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# Building trust in a digital age

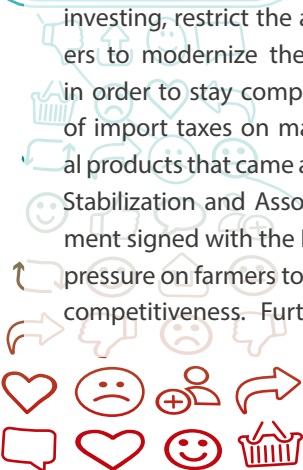
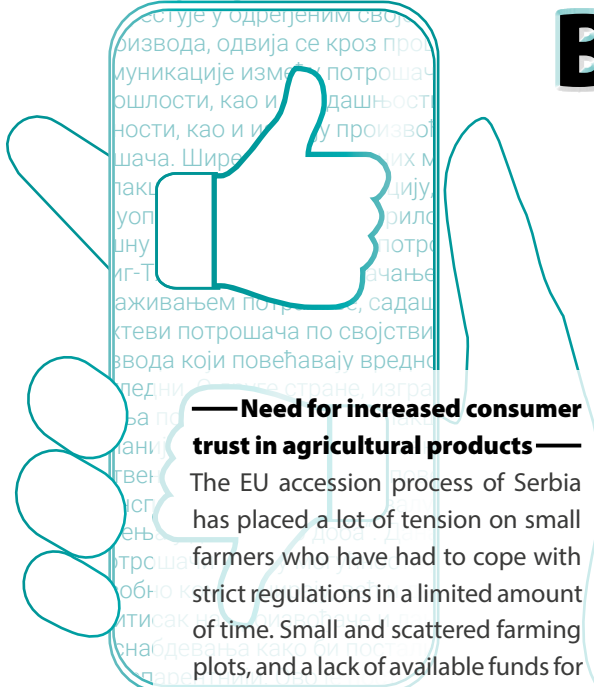
**Contribution of social media platforms towards trust creation in agriculture (Preliminary results from consumers' survey in Serbia)**

## — Need for increased consumer trust in agricultural products —

The EU accession process of Serbia has placed a lot of tension on small farmers who have had to cope with strict regulations in a limited amount of time. Small and scattered farming plots, and a lack of available funds for investing, restrict the ability of farmers to modernize their production in order to stay competitive. Lifting of import taxes on many agricultural products that came along with the Stabilization and Association Agreement signed with the EU, has added pressure on farmers to improve their competitiveness. Furthermore, the

prevalence of small farms with less than ten hectares emphasises the mentioned issue of non-competitiveness, which can lead to abrupt changes in the agriculture sector. A broader issue that has negatively impacted the overall economy is that agriculture makes up a significant share of Serbia's economy (6.2% compared to 1.44% in the EU), and within the agricultural sector, a high share in the total employment (17.1% on average compared to 4.15% in the EU). Thus, regarding the mentioned conditions, emphasis is placed on the importance of competitiveness for the development perspec-

tives of Serbian farmers (WORLD BANK 2018). — Accordingly, the [Strategy for Agriculture and Rural Development](#) for 2014–24 of the Republic of Serbia presumes an increase in production of added-value products as a way of sustaining domestic agriculture competitiveness. The strategy is in line with the previous findings showing that a significant amount of credence attributes, such as origin, organic production, food safety and production processes, are essential to consumers (DRIQUECH et al. 2015). Besides, the competitiveness of the producers is influenced by the differentiation of their prod-



ucts, and at present, differentiation largely depends on credence attributes of the products (SOGN-GRUNDVAG et al. 2014). However, for the strategy's success, among other factors, consumers must trust in product added-value (predominantly credence) attributes in order to exhibit the intended willingness-to-buy and willingness-to-pay.

### Digital trust

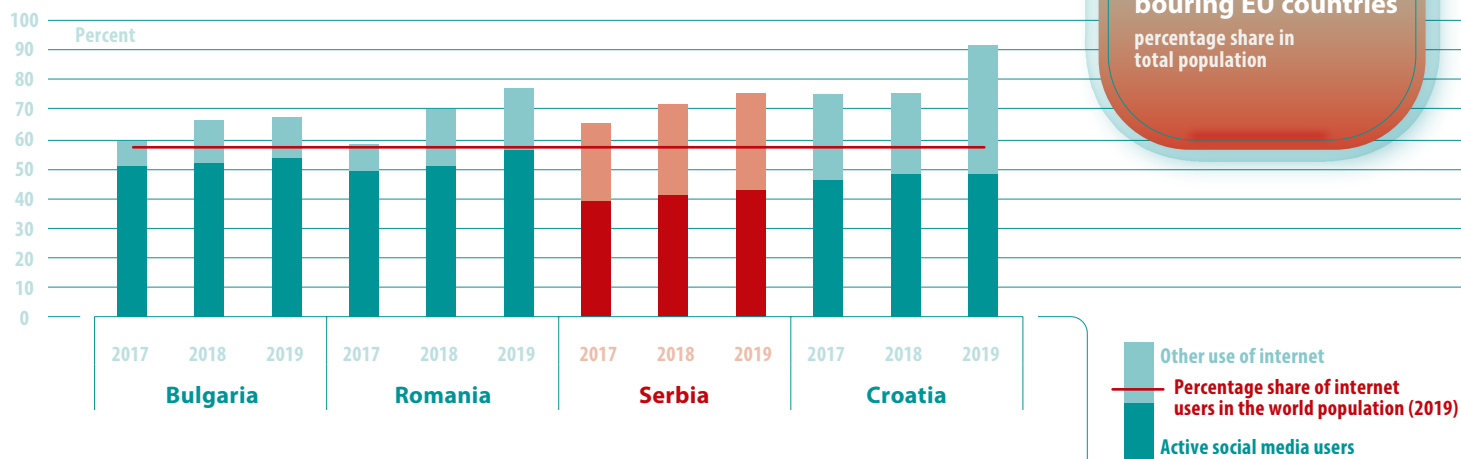
A large part of building trust in specific added-value characteristics of food comes through communication between consumers and between producers and consumers. Expansion of

