

TRUST FACTORS FOR DIGITAL SERVICES

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Abstract: *The article aims to identify the key trust factors for customers of digital services. The key objective is a list of relevant trust factors for consumers of digital services. The research question is answered by a literature review based on principles of Consumer Psychology and trust indicators for buying decisions. The literature review as applied research methodology contains identifying the relevant search words and filtering for sources with a focus on digital services. As a result, the key trust factors for customers of digital services are categorized into three categories of legal, technological and marketing factors. Legal trust factors contain terms and conditions, homeland advantage and data-security, while technological trust factors refer to the service provider's website and data-security. Marketing trust factors are price and payment, ratings, contact possibilities and marketing measures. The categorization is applied to show target groups the requirements of each trust factor category, when implementing these factors in practice. For instance, legal trust factors require legal advice, technological trust factors implicate knowledge in coding and information-technological systems. Marketing factors demand an understanding of customers. The results are applicable to branding of digital services and supports businesses to use the potentials of digital services by giving them measures for reasonable trust in the digital service and the digital service provider.*

Keywords: *Trust Factors; Buying Decision; Customer Trust; Digital Services*

INTRODUCTION

During the last two decades digitalization has shaped every industry and market and enabled many digital possibilities for services. The internet has transformed traditional physical services into a digital service world, where touchpoints between consumers and service providers are shaped digitally. This development brings huge potential for business owners of digital services in comparison to services with a physical business model. Business owners may profit from the huge potential of low entry barriers, of high business opportunities and of simple maintenance efforts for digital services (Haberfellner & Sturm, 2020: 5). Digital services in this context describe a service, which are completely advertised and operated digitally, so that the customer does not have a single physical touchpoint with the digital service or the digital service provider. In detail, digital services refer to digital advisory services that provide expertise to clients via digital channels and without physical presence. Consumers worldwide and within every economical layer surf through the internet and thereby respond to digital advertisements on several digital platforms (Mehrwald, Willy & Binder, 2020: 799-800).

As a consequence, consumption via digital channels has begun to gain more and more importance – for customers and for businesses. Nevertheless, with partially anonymous, non-personal and non-physical appearances of businesses on the internet, customer's trust is on the edge due to anxiety of fraud (Dzeyk, 2005: 80). In order to use the potentials of digital services and the importance of digital consumption,

digital service providers have to convince customers by giving them reasonable trust in the digital service itself and the digital service provider (Schultz, Hoffmann & Ferdinand, 2020: 783). This article confronts this issue by answering the following research question: “Which key trust factors count for customers of digital services?”

The research question is answered by a literature review as a research methodology. On the one hand, the theoretical background is based on principles of Consumer Psychology to analyze digital consumer behaviour towards the buying decision (Dirwan & Latief, 2023: 130-131). On the other hand, trust indicators complete the theoretical background of this article to display relevant trust factors and answer the research question (Deutsches Institut für Vertrauen und Sicherheit im Internet, 2018). The elaborated trust factors are explained and listed in order to simplify consumer’s digital buying decision and support businesses to establish a trustworthy digital service and a trustworthy digital brand.

RESEARCH METHODOLOGY

The research methodology itself is a literature review to compare different trust indicators with each other and conclude a list of key trust factors for customers, which focus on digital services. The literature review for relevant sources begin with determining the relevant search words, which include *Trust Factors*, *Buying Decision*, *Customer Trust*, *Digital Services*. Displayed sources contain trust factors but also for physical services or products, so that only sources with a focus on digital services or appropriate source parts are considered within this article. Afterwards, the filtered sources are matched with the theoretical background of the article.

RESULTS

The operated research results in key trust factors for customers of digital services, which can be divided into three categories of legal aspects, technological aspects and marketing aspects (Schubert, 2014: 9, 14). The classification is done by the article’s author. Legal trust factors refer to the law concerning the consumer or concerning the service provider, when buying a digital service or getting in touch with the service provider. Technological trust factors concern the information technology infrastructure and processes before, during and after the consumption of a digital service. Marketing trust factors focus on the interaction between a potential customer and a service provider. The following table summarizes the key trust factors for customers of digital services for each trust factor category.

Table 1. Key trust factors for buying a digital service categorized in legal, technological and marketing aspects.

Legal factors	Technological factors	Marketing factors
Terms and conditions	Website	Price and payment
Homeland advantage	Data-security	Ratings
Data-privacy		Contact and support
		Marketing measures

DISCUSSION

The theoretical background of key trust factors for buying a digital service can be divided into a baseline of principles of Consumer Psychology and the main part of trust indicators. Principles of Consumer Psychology analyze consumer behavior in general as well as the cognitive circumstances of a buying decision in detail (Mandung, Sahari & Razak, 2024: 1-2). These principles are interpreted and related to digital services, the buying decision of consumers regarding a digital service and customer trust in those offers (Dirwan & Latief, 2023: 130-131). As a result, two principles of Consumer Psychology remain for this article's purpose. These two principles are the Consensus Principle and the Doubt Avoidance Tendency. The consensus principle states that a consumer is more inclined to make a purchase decision if they agree with the content of a service provider's statements. The Doubt Avoidance Tendency Principle implies that a consumer's willingness to buy decreases if the consumer has doubts about the purchase, the service or the provider of the service. Consensus and the avoidance of doubts require trust (Kumari & Maan, 2022: 2).

