

## Conference Paper

# Antecedents and Consequences of Trust Development within a Network Marketing Company

Ioanna Chatzopoulou and Ilias Santouridis

Technological Educational Institute (TEI) of Thessaly, Greece

## Abstract

Studies within different fields indicate that the most successful social and business relationships are trustworthy, where partners willingly strengthen the ties with the other part. Trust has been also identified as the catalyst in network marketing companies of direct selling, which is predominantly based in human relationships. The present study aims to investigate trust development in terms of trust antecedents, components and consequences within the Amway Network Company in Greece. Field research was conducted by utilizing a structured questionnaire, which was developed by adopting relative constructs reported in literature. The research target sample consisted of Amway's Independent Business Owners (IBOs). Two hundred and twenty five questionnaires were distributed during company's big and small conferences in Greece. Moreover, an online version of the questionnaire was created and communicated to IBOs from various regions of Greece via the web, while the same link was also emailed to a small number of IBOs. The resulting sample comprised 151 correctly answered questionnaires. Principal Component Analysis was initially performed to identify latent factors within the questionnaire items measuring the trust antecedents, components and consequences, which led to alterations of the initial model. The emerged trust antecedents were named *cultural similarity*, *privacy concerns* and *conflict*. The trust components were named *ability*, *integrity* and *goodwill*, while the trust consequences were named *commitment* and *perceived continuity*. The results of the regression analyses conducted showed that *cultural similarity* is the most significant antecedent of trust. Moreover, *goodwill* was found to be the trust component that leads to higher levels of both *commitment* and *perceived continuity*.

**Keywords:** trust, antecedents, consequences, network company, Greece

## 1. Introduction

Refocus from transactions to building close and sustainable relationships has been perceived as the key to success in market exchanges, during the past few decades.

Corresponding Author:

Ilias Santouridis

isant@teilar.gr

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Studies within different fields indicate that the most successful social and business relationships are based on trust, where partners willingly strengthen the ties with the other part. Generally, trust is considered in literature as “an essential ingredient for relationships to realize their full potential” [1]. As trust includes cognitive, emotional and behavioral dimensions, it is often accompanied by a ‘conceptual confusion’, which has been clarified in literature by two approaches: trust as a belief about the partner’s trustworthiness and as a behavior that demonstrates dependability on a partner, regardless the vulnerability and uncertainty involved. So, both aspects –trusting belief and trusting behavioral intention – must coexist in a trustworthy personal or business relationship. Accordingly, lack of trust makes the relationships tenuous, fragile and complex, leading finally to relationships dissolution.

Trust has been also identified as the catalyst in network marketing companies of direct selling which is predominantly based on human relationships. Direct selling, defined by the World Federation of Direct Selling Associations [2], as “a dynamic, vibrant and rapidly expanding channel of distribution for the marketing of products and services directly to consumers,” has a growing number of sales revenues and salespeople involved. In 2016 the global direct selling industry accounted approximately \$ 182.56 billion retail sales [3]. Amway is the ‘World’s Number-One-Direct Selling Company’ according to Direct Selling News Global 100 [4] operating in more than 100 countries and being supported by 21,000 employees and three million distributors worldwide. Amway is characterized as a global community and it is the fieldwork of this article.

The present study aims to investigate trust development in terms of trust antecedents, components and consequences within the members of Amway Network Company in Greece.

## 2. Research Background

### 2.1. Trust

Trust is an ambiguous, complex and multifaceted concept, which incorporates cognitive, emotional and behavioral dimensions. McKnight et al. [5] pointed out that it is so easy to talk about trust and so hard to pin down the term. The Oxford English Dictionary [6] has defined trust as “confidence in or reliance on some quality or attribute of a person or thing, or the truth of a statement.” Psychology connects trust with happiness, friendship and the conscious intention to believe others when the clear-cut

reasons to disbelieve are missing [7]. Sociology considers that 'trust is a quintessentially social reality that penetrates not only individual psyches but also the whole institutional fabric of society' [8]. Also, social psychology focuses on 'the willingness to accept vulnerability based upon positive expectations about another's behavior' [9]. The contribution of trust to economic outcomes and relationship marketing success has been highlighted by marketing research [1], while the 'realization of a new economy based on trust' is proposed by economic theories [10]. Still, the Social Exchange Theory proposes that 'trust is the willingness to rely on an exchange partner on whom one has confidence' [11]. Morgan and Hunt's [12] definition equates trust with genuine confidence about the other partner's reliability and integrity, thus relying on him; so, trust is expressed as a cognitive concept supplemented by the behavioral intention.