social media, which provide such communication, shifted the market power from companies to consumers (HENNIG-THURAU et al. 2013). Due to the empowerment of the demand side, requirements for added-value characteristics have been brought to light (LABELINSIGHT 2016). Similarly, the building of consumer trust toward food products became easier for companies to achieve, due to stronger company engagement on social media, which led to the popularity of **'Transparency as Currency of Trust in Digital Age'** (DELOITTE 2016). Accordingly, today's consumers, be-

sides being able to communicate with each other, have also been able in recent years to influence producers and supply chains to be more transparent through collective empowerment in connection with social media expansion. — Considering the infrastructure necessary for social media growth, internet penetration in Serbia is well above the world's average of 57% and comparable to neighbouring EU countries (GLOBAL DIGITAL REPORT 2019). Social media penetration in Serbia is about 43% (2019)

### 1 — Internet and social media users in Serbia and neighbouring EU countries

percentage share in total population



with stable growth over the past several years. Due to high internet penetration and general trends, it is expected that growth will continue. The popularity of social media among internet users [compare Figure 1](#) is being regarded as an asset and essential part of a trust-increasing approach we are going to present in our research. — Considering the increasing presence of social media and the importance of trust in market transactions of products (in particular with added-value agricultural product characteristics), this paper examines the usability of social media as a communication channel between previous and potential consumers and SMEs (including agricultural producers) involved in agribusiness. We hypothesise that such a communication would result in gained consumer trust in added-value agricultural product characteristics, for both experience and credence attributes. In addition, the need for certification could become redundant for credence attributes. Lastly, increased trust should positively correlate to

purchase intention, which in turn would facilitate the purpose of the aforementioned Strategy for Agriculture and Rural Development. — The theorised trust-building mechanism has a dual nature. For experience attributes, free information flow at the company's social media page directly lowers information asymmetry—potential consumers can get information about previous experiences before they try a product for the first time. The information is carried by the [comments on the social media page—electronic word-of-mouth](#) (eWOM). Thus, the network nature of social media is the key factor for understanding the requirements for building trust within user-generated content. On the other hand, eWOM in a social media environment enables trust-transfer from other members (experienced consumers) towards commercial information on social media, directly originating from a company or a brand (LU et al. 2010). Simply said, trust-transfer describes a situation where a company becomes a more trustworthy source of infor-

mation on the social media page. The process occurs because of the positive comments about the experience with the product from other consumers. The significance of the trust transfer processes of consumers to companies arises from the fact that in most cases, a company is the only source of information about added-value credence characteristics. — Regarding all previously written information, we aim to answer the following three research questions:

- First, what are the main determinants of a trust-building mechanism on social media?
- Second, is a trust transfer between consumers and companies present, and how does trust influence the acceptance of information at the consumer level?
- Finally, how do the previously mentioned elements and intention to obtain information on a social media page influence purchase intention?

## Data collection

Data used for the empirical analysis have been collected through the survey. The survey was conducted in Belgrade, Serbia, during May and June 2019. Students of the University of Belgrade, in teams of 2 or 3, conducted the face-to-face survey in public places. The sample was taken from the population of internet users. Persons who did not have internet access were excluded from the questioning process. In total, 1,111 persons were interviewed. Of these, only those who positively answered the question about the experience of an encounter with a company/producer/brand presence on social media were included in the analysis. Afterwards, non-valid answers and empty datasets were also excluded. Lastly, the final sample size was 854 respondents. — For research purposes, a modified version of the model by Lu et al. (2010) was used. The model is in line with the scientific literature about trust in the form of 'antecedents-trust-outcomes'. Following the form, the trust antecedent part in the model consists of fa-

