

## A TRUST MODEL FOR B2C E-COMMERCE

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***Abstract:** Online Business-to-Consumer market is poised to experience a phenomenal growth in the current scenario. But the basic issue that defines the relationship between the e-commerce vendor and the customer is based on 'trust'. The very fact that the relationship is virtual, there is no scope to touch, feel, or, physically handle the product, there is no physical store where you can walk into, complaints also cannot be addressed in the same manner as in a brick-and-mortar store or addressed to a specific person, it is only the 'trust' in the e-commerce vendor and on the internet per se that underwrites the transaction. In this exploratory study, we investigate the factors that can be used to analyze this issue of Trust in Online Marketplaces in the Indian Context.*

*Keywords: Online Trust, E-Commerce, Internet Shopping, Trust Model, Trust in B2C Marketplaces*

### INTRODUCTION

The retail industry in India is growing and the increasing accessibility of the internet through smart devices is revolutionizing the spread of retail. The exposure and acceptance of western value system also contributes to this growth. For example, increased consumerism along with the ability and willingness to afford luxury items, increased spending power of Indians, more exposure to foreign travels as also some demographic factors like the emergence of nuclear families, working couples, shortage of time, late working hours or other factors like traffic jams, acceptability of plastic money, availability of Internet, increasing sophistication of e-commerce systems have fueled this growth. The number of online shoppers is increasing day by day. According to a report by Internet and Mobile Association of India, the number of Internet users in India is expected to rise 18.53 per cent in the coming eight months to reach 24.3 crore by June 2014, on the back of higher adoption of mobiles as a means to access the Internet. At approximately the same time India is expected to overtake the US as the second largest internet base. To underscore the growth of B2C transactions on the Internet, credit card providers reported two times more transactions on Flipkart, 1.6 times at Jabong and six times at Infibeam. In a study by American Express online shoppers population is likely

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to touch 38 million by 2015 and Indian overtook Japan last year to become the World's 3<sup>rd</sup> largest online market after China and US (Daily Post, 2014).

The emergence of World Wide Web has revolutionized commerce. In the B2C electronic commerce there have been two transformations viz. (1) the transformation of a consumer into a computer user, and (2) the transformation of the physical store into an online store i.e. a web site. The new double role of a consumer resulting from the first phenomenon is not yet completely understood. As to the second phenomenon, the role of information technology which in physical stores was often in the background has moved to the foreground in the new model of e-commerce. For the consumer thus, a web site or the information system has now replaced the physical store. There is thus a need to study the interaction between the consumer and the online store through the lens of user-technology interaction. In the light of these transformations, it is necessary to relook at the combination of research streams of information systems, psychology and marketing to study and understand the online consumer behavior (Koufaris, Kambil & LaBarbers, 2002).

It is normally understood that rational consumers make buying decision on the basis of current price, current income, market conditions etc. But in case of repeat purchases consumers' tend to develop a 'reference' price which influence their buying decision, Any quoted price above the reference price is perceived as 'high' and price quoted below the reference price is perceived as 'low' (Popescu & Wu, 2007).

Another construct that has come under increased attention is the concept of 'trust' especially with the emergence of B2C retail. The anonymity of the internet vendor, lack of face to face interaction, inability to see and feel the product as in brick and mortar traditional retail have prompted the study of this concept. Any commercial transaction, whether it is a first time purchase or a repeat purchase, or sharing of credit card details or other personal information, it is 'trust' that is the underlying concept prompting the transaction. It is not that this trust is never betrayed. In fact, there are reports galore highlighting frauds on the internet, whether it is phishing, identity thefts, credit card frauds etc., or other myriad schemes, the basic motive behind which is to swindle the gullible user. But genuine internet retailers would like to ensure the use of technology to create, retain and reinforce consumer trust for a successful long-term relationship.