There are four general characteristics of trust according to Wang and Emurian [13]:

1. The interaction between Trustor (the trusting party) and Trustee (the party to be trusted).
2. Vulnerability. Trust involves the willingness of a party to be vulnerable and dependable on another, by taking the risk of losing something important (money, privacy and/or reliability).
3. Related actions. Trust is a combination of trusting belief and trusting behavior, because the parties trust each other to be loyal. Therefore, it leads to actions and essentially to risk-taking behaviors, such as lending money to a friend or marriage. As McKnight et al. [5] underline 'beliefs lead to attitudes, which lead to behavioral intentions, which finally lead to the related behavior itself'.
4. Trust is a subjective matter related to and affected by individual differences and situational factors.

Trust is not a static quality, but an emotional skill and a dynamic part of the human life as it includes the conscious choice and the decision to build a relationship based on personal promises, commitments and the individual skills of the partners. The basic trust is cultivated within the family to be – during the adulthood – enhanced by the person's experiences in school, friendship, collegueship and love. It requires self-confidence, because trusting yourself is the necessary precondition to trust anyone else [14]. Trust also involves mutual understanding, openness, the ability to appreciate partner's point of view and the decision to invest in this relationship.

The vitality of establishing trust in business relationships, which creates interdependences within the firms and between the firms and their customers or partners

in order to achieve desired goals (market expansion, profits, etc.), has been widely acknowledged [15]. According to Solomon and Flores [14], in the fast changing world of the twenty first century, trust must be reconceived in terms of rapid change and globalization. This involves the participation in projects that an actor could not undertake by itself or the collaboration with strangers, as in the case of e-commerce economy and network marketing companies.

## 2.2. Trust' antecedents

Antecedents of trust are the important constructs leading to trust. Many researchers proposed in literature several trust developing forces, such as shared values [12, 16, 17] functionality of conflict [18, 19] satisfaction [11, 17, 18, 20], privacy policy [17], communication [12, 21, 22], adaptive selling by partner and similarity [23] and partner' reputation [11, 21]. Most researchers agree that shared values, satisfaction, functional conflict and privacy policy, constitute the basic trust' antecedents:

1. Morgan and Hunt [12] define *shared values* as the common beliefs of partners about the acceptable or unacceptable behaviors, goals and policies. In the same line, Mukherjee et al. [24] stress the shared values' contribution to building trust within a dyadic relationship. Thus, shared values lead to trust, inspire cognitive perceptions and behavioral intentions of partners, connects diverse individuals and enforces their willingness to pursuit the collective goals.
2. Customer or partner *satisfaction* about a product or service is directly linked with the fulfillment of expectations and needs [25-27]. Moreover, the members' satisfaction with their group or community is the positive accumulation between the members' expectations from the community and the actual experience within [28].
3. *Conflict* is the perceived discrepancy between perspectives, which hinders the parties to achieve common goals, or between perceived experiences, which reflect psychological fluctuations related to malfunctioning [18]. Then, the effective management of conflict by partners leads to *functional conflict*, which involves understanding and exchanging different perspectives on issues, exploring potential solutions, airing the problems and finally making their relationship stronger and healthier, thus having an important bearing on the trust formation. As a result of this, conflict and trust are strongly linked.

4. Finally, *privacy policy* refers to 'the right to be left alone and to the ability of an individual to control, manage and selectively reveal personal information' [17]. The e-commerce revolution in recent years involves risks related to the security of personal information and privacy, which have been identified as a major obstacle that hinders the online transactions development. Hence, privacy policy influences trust.

