

Customer's Trust in the Sharing Economy: A Study on Gojek Car Service in Vietnam

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Abstract

Trust is an essential element in any relationship, especially in the sharing economy. Using the linear structural model analysis method with a sample size of 579 regular customers using Gojek services in Vietnam, the study measured the impact of two components of trust, including trust in the app and trust in the driver to book your car. The research results also show the influence of familiarity on faith in the application and the tendency of customers' trust to influence confidence in drivers strongly; In contrast, the hypothesis that belief in the application will positively affect the booking is rejected. The study also proposes some governance implications for service providers and providers in sharing economy models to improve the ability to meet customer needs.

Keywords: Gojek, Sharing Economy, Trust.

1. INTRODUCTION

In recent years, sharing economy has become an economic trend, developing firmly worldwide. However, in Vietnam, the sharing economy is not popular, although the rental of rarely used properties already exists. The sharing economy model has now appeared in Vietnam with foreign names such as Uber, Gojek, and Airbnb and several domestic start-up models such as Ahamove and juvie.vn, Mother's cooked rice... From August 14 to September 6, 2013, the survey was conducted by Nielsen Company with more than 30,000 online customers across 60 countries in Asia-Pacific, Europe, Latin America, the Middle East, and Asia. Africa and North America have shown that the sharing economy has great potential for growth in Vietnam. According to the survey, 3 out of 4 Vietnamese respondents said they liked the idea of this business model; 76% said they are ready to take advantage of shared products and services shall...

The sharing economy is and will bring about many potential effects in Vietnam and bring new experiences while contributing to the growth of the economy, effectively utilizing idle resources. Trust is an essential component of the sharing economy and is especially important in peer-to-peer businesses (Woskko, 2014). Building customer trust is a strategic requirement for online vendors because trust strongly influences customer intent when interacting with online vendors (McKnight et al., 2002). Therefore, building trust for customers in sharing economic models is an issue that needs attention when the sharing economy in the world and Vietnam are developing strongly presently now. In addition, trust is also one of the five most researched phrases in the sharing economy (Cheng, 2016). However, the research on trust in this economic model is still limited; out of 45 studies from 2002 to 2016, there were only nine studies on trust reported by Ter Huurne et al. (2017). Ideas in the sharing economy. Therefore, more

research is needed to understand how trust is established in this model.

Moreover, considering the context in Vietnam, there has been no research on trust in the sharing economy, so here we focus on analyzing the impact of the components of confidence in customer car booking. Gojek car service is one of the most prominent applications in Vietnam today in the sharing economy model. The purpose of the study is to understand better the role of customer trust in the sharing economy model in Vietnam, contributing to providing more information for startups as well as companies operating by sharing economic model in choosing appropriate development strategies to enhance customer trust with the new economic model this.

2. Literature review

2.1. Share economy

Sharing economy is a term that has been discussed a lot on e-commerce forums in Vietnam recently. This term has been around for a long time in the world. It was born in 1995 in the US with the original model of "peer-to-peer sharing," but not obvious. This business model thrived when the US economy fell into crisis in 2008, forcing people to change the way they consume to adapt to the complex context. The KTCS model started with an informational website for advertising, job seekers, finding people, etc. It has helped many people find jobs and earn money from advertising. The sharing of available resources with the support of technology applications has brought service providers, the tenants, and users of the help have many benefits and huge profits. Therefore, the KTCS model has quickly developed beyond the US border, spreading throughout Europe and worldwide.

Currently, there are many different definitions of KTCS. According to Mr. Yuhei Okakita, Deputy Director of Economic Information Policy Department - Ministry of Economy, Trade, and Industry, Japan, KTCS is an economic reconstruction activity in which

anonymous individuals can use private information. Idle assets (including intangible assets such as personal skills and leisure time), which other individuals own through combined applications on the Internet. According to some economic experts, KTCS refers to a business model that exploits the available resource factors of the end-user and combines with technological aspects to form a business model. In addition, KTCS is also understood as a "hybrid market" model (in between ownership and gift-giving), which refers to sharing access to goods and services (coordination through services). Thus, although there are many different definitions of KTCS, the descriptions generally show the essence of the KTCS model, which is to take advantage of the development of digital technology to save transaction costs and access several services to a large number of customers through digital applications.

