

# 공동구매형 소셜커머스에서 신뢰메커니즘형성을 위한 머천다이스어의 피드백코멘트와 성과프로파일의 역할

## The Role of Merchandiser Feedback Comments and Performance Profiles in Building Trust in Group Buying Sites

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### 요 약

소셜미디어(social media) 플랫폼의 인기와 성공은 새로운 비즈니스 모델인 소셜커머스를 창출하게 되었다. 공동구매를 통해 파격적인 가격으로 제품이나 서비스를 제공하는 소셜커머스 시장은 계속적으로 주목할 만한 성장을 하고 있다. 그러나 이러한 성장의 이면에 소비자들의 회의적인 시각도 존재한다. 왜냐하면, 구입한 제품이나 서비스가 실제와는 다르거나, 불합리한 환불정책 등으로 소비자들의 불만이 고조되고 있는 실정이다. 이러한 근원적인 이유는, 소셜커머스 마켓에서 소비자들이 의존할 만한 신뢰형성메커니즘이 제공되지 않고 있기 때문이다. 기존의 e-마켓플레이스에서는 판매자(seller)에 대한 구매자의 평가정보가 일종의 신뢰형성메커니즘을 제공하여 거래의 안정성이 보장되었다. 이러한 점에 착안하여, 본 연구에서는 소셜커머스마켓에서 소비자들에게 물건이나 서비스 정보제공에 있어서 일종의 큐레이터 역할을 하는 MD(merchandiser)의 역할에 주목하고, 신뢰형성메커니즘을 기반으로 MD에 대한 피드백코멘트와 MD의 실적프로파일 정보의 제공이 소비자들에게 어떠한 영향을 주는가를 검증한다. 이를 위해, 124명의 참가자가 실험실(laboratory experiment)연구에 참여하였다. 실험분석결과, MD에 대한 피드백코멘트와 실적프로파일이 소셜커머스 거래에서 신뢰를 높이는 것으로 나타났다.

**키워드 :** 소셜커머스, 공동구매, 신뢰형성메커니즘, 온라인 머천다이스어, 프로세스기반신뢰, 제도기반신뢰

## I. Introduction

The popularity and success of social media platforms such as Facebook and Twitter gave rise to what is known as social commerce, a subset of electronic commerce. Various types of social commerce have emerged, creating new business opportunities. A well-

known type of social commerce is group buying, which is done through websites such as Groupon and LivingSocial. Group buying sites offer consumers a deep discount if a predetermined number of consumers are enticed to buy a product or service within a given amount of time. The market of group buying websites has enjoyed strong growth, with a market size of about

\$3.3 billion in the U.S. in 2013 (DM Confidential, 2013).

Despite the sizable growth of the group buying market, there is now considerable skepticism about the future of group buying, mainly due to a lack of consumer confidence. An increasing number of consumers are complaining of deceptive information about products or services, unreasonable refund policies, and unfair voucher terms and sale prices (Bang and Lee, 2013; Dailydealmedia, 2012). In the past, consumers on group buying sites tended to focus on price discounts, ignoring the high level of uncertainty associated with these transactions. However, the large number of consumer complaints has made building a trustworthy transaction environment a critical issue for group buying.

The issue of trust is not new to electronic commerce. To address this issue, feedback mechanisms have been applied widely in electronic commerce. Feedback mechanisms in online marketplaces, like other market-driven institutional mechanisms (Zucker, 1986), enable customers to share previous transaction experiences with other customers. Feedback mechanisms are effective in reducing customer anxiety and increasing their trust in participating sellers. Moreover, sellers with positive feedback can distinguish themselves from other sellers, often leading to price premiums (Ba and Pavlou, 2002). However, such feedback mechanisms, while prevalent in online marketplaces, cannot be applied directly to group buying sites. Sellers in online marketplaces usually continue to sell products or services, and thus feedback on sellers can be used as an important cue for buyers to evaluate seller trustworthiness. On group buying sites, however, sellers usually do not continue to sell products or services with deep discounts, making it difficult to implement feedback mechanisms similar to those found in online marketplaces. In this regard, we pay particular attention to the role of *merchandisers* (often called “curators”) who specialize in fin-

ding products or services and marketing them to potential buyers through group buying sites. Unlike a seller, a merchandiser on a group buying site can demonstrate a history of facilitating transactions between sellers and buyers. Thus, feedback on a merchandiser by former buyers, as well as information on the merchandiser’s past performance, can serve as useful cues to other buyers evaluating the merchandiser when other buyers consider purchasing products or services that the merchandiser has brought to a group buying site.