## **REVIEW OF LITERATURE**

### **Changing Consumer Behavior**

Empirical studies have tested the effects of electronic marketing on consumer behavior (Koufaris, Kambil & LaBarbers, 2002). There are, for example, indications that traditional marketing promotions are not always successful in the online model

(Maignan & Lukas, 1997). While convenience and control are at the top of the list of benefits that the consumer receives in the online model (Clawson, 1993), enjoyment of the online shopping experience may also be an important determinant of customer loyalty (Rice, 1997). The perceived risks associated with online shopping influences attitudes towards online purchasing as also the perceived ease of using the web site (Heijden, Verhagen & Creemers, 2001). The impact of perceived ease of use however seems to depend on the type of task the consumer is undertaking on the web site. The effect is more significant when the consumer is using the website to inquire about the product as compared to actually making a purchase (Gefen & Straub, 2000).

Qualitative and Quantitative research methods have been used to study the impact of demographic factors like age, gender, income, education, along with factors like access to internet, frequency of online purchase, motivation drives for online purchase and its effect on satisfaction with online shopping, future purchase intention, frequency of online shopping, number of items purchased, and overall spend on on-line shopping (Nagra & Gopal, 2013).

Koufaris, Kambil, & LaBarbera (2002) in their exploratory study build on the emergence of information systems and marketing research to examine factors that lead to increasing customer loyalty and unplanned purchases online.

### **Issue of Trust**

There have been various studies into the nature and types of trust. Can trust be thought of as an action, an attitude or inclination, a part of character or a relationship (Alpern, 1997). Others take it to be a natural feeling or faith, a belief one is willing to act upon (Dasgupta, 1988). Trust has also been described as cognitive, affective, or conative. Thus trust can be Goal-based trust, Calculative trust, Knowledge-based trust, and, Respect-based trust (Koehn, 2003). Thus one also needs to understand the practices one needs to adopt (Best practices) and avoid (Worst practices).

Studies have mentioned the following conditions for occurrence of trust viz. (a) Presence of a shared cultural and institutional background, and, (b) Certainty of the trustee's identity. It has been argued that since in the online context none of these conditions can be satisfied hence it is not possible to create trust in an online setting (Petit, 1995; Seigman, 2000; Nissenbum, 2001). Completely at odds with this view is the argument that these two conditions are not necessary in creating trust online and it is indeed possible to create trust in online setting (Weckert, 2005; De Vreis, 2006; Papadopoulou, 2007). Empirical evidence in the form of online transactions done by consumers also indicates that these two conditions are not taken into consideration by consumers. However, it seems that the satisfaction of these conditions would create a more conducive and trustful environment between the consumer and the retailer.

Trust has also been seen as a property of relations rather than relation itself. Thus, the definition of online trust offered by Taddeo (2010) is as follows:

*Trust: "Assume a set of first order-relations functional to the achievement of a goal and that two agents are involved in the relation, such that one of them (trustor) has to achieve the given goal while the other (trustee) is able to perform some tasks in order to achieve that goal. If the trustor chooses to achieve his goal through the task performed by the trustee, and, if the trustor considers the trustee a trustworthy agent and hence does not supervise the trustee's performances, then the relation has the property of being advantageous for the trustor. Such a property is a second-order property that affects the first-order relations occurring between agents and is called trust."*

It has always been known that seller has access to more and better quality information as compared to the buyer and this information asymmetry is likely to increase in the digital age. However, the sellers do not exploit this information asymmetry for their benefit in long term interest of creating and retaining the customer.