The KTCS model has the essential feature of using digital technology applications to provide information to individuals and organizations. Thereby allowing optimization of resources through the redistribution, sharing, and reuse of excess capacity of goods and services. To share resources, new goods, and services, as well as new industries in the CS economy requires the following three essential elements: (1) Consumer behavior towards many goods and services changes from ownership come to share; (2) Online social networks and electronic marketplaces that easily connect with consumers; (3) Mobile devices and electronic services make the use of shared goods and services more convenient.

According to the classification method based on the form of asset owners and price deciders of Judith Wallenstein and Urvesh Shelat, the KTCS model is divided into three main types: (1) Centralized application model (supply unit) providing an application that both owns assets and determines service costs); (2) Decentralized application model (the application provider only creates the connection environment, the service provider is the owner of the property and also the person who determines the price of the service); (3) Mixed application model (the asset owner

provides the service at a price set by the application, and the application also has a part to play in ensuring the quality of the product that is offered to the market).

The subjects participating in the KTCS model are very diverse and rich. It could be an individual user, a nonprofit business, a for-profit company, the local community, or the public sector. KTCS allows consumers to access the services and properties that they cannot own nor help improve social welfare. It also helps to use physical assets and other idle resources more efficiently, contributing to cost savings, sustainable economic development, and reducing negative environmental impacts. KTCS has become an indispensable part of the global economy with these great benefits.

2.2. Trust in the sharing economy

Trust is an essential factor in social interactions (including online transactions) (Hawlitschek et al., 2016). In the sharing economy, trust also plays an important role; no matter what motivation is behind the sharing, trust is still the decisive key to the development and success of the sharing economy. Botsman & Rogers, 2010).

Consumer trust in sharing economy models is more complicated to build and maintain due to these economic exchange forms (Hawlitschek et al., 2016). Transactions in traditional e-commerce like B2C are mainly based on customer trust goods to a professional e-vender (Gefen & Straub, 2004) or C2C transactions. The transaction depends on trust from the customer's point of view toward the providers (Leonard, 2012). However, in the sharing economy, for a customer to be able to make transactions on a specific application (application), the customer must not only have trust in the company or application being transacted but also must have trust in the person providing their product/service (Walter, 2017; ter Huume et al., 2017) (in the case of accommodation-sharing services like Airbnb, it is trust in the app/company). Airbnb and trusting the host; for a car-sharing service like Gojek, it's trusting Gojek and the driver). This means that once the customer places trust in the

components, including the company (application) and the service provider (peer), the transaction can be conducted (Walter, 2017).). Other researchers also show at least a 3-party relationship in each transaction, such as the study by Hawlitschek et al. (2016) and Möhlmann (2016). In addition, individuals often provide products or services in sharing economy models such as car sharing, which has given rise to the three components of trust, namely trust, confidence in the supplier (trust in peer), faith in the application (trust in the platform) and trust in the product (3P) (Hawlitschek et al., 2016). The application is the intermediary that facilitates transactions to be made, mainly combining buyers and sellers, allowing them to interact with each other in a convenient and reliable environment. Once customers have confidence in the application, it will increase trust in the driver.

Another aim of the study was to determine whether there is a relationship between trust in apps and trust in drivers. The hypothesis is built on previous studies that online customer trust is created by faith in online applications (websites), for example, the study of Lu et al. (2010), research by Hong and Cho (2011). The survey of Pavlou and Gefen (2002) also stated that trusted intermediaries help build buyers' trust in the seller community. Verhagen et al. (2006) also show similar results that trust is transferred from the intermediary to the seller in e-commerce. In the context of a car-sharing application like Gojek, to become a service provider for Gojek customers, forcing drivers to declare information thoroughly, and comply with Gojek's binding rules, At the same time, drivers are also evaluated based on customer feedback on the application. If violated, Gojek has the right to terminate the contract with the drivers. Thus, once the application builds trust in customers' hearts, it can increase trust in the resource's driver.