### 2.3. Trust' components

Despite the fact that several trust constituents have been proposed in literature, such as honesty and benevolence [11, 12, 19, 23, 29–31], experimental manipulation [29, 32] competence and predictability [22], ability, benevolence, integrity and predictability [5, 17], competence and integrity [18], the four basic components of trust, which are listed most often, are the following:

1. *Ability* involves competence, expertise, capability, skills and good judgment. Generally, it is conceptualized as the capacity of the trustee to perform the intended behavior.
2. *Benevolence* includes the loyal attitude, the responsibility and the intention to fulfill promised obligations; also, the genuine interest in other partner interests or welfare, the faith that he 'is motivated to seek joint gains', subordinating the immediate self-interest for the long range group gains [1]. Therefore, benevolence is crucial for the development of social network services particularly within direct selling commerce, creating positive interactions between individuals.
3. *Integrity* is associated with the trustee morality; honesty, sincerity, credibility, reliability, goodness and promise keeping are some moral standards included. Integrity exists 'when the trustor realizes the trustee will act in accordance with a set of principles' [33]. Integrity reduces the uncertainty in exchange transactions by imposing a code of ethical conduct and building a perception of justice.
4. *Predictability* includes consistency, resulting from the trustor's faith that the trustee will adhere to the promised transaction. According to Wu et al. [17], it also includes the interaction policies, the behavior guidelines, the consistent information quality as well as the information exchange rules as operational mechanisms to enforce the perceived predictability of the company by reducing uncertainty and risk

## 2.4. Trust' consequences

Once trust has been gained, desire to continue and satisfaction [34], perceived continuity and communication [21], affective commitment [12, 17], stickiness [17] and compliance with the community line [18], could constitute the positive behavioral response inherent in all trusting relationships. In this article, commitment, compliance and stickiness are being used as the outcomes of trustworthy relationships.

1. *Commitment* is the partners' willingness to develop their ties, thus continually investing resources into this relationship. There are two different types of commitment, the *affective commitment* based on a positive regard toward the other party and the *calculative commitment* based on a negative anticipation of high termination or switching costs, associated with the dissolution of the relationship.
2. According to Wu et al. [17] *stickiness* refers to positive partner' recommendations, continuous purchases of offered products and services, high repeatability of customers or partners' visits to a vendor or community. Yet, stickiness is resulted from trust and it is strongly linked to the re-purchase behavior.
3. The behavioral definition of Davies et al. [18] views *compliance* as "a cognitive processes that jointly drive decisions of one party to do what the other party desires." Accordingly, compliance makes partners to conform to a requested rule of a treaty. Therefore, trustworthy and loyal partners can improve the level of compliant behaviors within their relationship.

## 2.5. Direct selling and network marketing companies

Direct Selling is the oldest method of commercial distribution known to mankind. Peterson and Wortuba [35], define Direct Selling as "face to face selling away from a fixed location," while the Federation of European Direct Selling Associations points out that the appropriate way is the demonstration by a salesperson. To dissolve the misconception between Direct Selling Organizations (DSOs) and direct marketing, Alturas [36] argues that there are several methods of commercial distribution "that are direct marketing but not direct selling, as teleshopping, mail order, etc."

Subsequently, important characteristics, such as interpersonal communication (face to face selling), location and time flexibility arise. Apart from the isolated person to person sales (80%), potential buyers enjoy the demonstration of company's products in the party plan (18%). The structure of a DSO varies from flat to multilevel marketing

(MLM), also called network marketing (NM). In MLM companies the direct salespeople, also called distributors, recruit, train, and supervise other direct salespeople to build up their own organization (network of distributors) and get paid for their personal sales as well as for the sales of organization members. On the other hand, in a single level (SL) organization, direct salespeople focus on selling and achieving compensation based solely on their own sales [36].

DSO is a mode of distribution similar to the traditional in that point, since independent contractors work as intermediaries. On the contrary, a DSO has no products stocked in the store shelves and requires very little capital investment. Yet, it is open to persons from all ages and backgrounds [2]. Also, the retailer's income is reduced by his monthly expenses (rental, electricity, phone, employees), while the distributor – except for having low monthly expenses – can also recruit other distributors, in order to gain bonus or royalty income on the volume sold by his partners called residual income. Finally, the retailer produces income only when his shop is open, while the distributor's income may be continually produced (24 hours/7 days a week) by his team of distributors.