The main purpose of this study is to examine whether providing merchandiser feedback comments and performance profiles on group buying sites leads consumers to evaluate the community of merchandisers more favorably and makes them more likely to purchase products or services. Zucker’s theory on trust production (1986) is applied to understand how such mechanisms promote trust in merchandisers on group buying sites. Research hypotheses were tested with data obtained through a laboratory experiment. The results of the data analyses generally confirm our assertion that offering merchandiser feedback comments and performance profiles is effective in building a trustworthy transaction environment on group buying sites.

## II. Theoretical Background and Hypotheses Development

Group buying is a novel business model with effective marketing mechanisms that have gained huge popularity (Jing and Xie, 2011). Anand and Aron (2003) proposed that group buying is composed of two main elements: demand aggregation and volume discounting. In this regard, if consumers are able to achieve the required demand aggregation and volume discounting, they enjoy a discounted group price.

Despite these benefits, however, the recent rise in consumer complaints has made the lack of trust a critical research issue (Kim and Park, 2013). Zucker

(1986) proposed three primary modes of trust production: characteristic-based, process-based, and institution-based trust. Characteristic-based trust is generally based on similarities between two parties, such as sex, age, and ethnicity. Process-based trust can be built through direct interactions with other parties or second-hand information about them. Reputation is an example of this kind of trust (Zucker, 1986). Institution-based trust is built through formal institutional structures and mechanisms. Our study pays particular attention to process-based trust and institution-based trust, which offer theoretical support in explaining the formation of trust through merchandiser performance profiles and feedback comments.

Process-based trust has often been applied as an important mode of trust production in transaction environments where a high level of uncertainty exists. For instance, when buyers consider purchasing products from a seller with whom they have no prior experience, they often rely on the reputation of the seller to evaluate trustworthiness. Reputation is “a symbolic representation of past exchange history” (Zucker, 1986: p. 62) and thus plays a critical role in building trust. This is particularly true in an exchange relationship in which the history of prior transactions does not exist.

Thus, sellers should put much time and effort into building their reputation because a strong reputation makes buyers feel more comfortable (Parkhe, 1998). Previous studies empirically demonstrated that a good reputation enhances trust in the e-commerce context (Jarvenpaa *et al.*, 1999; Kim and Prabhakar, 2004). In online marketplaces, the performance information of sellers can serve as a proxy for their reputation (Pavlou and Gefen, 2004). We argue that the same is true for merchandisers; merchandiser performance information can help buyers evaluate the merchandiser.

*H1: The performance profile of a merchandiser will enhance buyers' evaluation of the merchandiser.*

According to the institution-based trust model, even if buyers have no solid and direct trust in sellers, they can build trust in sellers and expect transactions with those sellers to be successful when institutional structures are in place to signal seller trustworthiness. Pavlou and Gefen (2004) demonstrated that structural assurances in online marketplaces have positive effects on building trust in sellers. Institution-based trust is considered a pivotal mode of trust creation in business environments in which no previous transaction experiences exist.

Feedback mechanisms are frequently applied in online marketplaces as an important type of institutional structure to build trust. Feedback mechanisms are a market-based trust-building system (Zucker, 1986). An effective feedback mechanism not only stimulates online transactions, but also allows buyers to differentiate among sellers (Shapiro, 1987). Feedback mechanisms can also lessen the information asymmetry between buyers and sellers (Pavlou and Gefen, 2004). Various feedback mechanisms can be implemented to build trust in online marketplaces. For instance, comments by buyers can provide other buyers with rich information about the trustworthiness of sellers in online marketplaces (Pavlou and Dimoka, 2006). Similarly, we posit that comments by buyers about a merchandiser can play an important role in other buyers' evaluation of that merchandiser.

