The Role of Trust: The Cornerstone of Sharing Economy Services

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Abstract. *Sharing economy services have taken a significant place in the economies of countries around the world in the past decade. The main questions that arose from the way this type of service is used concern the decision-making process by consumers, legal norms, risks, benefits, the relationship between providers, users and electronic platforms, the influence of intermediaries and the like. This paper aims to focus on the factors that influence the consumer decision to use sharing economy services, with an emphasis on the trust factor as one of the main determinants of consumer behaviour. Trust in sharing economy services is built between consumers and service providers, as well as between consumers and providers in relation to electronic sharing platforms, respectively. The paper will present an overview of research that has so far confirmed the influence of trust, as well as an explanation of the construct.*

Keywords. *Sharing economy, Trust, Consumer behaviour, Determinants of service usage in sharing economy, Trust in service provider*

1 Introduction

Modern trends in the market have led to the development of new technological solutions, innovations in the field of production, as well as in the way of consumption and fulfilling the needs and wants of consumers. The way in which a certain need is satisfied depends on a number of different factors. Many of these factors stem from the past of the individual, his experiences, social and cultural environment, (Solomon et al., 2015, p. 180). Although the needs of individuals can be similar, almost identical, the way and possibilities for their satisfaction can be completely different at the same time. One of the ways to satisfy emerging needs, recognized by consumers, is mutual sharing of goods and services. The sharing of resources between people has essentially existed since the earliest beginnings of human community development. Nevertheless, the sharing economy is one of the phenomena that has experienced its development in the last few years and is taking a share in numerous market segments with a striking growth rate.

The sharing economy can be defined as "a socio-economic ecosystem that in most cases uses information technology to connect different participants - individuals, businesses, authorities and others - to share or access different products and services and to enable shared consumption". (Laamanen et al., 2018, p. 213)". The novelty that separates the phenomenon of the sharing economy from the traditional sharing of goods and services between people, and which essentially opens the possibility for its expansion within commercial markets, is sharing between people who have never met before, or as defined by the author Schor, (2014 , p. 7) "sharing among strangers". The services and products that are offered, which are exchanged on this market, by their very nature deeply encroach on the privacy of their owners as well as those who use these goods and services in this way.

As sharing has been identified as a fundamental way of consumer behaviour that requires additional research on people's motives to participate in sharing (Belk, 2010; Bucher & Fieseler, 2015), the question arises about understanding different motives for consumer behaviour, as well as different

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perspectives from which observes the named phenomenon. One of the important issues of the sharing economy is the terminology used in this market, i.e. the correctness of its use. For example, whether renting or providing services can be considered "sharing", (Schor, 2017, p. 264). According to the same author, Anthony Kalamar discussed that this type of exchange has the effect of crowding out true "sharing", as well as that profit organizations use the resulting situation for so-called sharewashing, that is, they use positive associations related to "sharing" to cover up own interest activities, (Schor, 2017, p. 264). Proponents of the positive and negative impacts of the sharing economy on the environment in which this phenomenon takes place differ in their views, but several basic impacts stand out and there is general agreement regarding them. Growing urbanization contributed to a significant number of participants of the sharing economy being in close proximity and forming a "critical mass" for the functioning of the sharing economy. As the authors Basselier et al. (2018, p. 60) state, many activities and initiatives in the sharing economy offer a solution and a specific response to the "frustration" that comes with living in a large, overcrowded city. Among the first positive impacts that were highlighted as a strong driving force behind the development of the sharing economy was the impact on the environment. First of all, the possibility to replace the individual ownership of goods with the shared use of resources, at the moment when they are needed, contributed to the idea of reducing the excessive consumption of energy and natural resources. This paper aims to show the influence of trust on consumer behaviour in the area of the sharing economy, as one of the decisive factors in making a purchase decision. Given that in many studies, determinants such as trust were highlighted as significant, the paper will attempt to consolidate the presentation of previous studies with an indication of the influence and effects of the construct.