Despite the fact that DSOs rely mainly on personal relationship to obtain sales (door-to-door solicitations, appointments, referrals and product parties), during the last decade they are including Internet more and more as part of their marketing strategy.

According to the company's site [4], Amway is the world's first and biggest direct selling company. More specifically, the 'American Way Association' (AWA) was founded in 1959, later renamed to 'Amway Distributors Association' (ADA), to protect the independent distributors, who are now referred to as Independent Business Owners (IBOs). Despite legal battles relevant to accusations that Amway is an 'illegal pyramid scheme', the Federal Trade Commission in the USA declared in 1977 that Amway's MLM business model is legitimate, since the distributors are not being paid to recruit new distributors, bonuses are derived by selling the products and the firm is willing to buy back excess distributor inventory.

## 2.6. Research model of the article

Harking back to the findings of literature review, the article's research model (Figure 1) focuses on four trust antecedents, which are shared values, privacy policy, satisfaction

and conflict. Trust is considered as a composite construct incorporating ability, benevolence, integrity and predictability, while commitment, stickiness and compliance are seen as the important outcomes of trusting relationships.

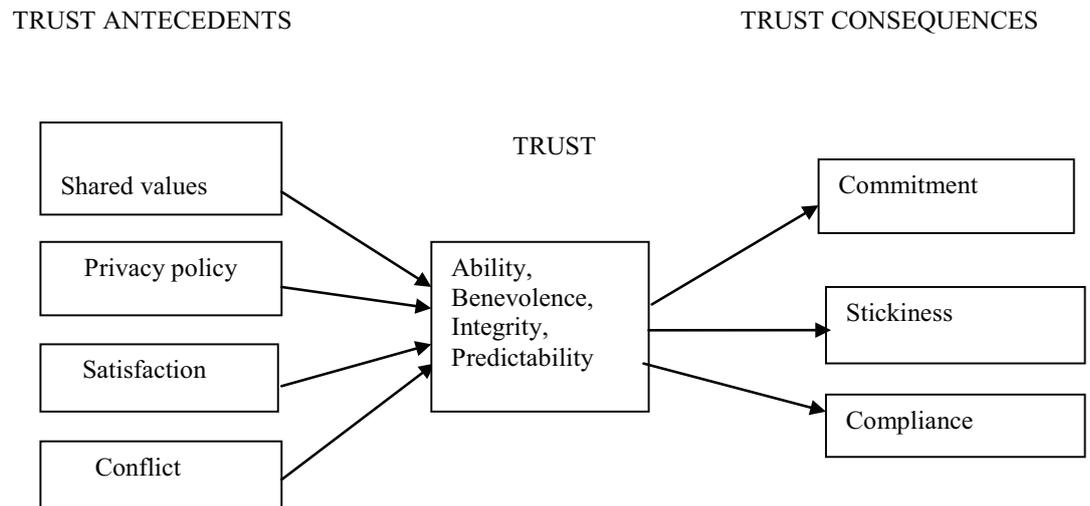


Figure 1: Research model.

## 3. Research Methodology

### 3.1. Research instrument

Field research was conducted by utilizing a structure questionnaire to measure the basic variables of the study, which was developed by adopting relative constructs reported in literature.

The questionnaire was composed of the following two distinct sections:

1. Respondent demographics and IBOs experience with Amway. The questions in this section aimed to capture the gender, age, educational level and monthly income of respondents. Moreover, the respondents were also asked about their experience with Amway (e.g., length of IBOs experience and income earned by this activity).
2. Main Questionnaire. This section included the items conceptualizing all the constructs involved in the research model. Each questionnaire item was assessed by a statement and a five-point Likert-type scale, indicating the respondent's strength of agreement with the statement and ranging from one to five.

