Trust mechanisms related to perceived transparency and legitimacy of sustainable versus non-sustainable firms

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INTRODUCTION

- Importance of trust due to consumer skepticism
- Three trust mechanisms ~ Mayer at al (2015)
- Transparency ~ Greenwashing and legitimacy
- 2 firm types included to see effects of being sustainable and transparent on the concepts studied

Find out the impact of perceived transparency on perceived legitimacy and the effect of the three factors of trustworthiness (benevolence, integrity and ability) on the relationship.



LITERATURE REVIEW



LEGITIMACY

- Generalised and collective perception
- 3 dimensions (pragmatic, moral, cognitive) Thomas & Lamm (2012)

GREENWASHING

Which green marketing initiatives

Attributional processes can lead

to skeptical attributions

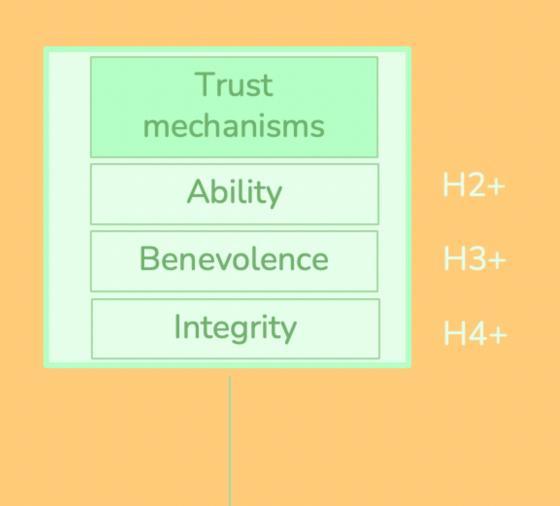
TRANSPARENCY

- Information disclosure and consumer skepticism Dapko (2012)
- Transparency tied to trust, helps in managing reputation and image Adeline et al. (2012)

TRUST

- Importance of trust due to increasing skepticism
- Framework by Mayer et al. (1995)
- Three factors of trustworthiness (ability, benevolence and integrity)

Framework



Legitimacy

Transparency

Quantitative











are reliable?







FINDINGS & CONCLUSIONS

- Transparent companies operate with different mechanisms than non-transparent companies
- Strong correlation between transparency and legitimacy, higher for the non-transparent group
- Trust mechanisms have weak and inconclusive results
- Trust mechanisms enhance the relationship between transparency and legitimacy better in the transparent group
- Disparities between coefficients of benevolence, integrity and ability
- Consumer skepticism and propensity to trust impact trust decision
- Simplicity can increase trustworthiness but also enhance skepticism

LIMITATIONS

- Propensity to trust not accounted for
- Attribution problem due to naming
- Analysis of evolution of relationships not carried out
- Consumer-company perspective only
- Generalizability issue (quantitative)

FURTHER RESEARCH

- Propensity to trust as a moderator in other models (and look at further models)
- Extension of period of data collection
- Look at other relationships other than customer-company