3. Methodology

3.1. Hypothesis

The research model from the above theoretical basis is shown in Figure 1. The study's main

objective is to analyze the impact of trust tendency and familiarity on the components of trust. At the same time, the model describes the effect of faith on customers' car bookings when conducting transactions in the sharing economy model. Trust is separated into two components: trust in the application and trust in the driver. The study applied the trust model in e-commerce proposed by Gefen (2000) to the sharing economy in the study of Mittendorf (2018). The trust tendency factor is used from previous studies, while the familiarity factor is modified to suit the characteristics of Gojek in Vietnam.

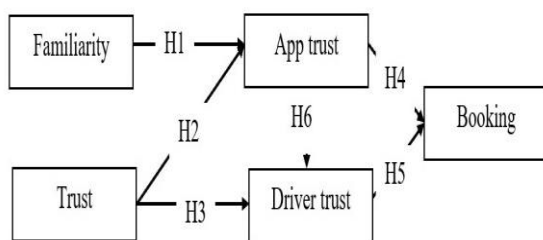


Figure 1. *Research model*

From the above theoretical basis, the research hypotheses are posed as follows:

Hypothesis H1: Familiarity positively affects customers' trust in the application Gojek

Hypothesis H2: Trust positively affects trust in customer's application Gojek

Hypothesis H3: Trust positively affects customer confidence in drivers Gojek

Hypothesis H4: App trust positively affects Gojek customer's car booking

Hypothesis H5: Trust in the driver has a positive effect on customer booking Gojek

Hypothesis H6: Trust in the application positively affects customer trust in the driver by Gojek

3.2. Research Methods

Preliminary qualitative research was carried out by in-depth interviews with customers who

have used car-sharing services such as Gojek to collect comments and adjust the scale. Formal quantitative analysis was carried out to re-evaluate the scale and test the hypotheses made from the theoretical model by distributing surveys to customers who have used Gojek services in Vietnam. This questionnaire uses a Likert scale, applying a scale of 1 to 5 to the data.

4. Results

4.1. Exploratory factor analysis (EFA)

EFA analysis for independent, intermediate, and dependent variables extracted five components from 2 and 3 observed variables. Variables were classified as factors as proposed by the research model. The EFA load factors of the variables range from 0.699 to 0.997. In addition, the composite reliability coefficient of the scale components has a value from 0.8 to 0.9, so the scale meets the requirements.

4.2. Confirmatory factor analysis (CFA)

Test the measurement model with indexes CMIN/DF = 1,328; TLI = 0.961; CFI = 0.970; RMSEA = 0.064 indicates that the scale is compatible with the data. Based on the calculation results shown in Table 1, all CR values of the factors are greater than 0.7, proving that the factors are reliable; at the same time, $CR > AVE$ and $AVE > 0.5$, showing that the model achieves convergent validity. Besides, the standardized weights of the scale are all high (greater than 0.5), and the unnormalized weights are statistically significant with $p < 0.05$. Table 1 also shows that $MSV < AVE$, $ASV < AVE$. Furthermore, the square roots of AVE are all larger than the correlations between the two concepts (see Table 1), so all the scales achieve discriminant validity (Hair et al., 2010).

Table 1. Data description

	CR	AVE	MSV	ASV	FAMILY	WORD	TRD	DTT	REQ
FAMILY	0.95 1	0.856	0.232	0.107	0.873				
WORD	0.99 2	0.837	0.523	0.388	0.354	0.921			
TRD	0.99 3	0.708	0.494	0.389	0.385	0.633	0.804		
DTT	0.84 4	0.699	0.525	0.381	0.256	0.762	0.655	0.847	
REQ	0.86 5	0.721	0.416	0.342	0.527	0.643	0.56	0.435	0.888

4.3. SEM results

To answer the research question, the linear structural model (SEM) is used to test the relationship between the prefixes and components of trust as well as the influence of trust on customer intention.

The results of the linear structure analysis are shown in Figure 2. The model has CMIN/DF = 1.318; TLI = 0.913; CFI = 0.912 and RMSEA = 0.079. With the above statistical indicators, it is possible to conclude that the theoretical model is consistent with market data. There are 5 accepted hypotheses in this study. The normalized regression coefficients of Belief propensity to apply Trust are 0.60; The trend of trust affecting Confidence in driving is 0.414; Familiarity's impact on App Trust is 0.230; App trust affects Driver trust is 0.464; Trusting the app affects Bookings is 0.533. These estimates have statistical significance at $p < 0.05$. Thus, 5 hypotheses H1, H2, H, H4, H6 are accepted. However, hypothesis H5 was rejected because it was not statistically significant ($p > 0.05$).