2 Trust and consumer behaviour in the sharing economy

Throughout the literature, the view is that consumer behaviour in the sharing economy is generally still an under-researched area (Gazzola et al., 2018; Böcker and Meelen, 2017; Bucher et al., 2016). Although, based on the general view, one would think that the sharing economy is a phenomenon that has only recently emerged, some data show that as early as 1948 there was a form of vehicle sharing in Zurich, and that during the 1980s this form of exchange became very popular in areas of Northern Europe, (Zhuikova, 2017). Today the impact of the sharing economy is being considered in the mobility, i.e. transportation sectors (such as ride sharing or vehicle sharing), in the space management sector (where short-term rental of residential and commercial spaces appear), in the work and employment sector, (Ganapati & Reddick, 2018, p. 78), as well as in the service sectors of craft works, production systems, tools, hospitality, fundraising, the food sector, education and many others. The benefits that society has from the services of the sharing economy are diverse. In order for consumers to freely access the use of sharing services, sharing platforms as well as the community of users organized within a certain platform must provide to them the necessary level of trust and certainty that transactions will really be carried out in the way they were presented before use. The trust as phenomenon can be defined as “the willingness of a consumer to be vulnerable to the action of the sharing economy” (Leong et al. 2024). Some sources define it as a belief of providers that the platform is an honest and reliable intermediary in the transaction, (Rossmannek et al., 2024). Accordingly, the importance of trust for the sharing economy lies in the fact that it is precondition for consumers to become a part of the transactions which are intangible and risky. Also, lack of widespread legislative creates increased risk for all parties involved in transactions. Questions about data protection are raised for the platforms creating another reason for the necessity of trust, (Cicognani et al., 2024). Even more, the social interaction among users, or between users and service providers is influenced by trust and low risk perception. Literature recognizes different kinds of trust, and different relations in sharing economy. The trust can be perceived between customers and the online platform, between providers and customers, providers and platforms, and customers and products or services. Providers are those who usually look for information about customer risk and misbehaviour from internal and external sources, (Rossmannek et al., 2024). In any kind of business relations trust management is vital for the recovery of the misunderstandings. Sharing economy platforms are not different in this regard, (Lu et al., 2020).

One of the biggest sources of concern expressed by platform users is precisely the concern of receiving low-quality services and products for which the value gained from shared consumption does not exceed the costs of the effort invested to make sharing happen (Tussyadiah, 2015, p. 822). Community trust builds a stable environment for consumers. Such a community of users is constantly increasing the number of members, thereby increasing its strength, on which the platforms rely for their own growth. Authors Hwang and Griffiths confirmed that specific dimensions of value perception, such as utility (functional and economic benefits) and hedonic (pleasure, comfort, positive feelings and enjoyment) dimensions have a positive relationship with the attitude to participate in collaborative consumption, but at the same time symbolic dimensions (such as improving social sustainability) do not make this positive connection, (Brkljač, 2021). Due to the lack of elements present in traditional transactions, which provide security when using services and during the exchange process, as well as insufficient legal regulation of the sharing economy market, asymmetric information, but also the relative novelty of sharing services (which is why they create a feeling of insecurity and uncertainty in consumers the outcome of the transaction), trust often becomes the basic support for the development of the sharing economy market. The author Botsman, (2011) in her book expresses her belief that one of the four basic principles on which the sharing economy and collaborative consumption is based, is trust between strangers. Online platforms, compared to traditional businesses, face at least three additional challenges in the area of trust: a) participants in an online environment are anonymous to one another and separated from their identities in real life, b) physical interaction from a traditional environment is often impossible in the online environment, c) sharing platforms collect a large amount of data about users and their activities, (Watt & Wu, 2018, p. 11). The same authors define trust-building mechanisms as tools used by online platforms in order to overcome asymmetric information between market participants and to facilitate transactions (Watt and Wu, 2018, p. 12). Authors Hawlitschek et al., (2016) developed a research model in their work to determine the role of trust in C2C (consumer-to-consumer) relationships on sharing economy market platforms. This model is based on the so-called "3P" of trust: (Peer, Platform, Product), i.e.: a) trust among users; b) trust directed towards the service sharing platform; and c) trust directed towards the product that is the subject of the transaction. The general conclusion of this study is that all three "P" elements of trust play a crucial role in positively influencing consumers' intention to use sharing economy platform services. Trust represents one of the basic determinants of user satisfaction with the service in the sharing economy (Gonzalez-Padron, 2017, p. 88). According to the author Gonzalez-Padron, (2017, p. 88) 69% of service users do not trust service-sharing platforms until they are recommended by someone they trust. Such data emphasize the need for the existence of systems and mechanisms that will build trust between users of sharing economy service platforms on solid foundations, based on user experience, previous behaviour, material assurances, social reputation as well as on other dimensions.