The 34 items included within the main research structure, echo the variables of the research and were adopted from relevant work reported in literature. More specifically:

1. *trust antecedents*: 11 items (shared values, privacy policy and satisfaction adopted from Wu et al. [17]; conflict adopted from Davies et al. [18]).
2. *trust components*: 13 items (ability, benevolence, integrity and predictability adopted from Wu et al. [17]).
3. *trust consequences*: 10 items (commitment and stickiness adopted from Wu et al. [17]; compliance adopted from Davies et al. [18]).

### 3.2. Sampling

The questionnaire was initially translated into Greek and pilot-tested by 10 IBOs in the Greek region of Thessaly. The results of the pilot test proved to be satisfactory, since all the respondents found the questionnaire items understandable and meaningful. Minor rewording recommendations, made by the pilot test participants, were incorporated into the questionnaire's final version. Furthermore, there was no respondent who hesitated to answer any question for any reason.

The research target sample consisted of Amway's IBOs. It was a homogeneous group, composed of people with similar business goals and common attitude, with active participation in the Amway community, distributing products and developing their networks of distributors, regardless their differentiation in social or professional characteristics in terms of age, gender, education and financial status.

225 questionnaires were distributed during the company's big and small conferences in Thessaloniki, Larissa and Athens in Greece. Moreover, an online version of the questionnaire was created and communicated to IBOs from various regions of Greece via the website 'Diamond Club' (addressed only to IBOs). Furthermore, the same link was emailed to a small number of IBOs. The resulting sample comprised 162 answered questionnaires, 11 of which were dismissed because of missing answers. This process yielded 151 usable questionnaires.

## 4. Data Analysis and Results

### 4.1. Factor analysis

Principal Component Analysis (PCA) was initially performed to identify latent factors within the questionnaire items measuring the trust antecedents, components and consequences (Tables 1–3). The Bartlett sphericity testing the degree of correlation between the variables ( $p < 0.000$ ) was significant in all three factor analysis conducts. Furthermore, regarding the trust antecedents, the Kaiser–Meyer–Olkin value ( $KMO = 0.752$ ) verified the appropriateness of the sample for performing factor analysis, as it well exceeds the 0.5 acceptable limit [37, 38]. Three factors with eigenvalues greater than one were extracted from data, accounting for 72.625% of the total variation. Regarding trust components, the Kaiser–Meyer–Olkin value ( $KMO = 0.858$ ) verified the appropriateness of the sample, while three principal trust components accounted for 67.145% of the total variation. Finally, with regard to trust consequences, the KMO value was 0.844. Two factors of trust outcomes with eigenvalues greater than one were extracted from data, accounting for 66.587% of the total variation. A cut-off of 0.5 was used for item scale selection.

Following an examination of the items' loadings on each factor and noticing that items one and two of satisfaction ('I think that I made the right decision to participate in Amway' and 'My experience with the partners' community is very pleasurable') loaded on the same factor with the items one and two of shared values ('I am willing to help my partners of the company' and 'I am willing to share my personal experience

with my partners’), it was decided to rename this factor of trust antecedents to cultural similarity. Moreover, item three of satisfaction (‘I feel satisfied with Amway’s services’) was removed from privacy policy, now renamed to privacy concerns. As a result of this, the trust antecedents are: *cultural similarity* (four items), *privacy concerns* (four items) and *conflict* (three items).

Additionally, the examination of the items’ loading on trust components lead to the consolidation of the three items of benevolence with the three items of predictability, to a new factor named goodwill. Therefore, the trust components are *ability* (three items), *integrity* (four items) and *goodwill* (six items).

Finally, examining the items’ loading on trust consequences, it appears that stickiness (four items) and compliance (two items) comprise a single factor. This factor was named perceived continuity and also included the forth item of commitment (‘I expect that I will continuously participate in the partners’ community activities’). As a result of this, the trust consequences are now *commitment* (three items) and *perceived continuity* (seven items).

TABLE 1: Principal Component Analysis of trust antecedents.