### **Importance of Trust**

In the online context, why consumers buy or do not buy can be explained in many situations by the lack of trust. Trust has been identified as an important construct in different fields such as social psychology (Lewicki & Bunker, 1995), sociology (Lewis & Weigert, 1985; Bradach & Eccies, 1989), economics (Arrow, 1974; Williamson, 1985, 1993; Dasgupta, 1988;), management (Butler, 1991; McAllister, 1995; Chiles & McMackin, 1996) and marketing (Dwyer, Schurr & Oh, 1987, Ganesan, 1994; Garbarino & Johnson, 1998). Studies have also related Trust and Satisfaction in e-commerce context and studies have also investigated the dependence relationship between the two (Kim, 2009). In the marketing literature trust has emerged as the key factor for establishing and maintaining long-term relationships that are critical to the firms' success. Trust has been seen to be related to relationship commitment, customer communication and switching cost (Reddy & Chalam, 2013). It has been posited that purchase intentions of consumers are affected by three sets of variables i.e. e-consumer trust, social presence and TAM constructs (Gefen & Straub, 2003). Essentially trust is important in an online environment where all the consumers have to go by is a computer related system embedded in web pages. The consumer has limited or no ability to monitor or control the way the firm could use the data; hence, the need for trust (Bhattacharjee, 2002).

Moreover, the impersonal nature of internet retail increases the significance of the trust factor. In the absence of physical presence and human contact and the potential to mislead customers in the form of unsubstantiated customer reviews, inaccurate or out of date information, wrong product representation, inadequate data or credit information protection, unauthorized information collection, customers make online purchase decisions solely on the basis of trust (Urban, Sultan & Qualis, 2000). Studies have also investigated the relationship between Trust

and Satisfaction and the phenomena of satisfaction being an antecedent of trust (Kim, 2009).

### **Definition of Trust**

Trust in a broader sense is the belief that other people will react in predictable ways (Luhmann, 1979). Mayer, Davis & Schoorman (1995) propose one of the more accepted definitions of trust as “the willingness of a party to be vulnerable to the actions of another party based on the expectation that the other will perform a particular action important to the trustor, irrespective of the latter’s ability to monitor or control the actions of the party in question”. This definition implies that trust does not imply risk taking on the part of the consumer but rather the willingness to engage in risk-taking behavior. Thus trust is conceptualized more at a perceptual level rather than behavioral level. In an online setting, consumers are the trustors and the online business establishment the trustee, since the consumers provide sensitive personal information viz. e-mail addresses, credit card numbers, and other personal data and hence are vulnerable to firms’ behavior. However trust as a concept is distinct from cooperation, trust is not necessary for cooperation to occur (since cooperation does not necessarily put either party at risk) and one may cooperate for reasons other than trust.

Though there have been several studies exploring the antecedents and precedents of trust and its related constructs. However in most of trust related literature trust is seen as a multidimensional construct. But the two dimensions which commonly feature in most of the studies are benevolence and competence. In the consumer context, benevolence trust implies that the firm in question will keep the interest of the consumer ahead of its own. Competence trust however represents the trustors’ confidence in the trustee’s ability to carry out what it has promised (Ganesan & Hess, 1997; Selnes & Gonhaug, 2000; Singh & Sirdeshmukh, 2000).

In the context of online retail, Urban *et al.* (2000) assert that the most crucial element of web retail is fulfillment. The most common functional criteria in assessing a firm’s competence include error free billing, shipping the right product to the right place at the right time, efficient customer support services, and, credits on returned items (Urban *et al.*, 2000). Whether the online environment provides the necessary conditions for the development of trust has also been investigated to conclude that it can actually do so (Turilli, Vaccaro, & Taddeo, 2010).

Reddy & Chalam (2013) in their study in Indian context investigated the characteristics and growth of trust, trustworthiness and website security perception and its direct and indirect antecedents. Using a sample of 1254 online consumers surveyed online and offline the study investigates the role of assurance and trust factors on customer retention for B2C consumers.