*H2: Feedback comments about a merchandiser will enhance buyers' evaluation of that merchandiser.*

When effective trust-building mechanisms are implemented in an online marketplace, buyers will be more confident in evaluating the trustworthiness of an individual seller. In such a situation, buyers are likely to believe that trust-building mechanisms are effective means by which to evaluate the trustworthiness of other sellers in the marketplace. This can also signal to buyers the overall trustworthiness of

sellers as a community in the marketplace. That is, when such trust building mechanisms are in place, buyers can develop trust in sellers as a community in the particular marketplace (Pavlou and Gefen, 2004). Similarly, we argue that buyers on a group buying site can develop trust in the community of merchandisers when they have a positive experience in evaluating a merchandiser with trust-building mechanisms.

*H3: The enhancement in buyers' evaluation of a merchandiser will have a positive effect on trust in the community of merchandisers.*

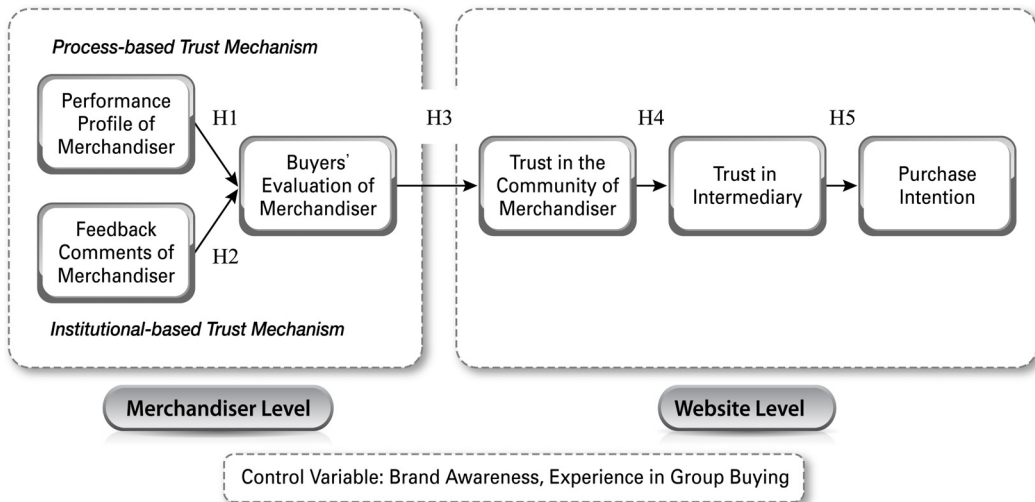
Consumers who have a high level of trust in specific vendors are expected to trust the organization that hired the vendors (Mayer and Davis, 1995). Likewise, buyers who trust the community of merchandisers might also trust the intermediary (i.e., the group buying site) for which the merchandisers work. This line of reasoning is consistent with prior work showing that interpersonal trust leads to institutional trust in online intermediaries (McKnight and Chervany, 2002). We therefore posit that trust in merchandisers can lead buyers to build trust in an intermediary.

*H4: Trust in the community of merchandisers will have a positive effect on trust in an intermediary.*

Ample evidence exists that trust in sellers can have positive effects on buyers' purchase intentions. Similarly, prior work has shown that trust in an intermediary (e.g., an online marketplace operator) is positively associated with buyers' intention to purchase products from sellers participating in the intermediary. Based on this line of reasoning, we develop the following hypothesis:

*H5: Trust in an intermediary will have a positive effect on purchase intention.*

In this study, we controlled several variables for their potential impacts on purchase intentions. Because purchase intention could be influenced by familiarity (Pavlou and Gefen, 2004), the effects of brand awareness of the intermediary and past experience of group buying were controlled. <Figure 1> presents the research model that summarizes the hypotheses developed in the present study.



<Figure 1> Research Model

### III. Research Methodology

#### 3.1 Study Setting

A laboratory experiment was used to empirically examine the effects of utilizing merchandiser's information. A 2×2 between subjects factorial design was employed. In order to withdraw possible potential extraneous effects in the experiment, participations were assigned randomly to each condition as shown in <Table 1>. To make experimental events similar to real experience (Singleton and Straints, 1999), we developed a group buying website by following the design and structure of group buying websites in operation. One hundred twenty-four students from a large university in Korea participated in the main experiment. Participation was voluntary; all participants were offered \$5 gift certificates to encourage their participation in the experiment.