One of the core elements necessary to carry out a sharing transaction, which affects the creation of the trust, is the information and personal data of the platform users (Teubner & Flath, 2019, p. 214). This data is usually found on public and meaningful online personal profiles of users, which in most cases include real names of users, place of their residence, personal description of individuals, photos, year of birth, level of education and many other data, (Teubner & Flath, 2019, p. 214). The issue of trust building mechanisms on P2P platforms, as a prerequisite for the realization of transactions between users, was analysed in detail in the work of Teubner and Dann, (2018). The aforementioned authors classified the mechanisms for building trust and managing reputation into the following categories: a) transaction-based assessments; b) socially rich and expressive user profiles; c) identity verification mechanisms; d) implicit information, (Teubner & Dann, 2018, p. 2). In addition to the mechanisms for rating and ranking users of the platforms, in building mutual trust, the participants of the market of sharing services also use mechanisms such as insuring people and property, providing guarantees for services and products used in the sharing transaction, paying for services by checks and bills of exchange, as well as similar elements to ensure collection claims, as well as mechanisms for ensuring user privacy, (Teubner and Dann, 2018, p. 2).

According to author Lee, (2015, p. 147) trust is an elusive concept without a unique and consistent definition. Trust is considered to be a social binding element that increases efficiency, lowers transaction costs, reduces complexity, enables cooperation, and contributes to the maintenance of social order, (Lee, 2015, p. 148). Trust among users of sharing platforms is formed in a number of different ways, whereby their effect is cumulative and leads to the final realization of services on the sharing market. Service-sharing platforms rely on active mediation in solving their users' problems, user reviews, online forums and other trust-building mechanisms, in order to eradicate negative and undesirable behaviour of platform users. Depending on the adopted theoretical framework, trust as a determinant of consumer behaviour in the sharing economy was examined by numerous other authors: (Amaro et al., 2019; Hawlitschek et al., 2018; Möhlmann, 2015, Brkljač, 2021). It is mostly emphasized that trust in other users and familiarity with the basic ideas and paradigms of the sharing economy are important bases for using the observed services (Möhlmann, 2015; Hawlitschek et al., 2016; Teubner & Dann, 2018). Additionally, Barnes and Mattsson, (2017) confirmed in their research that trust is a key determinant of consumers' intention to recommend a sharing service to their friends, while in the work of Arteaga-Sánchez et al., (2018) trust was identified as the most influential determinant of user satisfaction.

3 Conclusion

The most of the presented studies showed in the observed markets of the sharing economy that trust is one of the most important determinants when consumers make decisions whether to use sharing services. The consumer decision-making process in this sense is complex and demanding because consumers are facing a challenge with which they have not previously had contact, as well as due to the fact that it is a relationship between individuals, with goods that are privately owned and over which there is the possibility of making intentional or unintentional damages. In addition to all that, trust is further undermined by the fact that the legal regulation of sharing economy services is still insufficiently developed in most countries of the world, that is, it does not provide adequate protection to all participants. Importance of the trust is clear, whether for the consumers, providers or the platforms. Next step in defining marketing strategies and tactics for overcoming resistance and gaining trust among consumers could be conducting a research of the level of trust expressed in consumers` reviews of sharing economy platforms and services, and comparing the results with the aforementioned studies on the impact of trust.

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