	Cultural Similarity	Privacy Concerns	Conflict
I am willing to help my partners.	<b>0.812</b>	–	–
I am willing to share my personal experience with my partners.	<b>0.789</b>	–	–
It is secure to provide personal data to the company.	–	<b>0.942</b>	–
The Amway Company will not disclose my personal information.	–	<b>0.949</b>	–
The company policy provides well developed data security mechanisms.	–	<b>0.825</b>	–
I think that I made the right decision to participate in Amway.	<b>0.730</b>	–	–
My experience with the partners’ community is very pleasurable.	<b>0.846</b>	–	–
I feel satisfied with Amway’s services.	–	<b>0.723</b>	–
My relationship with my partners can be best described as tense.	–	–	<b>0.789</b>
My partners and I have significant disagreements in our working relationship.	–	–	<b>0.811</b>
My upline partners and I frequently clash on issues relating to how I should conduct my business.	–	–	<b>0.758</b>
Eigenvalues	4.492	2.046	1.451
Percent of total variation	40.836	18.602	13.187
Cumulative Percent of total variation	29.225	54.333	72.625

TABLE 2: Principal Component Analysis of trust components.

	<b>Ability</b>	<b>Integrity</b>	<b>Goodwill</b>
The upline of partners' community seems to contain abundant information about what needs to be done to fulfill my goals.	<b>0.832</b>	-	-
The upline of partners' community seems to demonstrate enough technical expertise and skills concerning human relationships.	<b>0.887</b>	-	-
The upline of partners' community appears to be well qualified in the area of the commerce.	<b>0.827</b>	-	-
My partner actively responds to my goals.	-	-	<b>0.500</b>
My partner goes out of his way to help me.	-	-	<b>0.622</b>
My partner really looks out for my needs and desires.	-	-	<b>0.572</b>
The partners' community seems to have a strong sense of integrity.	-	<b>0.843</b>	-
The partners' community is reliable.	-	<b>0.854</b>	-
The partners' community seems to have a strong sense of justice.	-	<b>0.884</b>	-
The partners' community is ethical.	-	<b>0.855</b>	-
I can expect information exchange over this partners' community.	-	-	0.621
The quality of communication with my partners' community is consistent and systematic.	-	-	0.758
The actions and behavior of the partners' community are predictable.	-	-	0.615
Eigenvalues	5.522	1.979	1.228
Percent of total variation	42.475	15.222	9.449
Cumulative Percent of total variation	28.427	48.001	67.145

## 4.2. New research model of the article

Based on the factor analysis findings aforementioned, the new paper's research model (Figure 2) included three trust antecedents (cultural similarity, privacy concerns and conflict), three trust components (ability, integrity and goodwill) and two trust consequences (commitment and perceived continuity).

## 4.3. Reliability and regression analysis

Inter-item analysis was used (Table 4) to verify the trust antecedents, components and outcomes for internal consistency or reliability [39]. More specifically, the Cronbach's coefficient alpha [40] calculated for each scale, ranged between 0.702 and 0.917. Thus, all scales exhibited values well over the minimum acceptable reliability level of 0.7 [41].

TABLE 3: Principal Component Analysis of trust consequences.

	Commitment	Perceived Continuity
I have a sense of belonging to the partners' community.	<b>0.757</b>	-
I have a psychological attachment to the partners' community.	<b>0.866</b>	-
I think that I have developed a strong relationship with the partners' community.	<b>0.582</b>	-
I expect that I will continuously participate in the partners' community activities.	-	<b>0.724</b>
I will spend more time in the partners' community.	-	<b>0.690</b>
I will increase the frequency and the quality of contacts with the partners' community.	-	<b>0.729</b>
I am willing to recommend Amway and its product to others.	-	<b>0.798</b>
I am willing to be continuously informed about my partners of the partners' community and the products of the company.	-	<b>0,851</b>
I follow most suggestions the upline of partners' community makes.	-	<b>0.790</b>
I generally try to accommodate the partners' community requests.	-	<b>0.763</b>
Eigenvalues	5.458	1.2
Percent of total variation	54.583	12.004
Cumulative Percent of total variation	45.038	66.587