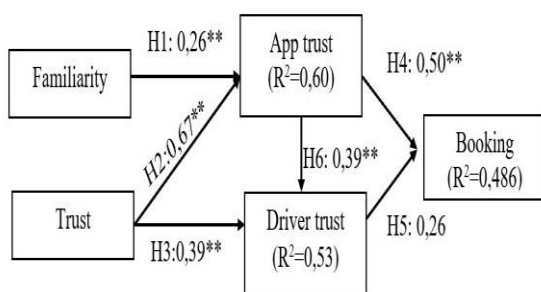


Figure 2. SEM results of theoretical model (normalized)

The analyzed data answered the research questions. Both the familiarity prefixes and the tendency to believe affect the two components of trust. In addition, the results also show a relationship between faith in the influence app and the customer's car booking. Table 2 shows the results of the study.

Table 2. Hypothesis test results

Hypothesis	SC	SE	CR	P	Result
H1	0.259	0.081	2.843	0.004	Accept
H2	0.674	0.098	6.030	***	Accept
H3	0.395	0.162	2.562	0.010	Accept
H4	0.497	0.153	3.472	***	Accept
H5	0.256	0.124	1.850	0.064	Rejected
H6	0.388	0.179	2.597	0.009	Accept

Note: $p^{***} < 0.001$; SE: standard deviation, CR: critical value, SC: normalized regression coefficient

Discussion

This study contributes to understanding the role of trust in Gojek's car-sharing model. In this context, Gojek is a mobile application that allows complete strangers to communicate with others online and share short trips in the real world (Mittendorf, 2017). The first contribution of the study is the adjustment of the scale, which to a certain extent has proved its reliability, discriminant validity, convergent validity, and content validity have covered most of the data. important aspects of the concept. The study improved the model of Gefen (2000) by dividing trust into 2 components: trust in the application and trust in the driver, and confirmed once again the

correlation between trust in the application and trust in the driver. Gojekcar customers' usage and bookings. This result is similar to the studies of Lu et al (2010). Second, the study tested the influence of trust in the application on trust in the driver, this result is also consistent with the study of Mittendorf (2018). Thirdly, this study also contributes in testing the impact of two prefixes familiarity and tendency to trust on the two components of customer trust. row.

The hypothesis that driver trust positively affects customer booking is not supported, for several reasons: Firstly, trust requires long-term construction, while translation car-sharing services like Gojek, where customers only have short contact with the driver; Second, there are many drivers participating in the car-sharing model, and customers hardly see the drivers who have gone in previous times, so if there is a good or bad feeling about the service that the driver provides, The level also does not affect the customer's car reservation on the next trip. This can also be an interesting future research direction for researchers interested in the sharing economy model. shall.

Research results can be a good suggestion for administrators in the field of sharing economy. In this study, trust in the application is an important factor affecting customers' booking. Therefore, car sharing companies like Gojek need to increase customers' trust in their apps by providing functions that help secure customer account information, card information, etc., or can increase trust in the application by reducing risks such as refunding customers if something unexpected happens. In addition, familiarity also affects trust in the application, so application developers need to improve the quality of the application, simplify and make transparent the information processing processes of the application. use.

Conclusion

This study focuses on examining Gojek, which is an example of the sharing economy model. The study contributes to testing the scales of previous studies in e-commerce. In particular,

the research contributes to introduce the concept of trust in the sharing economy, which is still quite new in Vietnam. In addition, determining the influence of trust in the application on customers' car bookings can serve as a basis for increasing the trust of customers in the sharing economy model. Besides the contributions of the topic, this study also has certain limitations. Firstly, the representativeness of the sample is limited due to the convenient sampling method, the survey subjects only concentrated in Ho Chi Minh City with a rather small sample size. Secondly, the topic only stops at analyzing a special case in the sharing economy, the car sharing model. The study also only studies 2 prefixes of trust, meanwhile, customer's trust can be affected by many other causes such as word of mouth effect, perceived risk... Therefore, expanding the study Research with the addition of new variables is also one of the directions for further research according to.

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