The price charged from the customer is also an important determinant of trust and consumer behavior. For example, some customers believe that a particular online retailer always offers the best price, or, a particular web retailer gets identified with particular type of market. The practice of charging different prices from different customers is widely used as a tactic by online retailers to promote sales. This practice is called dynamic pricing or differential pricing. Charging a different price is understandable when the underlying costs are different (for e.g. price of a bottle of water in a store vis-à-vis that in a restaurant). Price discrimination can also be done based on geographical factors, which banks more on customers' lack of awareness of prices prevailing in other markets, though this is becoming increasingly challenging with the seamless flow of information in the internet era. Dynamic pricing based on the time of the day or the season of the year is also considered acceptable. However charging different prices based on state of demand and inventory levels is considered predatory and unfair (Kahneman, Knetsch & Thaler, 1986; Shiller, Boyco & Korobov, 1991; Frey & Pommerehne, 1993; Dickson & Kalapurkal, 1995). That price discrimination being perceived as fair has also been investigated in cultural context and also by considering the effect of disclosure on the same (Choi & Matilla, 2006).

To promote internet purchases it is important to reduce uncertainty- both system dependent and transaction specific, using instruments of information policies, guarantee policies and reputation (Sonja, 2002).

### **Measuring Trust**

Studies have explored the relationship between Trust and Satisfaction over phases of pre-purchase to purchase to post purchase in e-commerce context. Using adapted scales from previous studies, purchase and dollar value were taken as constructs being affected by Consumer Trust, Perceived Risk, Perceived Benefit, Perceived Performance, Willing to Purchase, Expectation, Satisfaction, Confirmation, Consumer e-loyalty, Disposition to trust, and, Familiarity between sites a respondent trusts and sites respondents do not trust (Kim, 2009).

The effect of e-consumer trust, social presence and TAM constructs on the purchase intentions of respondents at Travelocity.com. (Gefen & Straub, Managing User Trust in B2C e-Services, 2003).

To sort out varying and sometimes conflicting definitions of trust, efforts have been made by McKnight (2002) to arrive at an interdisciplinary definition of trust and accordingly have examined the following second-order concepts viz. Competence (Competent, Expert, Dynamic), Benevolence (Good, Moral, Goodwill, Benevolent or Caring, Responsive), Predictability (Predictable), Integrity (Honest, Credible, Reliable, Dependable), and, Other (Open, Careful safe, Shared understanding, Personally attractive).

Studies have been undertaken on the nature and role of trust viz. dimensionality of trust and trustworthiness, longitudinal nature and role of trust, trust and perceived risk, trust and distrust, trust and product uncertainty) moderated by factors like behavioral outcomes across Cultures and Gender, Personality, and, influence of Context on Behavioral Outcomes (Gefen, Izak, & Pavlou, 2008).

Measurement of trust has always intrigued researchers. Scientific method of scale construction for future empirical studies has been the focus of study on the dimensions of ability, integrity and benevolence (Bhattacharjee, 2002). In an experimental study the purchase intent of the respondent has been examined as a function of attitude towards vendor, perceived trust in vendor and system trust (Pennington, Wilcox, & Grover, 2004).

Another issue that needs attention is whether there is a common measure of trust for all websites and consumers. It has been found that different kinds of sites viz. travel sites, information-intensive sites, or other high involvement categories like automobile or financial services have differing determinants with respect to website and consumer characteristics, online trust, and, behavioral intent (Bart, Shankar, Sultan, & Urban, 2005). Researchers have explored the various dimensions of trust, so whether it be on dimensions of 'Vulnerability' and 'Faith in Humanity' or the use of TAM (Technology Acceptance Model) or the modification of the same (Gefen D., Karahanna, & Straub, 2003; Holsapple & Sasidharan, 2005). That there is a difference in the level of trust between sites one visits regularly i.e. 'familiar' sites or the sites one visits once in a while i.e. 'general' sites has also been the subject of study (Cheshire, Antin, & Cook, 2010). Privacy policy on the internet can have an influence on online trust and thus on customers' loyalty and their willingness to provide truthful information (Lauer & Deng, 2007). Is it privacy alone or is it linked to security concerns and whether these concerns are different for different consumers has also been explored (Riquelme & Roman, 2014).