TRUST ANTECEDENTS

TRUST CONSEQUENCES

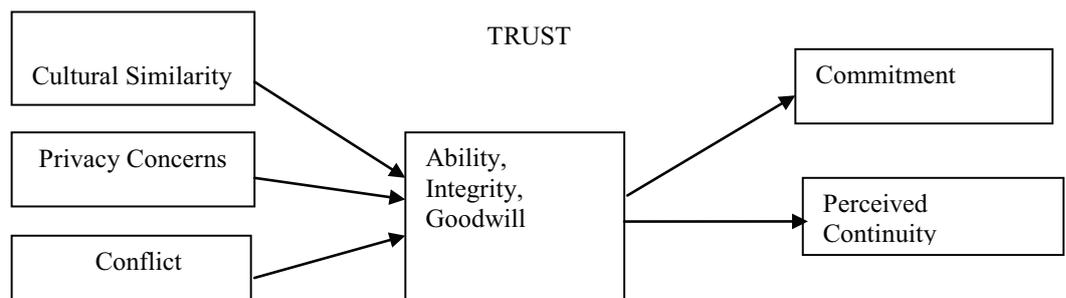


Figure 2: New research model.

TABLE 4: Internal reliability analysis.

SCALES ITEMS	CRONBACH'S ALPHA
Cultural similarity 4	0.807
Privacy concerns 4	0.900
Conflict 3	0.738
Ability 3	0.831
Integrity 4	0.917
Goodwill 6	0.778
Commitment 3	0.702
Perceived continuity 7	0.900

In order to determine the extent to which each trust antecedent contributes to trust components, three multiple regression analyses were conducted (Table 5). Additionally, two multiple regression analyses examine the effect of trust components on trust consequences (Table 6).

Interestingly enough, only privacy concerns exerts a significant positive impact on ability (std. beta = 0.297,  $p < 0.01$ ), whereas cultural similarity and conflict were found to have a significant influence on integrity (std. beta = 0.486,  $p < 0.01$  and std. beta = 0.161,  $p < 0.05$ , respectively) and cultural similarity on goodwill (std. beta = 0.569,  $p < 0.01$ ). Moreover, goodwill as a trust component is strongly related to dependent variables commitment and perceived continuity (std. beta = 0.486,  $p < 0.01$  and std. beta = 0.340,  $p < 0.01$ , respectively), whereas the trust component integrity is associated with the dependent variable commitment (std. beta = 0.164,  $p < 0.05$ ).

TABLE 5: Regression analyses on trust components.

Independent Variables	Dependent Variable		
	Ability	Integrity	Goodwill
	Std. beta	Std. beta	Std. beta
Gender	0.130	-0.070	-0.042
Age	0.034	-0.044	0.088
Education	-0.034	0.055	-0.130
Income	0.190*	-0.022	0.023
Length	-0.015	-0.096	-0.046
Earnings	-0.151*	-0.074	-0.101
Cultural similarity	<b>0.152</b>	<b>0.486**</b>	<b>0.569**</b>
Privacy concerns	<b>0.297**</b>	<b>0.027</b>	<b>0.046</b>
Conflict	<b>0.143</b>	<b>0.161*</b>	<b>0.081</b>
Adj. R <sup>2</sup>	0.186	0.257	0.353
Sign. of the model	0.000	0.000	0.000

Note: Significance level \*  $p < 0.05$  \*\*  $p < 0.01$ .

TABLE 6: Regression analyses on trust consequences.

Independent Variables	Dependent Variable	
	Commitment	Perceived Continuity
	Std. beta	Std. beta
Gender	0.145*	0.049
Age	-0.058	-0.020
Education	-0.222**	-0.072
Income	0.247**	0.078
Length	0.039	0.130
Earnings	0.134*	0.297**
Ability	<b>0.034</b>	<b>0.098</b>
Integrity	<b>0.164*</b>	<b>0.026</b>
Goodwill	<b>0.486**</b>	<b>0.340**</b>
Adj. R <sup>2</sup>	0.453	0.246
Sign. of the model	0.000	0.000

Note: Significance level \*  $p < 0.05$  \*\*  $p < 0.01$ .