#### 3.2 Experimental Procedure

Participants were asked to undertake several steps in the experiment. First, participants were given a general instruction about the experiment at the beginning, and were randomly assigned into one of the four groups (A-D). Participants were then instructed to visit a website corresponding a group assigned. They spent about 10 minutes to examine the website. All websites include the name and picture of corre-

sponding a merchandiser. The website assigned for group A does not have the information of a merchandiser (performance profile and feedback comments). The website for group B has the performance profile of a merchandiser, but not feedback comments. The website for group C only has the feedback comments of a merchandiser, but not the performance profile of a merchandiser. Finally, the website for group D has both the performance profile and feedback comments of a merchandiser. In addition, unlike participants assigned in A, all participants in groups of B, C, and D visited a website without the performance profile and feedback comments (i.e., same as the website for group A so that they can answer several questions in the questionnaire based on comparing the two websites they visited.

#### 3.3 Measurement Items

All measurement items are seven-point Likert scale (1 = strongly disagree; 7 = strongly agree). The measurement scale for the performance profile of a merchandiser was developed to capture the extent to which subjects examined information (e.g, the number of deals successfully made in the past, the number of products sold in the past, etc.) showing the performance of the merchandiser. The measurement scale for feedback comments of a merchandiser was developed to capture the extent to which subjects examined feedback comments of the merchandiser.

<Table 1> Subject Group Allocation

	With Performance Profile of Merchandiser	Without Performance Profile of Merchandiser
With Feedback Comments of Merchandiser	31	32
Without Feedback Comments of Merchandiser	31	30

The measurement scale for buyers' evaluation of a merchandiser was borrowed from Jiang and Benbasat (2005) and Pavlou and Gefen (2004) with modifications in wordings so as to capture the extent to which subjects' evaluation of the merchandiser was enhanced with the information of the merchandiser given in the website. The measurement scales for trust in the community of merchandisers, trust in intermediary, and purchase intention were adapted from Pavlou and Gefen (2004). We also borrowed measurement items for brand awareness of intermediary from Yoo and Donthu (2001). The experience in group buying was measured by asking subjects the number of group buying shopping experiences.

#### IV. Data Analysis and Results

We analyzed the data with ANOVA and the partial least squares (PLS) approach to structural equation modeling. In addition, experimental manipulations were checked by asking yes/no questions for the existence or absence of the information about the profile and feedback comments of a merchandiser (see <Appendix B>). The results suggested that manipulation was successful.

##### 4.1 Subject Information

<Table 2> represents the profile of respondents. 52 were male and 72 were female; on average, they were 23.1 years old. Of the participants, 64 percent had experience with group buying shopping. Moreover, some participation (8.2%) is heavy users who had over ten times buying experiences with group buying sites during last three months. A chi-square analysis showed insignificant differences in gender,

age, and previous group buying shopping frequency and experience of participants. Degree of difference between a given construct and other constructs is called the discriminant validity. In other words, the measurement items should be unique from other constructs and load on their own construct. Discriminant validity was assessed by comparing the square root of AVE and the correlations among constructs. In order for factor analysis results to show good discriminant validity in, all of the items should load highly on their own construct, but not on other constructs. Moreover, square roots of all AVE should be greater than the off-diagonal elements in the corresponding rows and columns, as presented in <Table 4>. Therefore, this demonstrates good discriminant validity for all of the constructs. Thus, all conditions for convergent and discriminant validity were satisfied.

<Table 2> Respondents' Profiles

	Frequency	Percentage
Total	124	100.0
Gender		
Male	52	42
Female	72	58
Age		
20s'	122	98
30s'	2	2
Buying Experiences through Group Buying Sites during Last 3 Months		
Less than 1	46	36.0
1 ~ 2	36	29.3
3 ~ 5	21	16.6
6 ~ 9	12	9.9
10 ~ 14	8	6.4
Over 15	3	1.8

## 4.2 Measurement Validation

Measurement model's validation started with assessing reliability, convergent validity, and discriminant validity. Convergent validity is assessed by individual item's reliability, the composite reliability of the construct, Average Variance Extracted (AVE), and factor analysis (Barclay *et al.*, 1995). First, individual item reliability was assessed by analyzing the loadings of the measurement items on their corresponding

construct, and all item loadings should be significant and exceed 0.7, as shown in <Table 3>. In addition, all composite reliability values exceeded 0.7, which is the recommended cutoff (Barclay *et al.*, 1995; Fornell and Larcker, 1981), and AVE values exceeded 0.5, which is a generally accepted cutoff. Furthermore, as shown in <Table 3>, all of the measurement items loaded highly on other constructs. These factor analysis results showed good convergent validity for the measurement items.