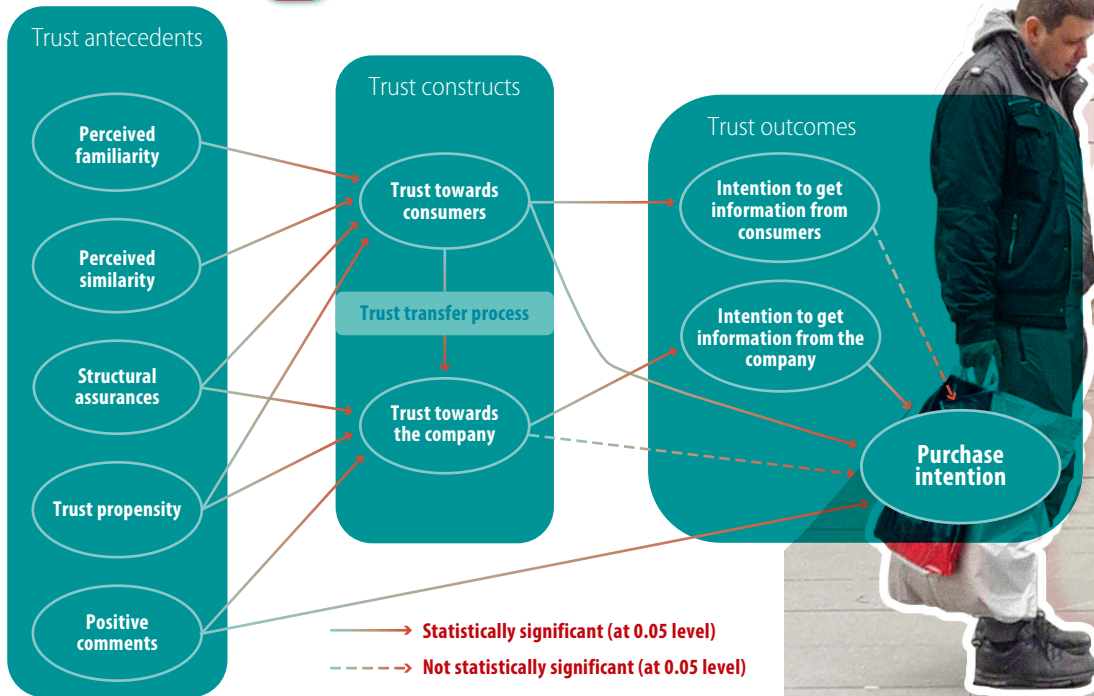
miliarity, perceived similarity, structural assurances, trust propensity and positive comments (i.e. eWOM). The antecedent part is followed by two trust constructs: (1) trust to other consumers and (2) trust to other companies. [Figure 2, p.28](#) The outcomes part consists of two groups of constructs: intention to get information (two constructs according to the source of information) and purchase intention (one construct). The construct of positive comments and separation of intention to get information by source represent introduced modifications, accordingly to the theory and research questions. Questions from measuring scales, already established on theoretical backgrounds, were used in the survey for all of the constructs.

## Preliminary findings

The preliminary results indicate a (statistically) significant relationship between two trust constructs and corresponding trust antecedents. [Figure 2](#) Hence, trust towards other consumers is related to perceived familiarity and similarities among members, and trust propensity of an individual.

It has also shown that structural assurances and positive eWOM have an effect on both, trust towards other consumers and towards the company. The introduced eWOM component (i.e. positive comments) is related to the purchase intention and the results also indicate the existence of trust transfer. Thus, considering results, trust determinants were confirmed in the form of trust antecedents in our structural model. — Primary findings point out the trust transfer process: [trust towards other consumers has an effect on the trust towards the company.](#) Also, effects between the trust variables (trust towards consumers and trust in the company) and intentions to get information (from consumers and from the company) were confirmed. Considering purchase intention, direct influence of comments (eWOM), intention to get information from the company, and trust towards other consumers has been confirmed. However, trust towards the company and intention to get information from consumers, do not meet the theorized expecta-

2— Theorized structural model and the first results



tions of the significant relationship with the purchase intention. — Introduced modification of separating intention to get information by source (consumer or company), provided additional explanation about effects on purchase intention. Regarding the source of information, consumers in our case do not look for information from other consumers in order to make purchases, but if they come in contact with a eWOM, it will influence their purchase intentions. Consumers in our sample primarily perceive companies as a trustful source of information and

that is accompanied with purchase intention. That was confirmed with significant relationships between trust towards the company and purchase intention, which include the construct of intention to get information. **Figure 2** Therefore, the informative role of the company has been confirmed. — More in-depth insight into survey answers points out the fact that, for a vast majority of respondents, the site of online interaction in question was a social media page with the company as administrator. Thus, most of the consumers will visit the social media

page in search for information. However, due to the underdeveloped online sale infrastructure in Serbia, their purchase will happen in non-online environment.

### — Literature —

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### — Sources and credits —

**Figure 1** Internet and social media users in Serbia and neighbouring EU countries © Own presentation. Data: We Are Social (n. d.): Global Digital Reports 2017–2019. Retrieved online [↗](#) [20.10.2019]

**Figure 2** Theorized structural model and the first results © Own presentation. **Photo** of students of the University of Belgrade during the 2019 survey © Borislav Rajković