

Construction of a Model for Formation of Trust between Food Industries and Consumers by Structural Equation Modeling

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1. Background

Nowadays, industrial activities are regarded as factors contributing to environmental problems while the global environmental issues, as typified by global warming, have been extensively recognized. This leads to the situation that the introduction of corporate social responsibility (CSR) into industries and thus corporations are strongly required in recent years. However, since the late 1990s corporate scandals have been continuously occurred, and the presence of corporations that belittle their roles as “public institutions in society” has become noticeable. These corporations have taken actions that go against the laws, not to mention fulfilling their social responsibility voluntarily, and many consumers have suffered losses as a result. The spreading of impact caused by these corporate scandals to the whole country has brought the present situation that the trust relationship between corporations and consumers is weakening. It is an urgent issue for corporations to make clear how the corporate activities, with the achievement of social responsibility being included, are related to the trust formation with consumers. Therefore, it is necessary to organize and arrange the information delivered by corporate activities or during the processes, and to investigate the utility for the formation of trust relationship between corporations and consumers.

2. Purpose

In this research, food industries were chosen as the target since their social responsibilities have been strong required due to their corporate scandals occurred in recent years. A model for formation of trust between food industries and consumers (which consists of a model for trust erosion and a model for trust recovery) was hypothesized, and verification was undertaken by questionnaires and Structural Equation Modeling.

3. Results and discussion

In hypothesizing the model for formation of trust between food industries and consumers, the causes of trust erosion were divided into two types. In this abstract, one type of the cause, ‘having problems with goods or service offered by corporations’, was focused and described as follows.

The result of verification of “trust erosion hypothesis” shows the importance of a sound system of corporations for prevention of trust erosion. The soundness of system can be achieved by the enhancement of food safety assurance, information disclosure, concerns toward mass media’s opinions to the corporations, and consumer correspondence. Moreover, it is also revealed that consumer correspondence of corporations consists of stakeholder correspondence and interoffice communications.

Meanwhile, the result of verification of “trust recovery hypothesis” also indicates the importance of a sound system of corporations for promotion of trust recovery. It is shown that the enhancement of interoffice communications and consumer correspondence including stakeholder correspondence and re-formation of staff consciousness is useful in order to improve the soundness of a system. Among them, the enhancement of interoffice communications and re-formation of staff consciousness is suggested to be important factors for casting aside the distrust relationship between corporations and consumers. In addition, it is also revealed that upturning of sales and stock prices may have a positive effect upon trust recovery.