<Table 3> Loading and Cross-Loadings of Measures

	BAI	MDE	MDPP	MDFM	PI	TCMD	TI	SCE
BAI1	<b>0.98</b>	0.01	0.04	0.16	0.09	0.13	-0.11	0.11
BAI 2	<b>0.97</b>	0.01	0.05	0.11	0.06	0.12	-0.11	0.11
BAI 3	<b>0.93</b>	-0.06	0.01	0.13	0.01	0.07	-0.16	0.06
MDE1	-0.00	<b>0.89</b>	0.66	0.41	0.52	0.50	0.34	0.22
MDE2	0.10	<b>0.88</b>	0.60	0.48	0.57	0.47	0.28	0.19
MDE3	-0.07	<b>0.90</b>	0.56	0.35	0.56	0.37	0.29	0.15
MDE4	0.00	<b>0.90</b>	0.53	0.40	0.54	0.39	0.30	0.07
MDPP1	0.04	0.49	<b>0.86</b>	0.01	0.22	0.42	0.20	0.06
MDPP2	0.08	0.48	<b>0.75</b>	0.04	0.26	0.38	0.04	-0.03
MDPP3	-0.03	0.47	<b>0.85</b>	-0.01	0.25	0.37	0.17	0.03
MDPP4	0.04	0.64	<b>0.72</b>	0.30	0.53	0.35	0.38	0.22
MDFM1	0.06	0.46	0.11	<b>0.92</b>	0.35	0.26	0.22	0.13
MDFM2	0.27	0.40	0.19	<b>0.85</b>	0.32	0.35	0.18	0.19
MDFM3	0.07	0.39	0.04	<b>0.93</b>	0.35	0.17	0.43	0.11
PI1	0.03	0.55	0.33	0.35	<b>0.91</b>	0.42	0.32	0.20
PI2	0.20	0.44	0.26	0.30	<b>0.82</b>	0.39	0.50	0.23
PI3	-0.01	0.60	0.48	0.33	<b>0.87</b>	0.43	0.44	0.12
TCMD1	0.07	0.47	0.46	0.26	0.46	<b>0.94</b>	0.47	0.16
TCMD2	0.21	0.40	0.38	0.28	0.44	<b>0.92</b>	0.52	0.19
TCMD3	0.08	0.50	0.49	0.28	0.44	<b>0.94</b>	0.53	0.13
TI1	-0.13	0.32	0.21	0.18	0.44	0.47	<b>0.80</b>	0.04
TI2	-0.02	0.17	0.16	0.17	0.47	0.37	<b>0.85</b>	0.09
TI3	-0.12	0.35	0.29	0.19	0.33	0.44	<b>0.87</b>	0.14
SCE	0.11	0.18	0.10	0.16	0.21	0.17	0.11	1.00

Notes: BAI = brand awareness of intermediary; MDE = buyer's evaluation of merchandiser; MDPP = performance profile of merchandiser; MDFM = feedback comments of merchandiser; PI = purchase intentions; TCMD = trust in the community of merchandisers; TIM = trust in intermediary; SCE = number of social-commerce shopping experience.

<Table 4> Internal Consistency and Discriminant Validity of Constructs

	ME	SD	AVE	CR	AL	1	2	3	4	5	6	7	8
BAI	4.03	1.46	0.93	0.97	0.97	<b>0.96</b>							
MDE	4.55	1.55	0.80	0.94	0.91	0.01	<b>0.89</b>						
MDPP	3.47	1.45	0.64	0.87	0.81	0.04	0.66	<b>0.80</b>					
MDFM	4.19	1.45	0.82	0.93	0.88	0.14	0.46	0.13	<b>0.90</b>				
PI	3.33	1.53	0.76	0.90	0.84	0.07	0.61	0.42	0.37	<b>0.87</b>			
SCE	1.00	1.00	1.00	1.00	1.00	0.11	0.18	0.10	0.16	0.21	<b>1.00</b>		
TCMD	4.15	1.47	0.88	0.95	0.93	0.12	0.49	0.48	0.29	0.48	0.17	<b>0.93</b>	
TIM	4.53	1.36	0.71	0.88	0.80	-0.11	0.34	0.27	0.22	0.48	0.11	0.51	<b>0.84</b>

