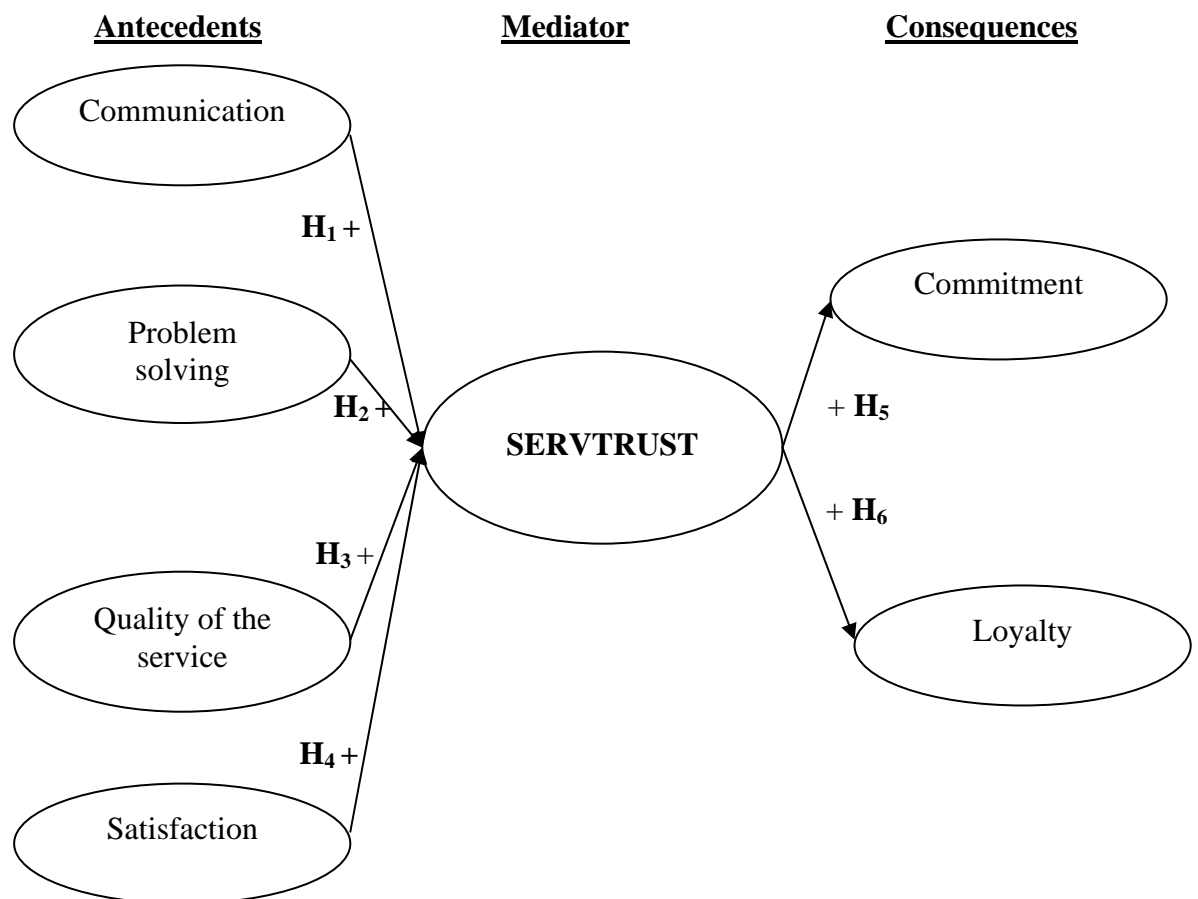


Table 3.1
List of Hypotheses

Hypothesis	Detail and direction	Reference
H ₁	Communication is positively associated with SERVTRUST	Deutsch (1958) Morgan and Hunt (1994) Spake et al. (2003) Cote and Latham (2004)
H ₂	Problem solving is positively associated with SERVTRUST	Oikawa and Tanner (1992) Tax et al. (1998) Xiaohua and Charlie (2002)
H ₃	Quality of the service is positively associated with SERVTRUST	Birgelen et al. (2001) Chiou et al. (2002) Gaby and Josee (2004)
H ₄	Satisfaction is positively associated with SERVTRUST	Chiou et al. (2002) Gounaris (2002) Kwon and Shu (2004) Walter et al. (2005)
H ₅	SERVTRUST is positively associated with commitment	Moorman et al. (1992) Morgan and Hunt (1994) Arjun and Morris (2001) Chaudhuri and Holbrook (2002)
H ₆	SERVTRUSTS is positively associated with loyalty	Arjun and Morris (2001) Chiou (2002) Francis and Jamie (2002)

From Table 3.1, communication is proposed to be positively related with SERVTRUST based on previous research. Communication influences SERVTRUST by resolving disagreement between a customer and a service provider (Cote and Latham, 2004). It also corrects the perceptions and expectations of the customer (Etgar, 1979). Problem solving is the ability of the service provider to handle the

customer's problems during and after the service encounter (Sirdeshmukh et al., 2002). The level of SERVTRUST depends on how well the service provider deals with problems the first-time they occur (Tax et al., 1998). It can therefore be proposed that problem solving is positively related to SERVTRUST. Furthermore, quality of the service is the other construct which has been well defined and studied (Parasuraman et al., 1985, 1988; Zeithaml, Parasuraman, and Berry, 1990; Josee, Kode, and Martin, 1999; Srinivas, Steven, and Subhash, 1999; Harrison-Walker, 2001; Raajpoot, 2004; Parasuraman, Valarie, and Arvind, 2005). There are a number of research papers indicating that the quality of service has a positive association with SERVTRUST, and that is also the hypothesis of this study. Another antecedent of SERVTRUST, which should be tested for its relationship, is satisfaction. Although the role of satisfaction as an antecedent or consequence of SERVTRUST is still ambiguous, this study treats satisfaction as an antecedent variable. Many researchers both in a B2B and B2C context indicate the role of satisfaction as an antecedent with a positive relationship with SERVTRUST (Ganesan, 1994; Gounaris and Venetis, 2002; Kwon and Suh, 2004; Walter et al., 2005). In this study, satisfaction is hypothesized to be positively associated with SERVTRUST.

For the consequences of SERVTRUST, commitment and loyalty are employed to test the behavior of SERVTRUST. The relationship between SERVTRUST and commitment is proposed as positive because there is evidences in B2B and B2C research which confirms that SERVTRUST is the main factor driving commitment (Moorman et al., 1992; Morgan and Hunt, 1994; Arjun and Morris, 2001; Chaudhuri and Holbrook, 2002; Fruchter and Sigu, 2004). However, loyalty is indicated as an important consequence of SERVTRUST as well (Arjun and Morris, 2001). Because loyalty is described as the reflection of SERVTRUST (Francis and Jamie, 2002), this study hypothesizes that SERVTRUST is positively related to loyalty.

Conclusion

This chapter outlined the conceptual framework, conceptual model and the hypotheses of the study. In the conceptual framework, the selected dimensions of SERVTRUST and its antecedents and consequences were presented. The conceptual framework was interpreted into a conceptual model which contains seven main latent variables: communication; problem solving; quality of the service; satisfaction; SERVTRUST; commitment; and loyalty. In the conceptual framework, the path and direction of relationships among the constructs were presented as well. The six hypotheses were then developed, based on the literature review in chapter 2. Four antecedent latent variables were proposed to be positively related with SERVTRUST as well as two consequences which were positively affected by SERVTRUST. Chapter 4 will present the research design and methodology which will be employed to examine SERVTRUST and its proposed relationships with other constructs.