Examining Trust as Key Drivers in Smart Disclosure for Sustainable Consumption: The Case of I-Choose
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With the heightened attention to the issue of sustainable development and environmental sustainability around the world, the question of the role of government is under careful examination. One traditional role of government has been regulating production standards to enforce modes of production and economic activities in an effort to reduce negative impacts on the environment. An emerging role, however, focuses on the role of government in providing access to information that fosters market transparency and efficiency, which in turn, lead to sustainable production and consumptions. This new role is based on the assumption that better informed consumers will make decisions pulling the whole supply chain to a more sustainable mode (Luna-Reyes et. al, 2012)

The open government and smart disclosure initiative is one example of an effort on this emerging government role led by Obama Administration to promote innovations that help consumers make important marketplace decisions, such as using their social and environmental value to guide their purchasing decisions [58, 62]. However, the Smart Disclosure initiative is still in its forming stage because of a lack of integrated, high quality information regarding the sustainable practices of products, especially trustworthy information valued by consumers. Moreover, we are still lacking in-depth understanding about consumer trust mechanisms in using information. It is still not clear what information induces consumers’ trust and how consumers react to various elements of information regarding product, producers, brand, certification, government enforcement, independent NGO review, and other information that can be disclosed. Disclosing information through open government initiative do not automatically lead to informed decisions if the information was not in a form that can be readily valued and trusted by consumers.

Trust is viewed as an individual’s belief or a common belief among a group of individuals that another individual or group will behave in good faith, with honesty, and would not take excessive advantage even when the opportunity exists [10]. Although trust may be induced by different mechanisms of trust production, there are two different modes of trust production that are particularly relevant to the domain of this study, cognitive-based trust and institution-based trust [30]. Cognitive-based trust is founded on information and rational choice. It arises only when the beneficial intention and competence of another is proved by reliable information [24, 32, 50]. Thus, trust in sustainable products rests on the availability and creditability of product information that can be traced through the entire supply chain. Market failures are often related to the lack of perfect information in the economics literature [2, 8, 23]. Presumably, government policy promoting information disclosure held not only by public entities, but also private entities contributes to market transparency and trust production in sustainable markets. This effectiveness of information disclosure on trust production, however, was under serious scrutiny because of the limited rationality and cognitive constraints of individuals [4, 37]. On the other hand, trust is often related to institutional frameworks that make opportunistic behaviors less likely due to mechanisms such as guarantees or predominant norms that regulate the conscious and unconscious behavior of individuals. Institution-based trust is generated beyond a given transaction and specific relationship, and is based on a variety of institutional factors, such as...
legal contracts, social networks, and societal norms. Therefore, it is reasonable to postulate government efforts in establishing legal framework and other institutional conditions ensuring the product standards for sustainable products could be springboards for positive outcomes of consumer trust.

In this study, we integrate these two perspectives, and investigate the determinants of consumer trust in the presumed sustainability of a product. More specifically, we investigate how consumer perception of the trustworthiness of information related to product, producer, and certification influence their trust intention on sustainable consumption. We argue that an understanding of consumer reactions to various elements of information regarding product and certification as the basis to building trust is crucial for the adoption and usage of smart disclosure tools that make use of such information. Such understanding is necessary for data owners and publisher in ensuring that data that is most relevant and appropriate to the user’s needs is acknowledged and made available. It will also benefit smart disclosure application developers by providing guidance to the most efficient way to help consumers in making more informed, sustainable buying decisions, based on data that they trust.