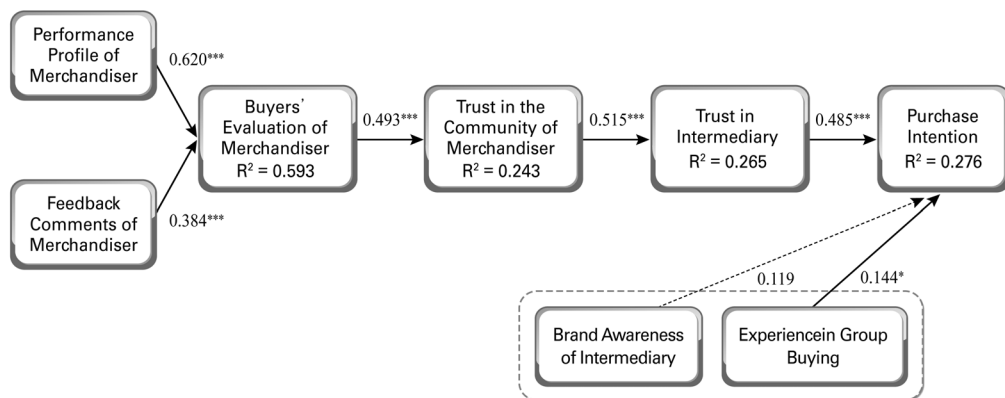
Notes: ME = mean; SD = standard deviation; AVE = average variance extracted; CR = composite reliability; AL = Cronbach's alpha; BAI = brand awareness of intermediary; MDE = buyer's evaluation of merchandiser; MDPP = performance profile of merchandiser; MDFM = feedback comments of merchandiser; PI = purchase intentions; TCMD = trust in the community of merchandisers; TIM = trust in intermediary; SCE = number of social-commerce shopping experience.

Diagonal elements in bold display the square root of AVE.

### 4.3 Hypotheses Testing Results

To test H1 and H2, we first analyzed the data with ANOVA and the results supported both H1 and H2 (see <Table 5>). To examine the structural model, bootstrap resampling (n = 200) was performed. <Figure 2> presents the results of PLS analysis using Smart PLS 2.0. Consistent with the results from ANOVA analysis, both the performance profile and

feedback comments of a merchandiser significantly were found to enhance buyers' evaluation of the merchandiser (H1 and H2). In addition, buyers' evaluation of a merchandiser was found to have a positive effect on their trust in the community of merchandisers (H3). Further, as expected, trust in the community of merchandisers was found to have a positive effect on trust in an intermediary (H4), and finally the results demonstrated a positive association between trust in an inter-



<Figure 2> Results of Structural Model Testing



〈Table 5〉 ANOVA Testing Results

Dependent Variable: Buyer's Evaluation of Merchandiser				
Source	Degree of Freedom	Mean Square	F-value	Sig.
Performance Profile of Merchandiser	1	5.228	4.082	.046
Feedback Comments of Merchandiser	1	24.410	19.057	.000

mediary and purchase intention (H5). With respect to the effects of control variables on purchase intention, we found a significant effect of experience in group buying on purchase intentions. However, brand awareness of intermediary was not found to have a significant effect on purchase intention.

## V. Discussion and Conclusions

### 5.1 Summary of Findings

This study postulates and tests the effectiveness of performance profiles and feedback comments about merchandisers as a means of trust building on group buying sites. It was demonstrated that buyers' evaluation of a merchandiser is enhanced when trust-building mechanisms, specifically performance profiles and feedback comments about merchandisers, are in place. Further, it was found that when such trust-building mechanisms are provided, buyers build a higher level of trust in the community of merchandisers on a group buying site. In addition, the results showed that trust in merchandisers as a group is positively related to trust in an intermediary, which, in turn, significantly increases buyers' intention to make purchases through the intermediary's group buying site.

### 5.2 Theoretical and Managerial Implications

This study contributes to an emerging body of literature on social commerce in several ways. First, our

study proposes a trust-building mechanism utilizing merchandiser information and empirically tests its effectiveness on a group buying website. As in other online marketplaces, such as Amazon and eBay, building trust is a key to the success of group buying sites. This study, by proposing a trust-building mechanism that takes the unique aspects of group buying into account, represents a first step toward building that trust. Second, our study corroborates the effectiveness of process-based trust and institutional structures in building trust in the online environment. Prior work found that process-based trust and institutional structures could have a powerful effect on the success of online marketplaces (e.g., Amazon and eBay) where legal mechanisms to assure trust are unclear or under-developed (Pavlou and Gefen, 2004). Our study found that process-based trust and institutional structures can play an important role in building trust in group buying sites. Finally, our study calls attention to the role of merchandisers as a unique aspect of group buying and helps shed light on various issues and phenomena found on group buying sites.