## 5. Conclusions

The aim of the present study was to investigate possible associations between trust antecedents, components and outcomes, by providing empirical evidence from network marketing professionals in Greece. Hence, by decomposing trust into three dimensions (ability, integrity and goodwill) the research's findings reveal the relationship between them and the cultural similarity, privacy concerns and conflict management as trust predictors. Consistent with Morgan and Hunt [12] and MacMillan et al. [42], cultural similarity is considered by this article's results as an important predictor of trust, reinforcing substantially integrity and goodwill of IBOs. Hence, commonly accepted values foster the trust between counterparts. However, results do not show a strong impact of shared values on individual perceptions of ability. Wu et al. [17] offers a possible explanation of this finding, supporting that 'shared values represent common behavior guidelines only', since they are not directly related to the perceived business expertise included in ability. Network marketing is a specific business model based on social relationships affected by personal interactions; thus, individual identity in terms of perceived integrity and goodwill has a crucial role in this context, strengthening the reliability and trustworthiness of partners. Yet, network organizations' products and services are nowadays more popular than ever; this business model is becoming a market with intense competition, in that the skills in

human relationships weigh more than knowledge. Privacy concerns also significantly affect trust, operating as a security mechanism that protect personal data, contributing to perceived information control, security and delivering signals of ability, according to Eastlick et al. [43] and Wu et al. [17] studies. This implies that a network marketing company – assisted by the Internet – should invest in the development of appropriate privacy policy mechanisms to appease the related partners' concerns. Besides, conflict management determines in turn partners trust levels, as it is associated with the collaborator's integrity. Similar observations regarding the relationship between trust and conflict have also been made in the Davies et al. [18], Geyskens et al. [1] and Chiou and Droge [44] studies.

Interestingly, our results indicate a partial relationship between trust and its consequences (commitment and perceived continuity), in accordance with previous findings by Morgan and Hunt [12], MacMillan et al. [42] and Eastlick et al. [43]. So, only goodwill has a direct impact on both commitment and perceived continuity, while integrity affects commitment.

Therefore, network company managers have to focus on how to strengthen the members' cultural similarity by their willingness to help their partners. Also, an increase at the level of members' satisfaction within the network community would have a positive effect on their ideological tie with it. Moreover, network company managers must employ advanced security technologies to guarantee privacy and security processes. Hence, the managers' effectiveness to resolve the disagreements in their working relationships must be a feature in their promotion campaigns.

The study presented here also produced useful findings, which can be utilized by managers toward the development and implementation of trust components that will lead to members' commitment and perceived continuity. Considering that trust is commonly cited in literature as a prerequisite for gaining the other part' commitment, the results can be proved useful for the development of long-term and profitable relationships between members. This is of vital importance for a network market, such as that of Amway, even more so in a country experiencing a deep financial crisis, as is Greece. The central role of relationship quality must be seriously taken under consideration so that relationship trust enhancement initiatives are taken. Moreover, the findings showed that members' commitment is positively influenced by their psychological attachment to the partners community; also that members willingness to recommend the company's products to others, to be continuously influenced about the partners and the products of the company as well as to follow the managers suggestions have the most positive impact on perceived continuity. This means that

efforts to increase the members' commitment and perceived continuity should be based on the aforementioned findings.

## 6. Limitations and Future Work

This study wishes to open a variety of issues in future research thus building a stronger understanding of trust development within the specific environment of a network marketing company.

Our limitations and future work plans are threefold:

1. To investigate the point of views of many inactive IBOs which are loyal consumers of Amway products and services; the present research targeted only active IBOs, who are both loyal members of Amway community and ambitious distributors who develop enthusiastically their networks in Greece.
2. To extend the model with additional external variables and repeat the survey. This will serve both the development of a more complete model and the confirmation of the present research results. This study targeted Amway Hellas in Greece. Thereby, future investigation should focus on other possible relationships among the model constructs (trust antecedents, components and consequences) and verify the results on different companies of this specific business model.
3. To consider the multidimensionality of conflict and commitment by exploring the relationship between trust and their different types.

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