Customer trust can be validated by the operated buying decision of consumers. Therefore, economical and scientific authors established different trust indicators (Deutsches Institut für Vertrauen und Sicherheit im Internet, 2018). For instance, these trust indicators are labelled as Digital Influence Index (DII), GPRA Trust Index (GPRA-VI) and GfK Global Trust Report (GfK-GTR). The DII analyses the influence of different digital media channels on the buying decision of consumers (Schubert, 2014: 6-7). The GPRA targets trust dimensions such as the honesty of the statements, dealing with own employees, dealing with customers as well as expertise and quality (Schubert, 2014: 9-10). The GfK-GTR is based on a survey of trust in institutions, economic sectors and generally in people (Schubert, 2014: 9). The elaborated trust factors are focused on and related to consumer's trust indicators regarding a trustworthy digital service.

Based on the literature research of the theoretical background mentioned above, trust factors for buying a digital service are divided into three categories of legal aspects, technological aspects and marketing aspects. This division takes place to show readers and business owners of digital services the requirements of each trust factor category, when implementing these factors in practice. Legal trust factors require legal advice and law expertise, which may be required to gain externally. Technological trust factors implicate knowledge in coding, information technological systems and contiguous contents. Marketing factors require an understanding of customers and their needs as well as an interaction with (potential) customers (Schubert, 2014: 9, 14).

Legal trust factors contain terms and conditions, the so called homeland advantage and data-security. Terms and conditions has to be provided with every digital service proposed within the internet. Not every customer is studying the terms and conditions, when purchasing a digital service but when they do, understandable and fair terms and conditions mark a huge trust indicator and can prevent consum-

ers from potential fraud or exploitation (Dzeyk, 2005: 80). Besides the terms and conditions, the digital service should be easy to start and simple to operate, so that a customer is not binded to several requirements and conditions. Furthermore, homeland advantage is a legal trust factor. This factor shows that consumer rather prefer acquiring a digital service with a homeland connection than a digital service without this homeland connection. For instance, a service provider is more trustworthy when located (legally) in the customer's homeland. A service provider is also more trustworthy when the website-domain and e-Mail domain are aligned with customer's homeland. In addition, data-privacy presents another legal trust factor regarding the pruchase of a digital service within the internet. Customers focus on this factor especially regarding payment and banking information (Schubert, 2014: 14).

Technological trust factors refer to the service provider's website and data-security. To gain trust by consumers, a website should display high quality content on the one hand. On the other hand, a simple and intuitive navigation on a website increases trustworthiness (Mehrwald, Willy & Binder, 2020: 799-800). The navigation and the website contents should be focused on customer's needs and demands in order to be trustworthy. Data-security comes along with data-privacgy and includes the encryption of the transmitted customer data (Schubert, 2014: 14).

Marketing trust factors contain aspects regarding price and payment, ratings, contact and support possibilites and marketing measures. Firstly, price and payment information drive the trustworthiness of a digital service. By offering various payment possibilities and a transparency in pricing, this factor can be implemented. Ratings imply feedback by third parties, ratings by customers as well as certificates, expertises and test seals. Best case for ratings by third parties are ratings by public institutions to ensure trustworthiness. Secondly, ratings by customers should be displayed on external websites and not (only) on the website of the service provider to show neutral and non-biased rating (Arslan, 2018: 46-48). Thirdly, contact and support implies several contact possibilitites at pre-sale and several support possibilitites after sale. These possibilitites contain contact via phone and e-mail. Social media profiles on different platforms with content and interaction also increase trustworthiness of a digital service. Lastly, marketing measures have a different impact on trustworthiness. For instance, e-mail newsletter are not trustworthy for the majority of customers and the trust level of influencer-marketing depends on the influencer itself (Waldhoff & Vollmar, 2019: 5-6).

CONCLUSION

The article answers the following research question: "Which key trust factors count for customers of digital services?" A literature review based on principles of Consumer Psychology and trust indicators for buying decisions identifies the relevant search words and filters for sources with a focus on digital services, resulting in self-developed list of key trust factors for customers of digital services. Then, this list is categorized into three categories of legal aspects, technological aspects and

marketing aspects. The categorization of trust factors is implemented to show target groups the requirements of each trust factor category, when implementing these factors in practice. For instance, legal trust factors require legal advice and law expertise, technological trust factors implicate knowledge in coding and information-technological systems. Meanwhile marketing factors demand an understanding of customers and their needs.

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ФАКТОРИ НА ДОВЕРИЕ ЗА ЦИФРОВИ УСЛУГИ

Резюме: Статията има за цел да идентифицира ключовите фактори на доверие за клиентите на цифрови услуги. Основната цел е да се изготви списък със съответните фактори на доверие за потребителите на цифрови услуги. Изследователският въпрос получава отговор чрез литературен обзор, основан на принципите на потребителската психология и показателите за доверие при вземане на решения за покупка. Литературният обзор като приложна изследователска методология съдържа идентифициране на съответните думи за търсене и филтриране за източници с фокус върху цифровите услуги. В резултат на това ключовите фактори за доверие на клиентите на цифрови услуги са категоризирани в три категории – правни, технологични и маркетингови фактори. Правните фактори на доверие съдържат условията за ползване, предимствата на родината и сигурността на данните, докато технологичните фактори на доверие се отнасят до уебсайта на доставчика на услуги и сигурността на данните. Маркетинговите фактори на доверие са цената и плащането, рейтингите, възможностите за контакт и маркетинговите мерки. Категоризацията се прилага, за да се покажат на целевите групи изискванията на всяка категория фактори на доверие при прилагането на тези фактори в практиката. Например правните фактори на доверие изискват правни консултации, а технологичните фактори на доверие предполагат познания в областта на кодирането и информационно-технологичните системи. Маркетинговите фактори изискват разбиране на клиентите. Резултатите са приложими за брандирането на цифрови услуги и подпомагат бизнеса да използва потенциала на цифровите услуги, като му предоставят мерки за разумно доверие в цифровата услуга и доставчика на цифровата услуга.

Ключови думи: фактори на доверие; решение за покупка; доверие на клиента; цифрови услуги

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