From a practical viewpoint, the findings of this study also have important implications for the operators of group buying sites. To address the current high level of uncertainty associated with purchasing products or services through group buying sites, the operators are advised to carefully design and implement trust-building mechanisms. In particular, given the unique characteristic that sellers do not continue to sell their products or services on this kind of site, we recommend trust-building mechanisms that utilize

performance profiles and customer reviews of merchandisers. The findings of our study provide empirical evidence that such trust-building mechanisms are effective in building a trustworthy transaction environment. In addition, this study provides concrete guidelines and procedures on how group buying companies can use information about merchandisers to engender consumer trust. It is expected that companies can readily apply these procedural guidelines to their businesses.

### 5.3 Limitations and Further Research


Several limitations should be considered when interpreting the results of our study. First, a limitation arises from the use of student subjects in the experiment. Therefore, caution should be exercised in generalizing the findings. A future study might well test the effectiveness of trust-building mechanisms utilizing merchandiser information by analyzing data obtained from actual users of group buying sites. Another limitation relates to how we designed trust-building mechanisms to test their effectiveness. While we designed our mechanisms based on feedback comments and past performance, trust-building mechanisms could be better designed to give more accurate information to potential buyers. For instance, a feedback score system, similar to those found on eBay and Amazon, could have been added to better inform buyers about the reputations of merchandisers on group buying sites. We recommend that future researchers consider designing and testing trust-building mechanisms different from ours.

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## 〈APPENDIX A〉 Examples of MD Information

<p><b>구매정보</b></p> <p>100명이 모이면 15,500원 유효기간: 2011.11.14 ~ 2012.02.13 최대수량 600개 1인당 구매 가능 개수 5개 1인당 사용 가능 개수 5개</p>	<p><b>안내사항</b></p> <p>2011년 11월 20일부터 사용 가능합니다. 2011년 11월 20일부터 환불 가능합니다. 영업시간 11:30 ~ 22:00 방문 전 예약 필수입니다. 매주 일요일은 휴무입니다. 주차 가능합니다.</p>	<p><b>MD 박주진</b></p> 
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〈Figure 1〉 MD Information for Group A (w/o performance profile and feedback comments of MD)

<p><b>MD 박주진</b></p> 	<p>총 세이브 금액 <b>18,532,732,500 원</b>    총 판매된 개수 <b>749,950 개</b></p> <hr/> <p><b>주요딜 (판매개수)</b></p> <p>치킨커플 (707 개) 일마노 자유이용권 (614 개) 피자물 (2170 개) 안동찜닭, 불고기 (449 개) 비노플라워 (2902 개)</p>
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〈Figure 2〉 MD Information for Group B (with performance profile; w/o feedback comments of MD)

<p><b>MD 박주진</b></p> 	<p><b>주요딜</b></p> <p>치킨커플 일마노 자유이용권 피자물 안동찜닭, 불고기 비노플라워</p>	<p><b>onastyle</b> 여기 너무너무 맛있어 +-_-+</p> <p><b>금진이</b> 치킨+카레풍두에 공기밥 추가해서 먹음 남친(밥쟁이)가 좋아하겠네용 ㅋㅋ</p> <p><b>issue**</b> 찜이 좋아서 구매했습니다 ~</p> <p><b>올이야사랑해</b> 어제구매해서 어제 가봤는데 맛있고 편찮았습니다.. 그래서 오늘 또 한장 샀니다~~~</p> <p><b>tinycom</b> 전에도 자주 가던 곳이라 정말 유용하게 쓸수 있겠네요</p> <p><b>미꼬니</b> 저번에 었을때 구매한 1인입니당~!! 재구매합니다당...ㅎ</p>
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〈Figure 3〉 MD Information for Group C (w/o performance profile; with feedback comments of MD)

<p><b>MD 박주진</b></p> 	<p>총 세이브 금액 <b>18,532,732,500 원</b>    총 판매된 개수 <b>749,950 개</b></p> <hr/> <p><b>주요딜 (판매개수)</b></p> <p>치킨커플 (707 개) 일마노 자유이용권 (614 개) 피자물 (2170 개) 안동찜닭, 불고기 (449 개) 비노플라워 (2902 개)</p>	<p><b>onastyle</b> 여기 너무너무 맛있어 +-_-+</p> <p><b>금진이</b> 치킨+카레풍두에 공기밥 추가해서 먹음 남친(밥쟁이)가 좋아하겠네용 ㅋㅋ</p> <p><b>issue**</b> 찜이 좋아서 구매했습니다 ~</p> <p><b>올이야사랑해</b> 어제구매해서 어제 가봤는데 맛있고 편찮았습니다.. 그래서 오늘 또 한장 샀니다~~~</p> <p><b>tinycom</b> 전에도 자주 가던 곳이라 정말 유용하게 쓸수 있겠네요</p> <p><b>미꼬니</b> 저번에 었을때 구매한 1인입니당~!! 재구매합니다당...ㅎ</p>
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〈Figure 4〉 MD Information for Group D (with performance profile and feedback comments of MD)

## 〈APPENDIX B〉 Measurement Items

### **Performance Profile of Merchandiser**

To know better about the MD on the group buying website ...

MDPP1. I was able to see the record of total amount saved.

MDPP2. I was able to see the record of major deals sold.

MDPP3. I was able to see the record of total deals sold.

MDPP4. I was able to see the record of major deals featured.

### **Feedback Comments of Merchandiser**

To know better about the MD on the group buying website ...

MDFM1. I was able to see the review next to major deals.

MDFM2. I was able to see the reviews appearing when clicking the major deals.

MDFM3. I was able to see the reviews left by other customers who purchased from the MD.

### **Buyer's Evaluation of Merchandiser**

MDE1. I was helpful in evaluating the MD.

MDE2. My evaluation of the MD was of high quality.

MDE3. Provides helpful information in evaluating the MD.

### **Trust in Intermediary**

Having looked at the 'Chef' deal in the website, Now Shopping is

TI1. Trustworthy.

TI2. Probably going to provide me with the merchandise just as shown in advertisement.

TI3. Probably going to provide me with merchandise that I purchased, according to the terms of transaction stated in the website.

### **Trust in the Community of Merchandisers**

Having looked at the 'Chef' deal in the second website, MDs of Now Shopping are generally

TCMD1. Trustworthy.

TCMD2. Honest.

TCMD3. Reliable.

### **Purchase Intentions**

PI1. I will purchase the coupons for 'Chef' through Now Shopping immediately.

PI2. I will purchase the coupons for 'Chef' through Now Shopping before the deal closes.

PI3. I intend on purchasing the coupons for 'Chef' through Now Shopping.

### **Manipulation Check Questions**

Have you looked at the MD performance profile? (Yes/No)

Have you looked at the MD review? (Yes/No)

Did you recognize that you could see reviews of other deals of the same MD by clicking on the MD review? (Yes/No)

Did you click on the featured deals of the MD in order to see more reviews?

Did you look at the picture of MD? (Yes/No)

## The Role of Merchandiser Feedback Comments and Performance Profiles in Building Trust in Group Buying Sites

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### Abstract

Despite the sizable growth of the group buying market, consumer complaints have recently raised skepticism about the future of these sites. Thus, building a trustworthy transaction environment has become a critical issue. In exploring a trust-building mechanism, we pay particular attention to the role of merchandisers who specialize in finding products or services and marketing them to potential buyers on group buying sites. The purpose of this study is to examine whether providing merchandiser feedback comments and performance profiles on group buying sites leads consumers to evaluate the community of merchandisers more favorably and makes them more likely to purchase products or services. Research hypotheses were tested with data obtained from 124 subjects who participated in a laboratory experiment. The results empirically demonstrate that merchandiser feedback comments and performance profiles enhance buyers' trust in the community of merchandisers participating in a group buying site. This enhanced trust, in turn, increased buyers' intention to purchase products or services through the group buying site.

**Keywords:** *Social Commerce, Group Buying, Trust-Building Mechanism, Process-Based Trust, Institutional-Based Trust, Online Merchandiser, Performance Profile, Feedback Comments*

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