The notion of trust has been examined in various contexts over time, for example related to bargaining (Schurr & Ozzanne, 1985), industrial buyer-seller relationships (Doney & Cannon, 1997), distribution channels (Dwyer, Schurr, & Oh, 1997), partner cooperation in strategic alliances (Das, 1998), and in market research (Moorman, Deshpande, & Zaltman, 1993). The theoretical concepts underlying these may be studied under personality theory, sociology and economics, or social psychology (Mayer, Davis, & Schoorman, 1995).

Ellen & Lee (2003) examine the impact of managerial interventions on trust. This will help the firms to understand how their actions impact customer trust and where efforts need to be focused to improve the mean level of trust.

### **Other Trust Related Issues**

Unethical business practices however negatively affect the response behavior of their users in terms of trust satisfaction and loyalty (Leonidou, Kvasova, Leonidou, & Chari, 2013).

Various trust based computerized models have been proposed and studied viz. single-faceted models like REFEREE, SULTAN, Advogato, FilmTrust, then, there are domain specific models like Epinions that can be adapted to a specific domain. Studies have explored the accuracy of these models in studying trust concepts (Quinn, Lewis, O'Sullivan, & Wade, 2009).

### **Materials and Methods**

Exploratory Factor Analysis was used using SPSS. 45 variables were initially proposed for the factor analysis. To examine the proposed model the survey data was collected online. A total of 140 responses were collected in the survey. Since all the questions were marked as mandatory, there was no issue related to missing data.

### **OBJECTIVE OF THE STUDY**

To identify the factors that affect trust in online marketplaces.

### **Research Methodology**

#### **Type of Study**

From a mix of Qualitative and Quantitative Research (Nagra & Gopal, 2013) to exploratory (Bart, Shankar, Sultan, & Urban, 2005) to experimental (Pennington, Wilcox, & Grover, 2004) have been used to investigate consumer trust and related issues. The study proposed here in is Quantitative in nature. Exploratory Factor Analysis is being used to identify the underlying factors that affect Consumer Trust in online marketplaces.

#### **Sample Size**

Sample size for studies on online purchase behavior have varied from 70 (Nagra & Gopal, 2013) to 1254 (Reddy & Chalam, 2013). Studies have used a sample size of 468 for constructs in pre-purchase construct and 258 in postpurchase phase (Kim, 2009). Gefen & Straub (2003) in their study have used a sample size of 161 MBA Students. Accordingly for the present study a sample size of 140 was used.

#### **Method of Data Collection**

Again has varied from a mix of online and offline modes (Reddy & Chalam, 2013) to a combination of interview method and questionnaire (Nagra & Gopal, 2013). For the present study a structured questionnaire was used administered in online mode.

#### **Method of Data Analysis**

Nagra & Gopal (2013) have used ANOVA to understand the effect of demographic variables on consumer behavior. Studies have used various methods for analysis



from simple percentage analysis, Structured Equation Modeling, Factor Analysis and related tools to analyse the validity and reliability of the proposed constructs used in the study. Based on the constructs used Factor Analysis using SPSS was used to analyse the data collected during the study. The study was conducted using 45 variables.

Using Data Reduction in SPSS with PRINCIPAL COMPONENT the KMO obtained was 0.931. The model also seems to satisfy Bartlett's Test of Sphericity as indicated in Table 1.

**Table 1**  
**KMO and Bartlett's Test**

|  |                    |          |
|--|--------------------|----------|
| Kaiser-Meyer-Olkin Measure of Sampling Adequacy. |                    | .931     |
| Bartlett's Test of Sphericity                    | Approx. Chi-Square | 5395.058 |
|  | df                 | 990      |
|  | Sig.               | .000     |

Using PRINCIPAL COMPONENT MATRIX as the method of extraction with Eigen Values more than 1, SPSS was able to suggest six factors which collectively explained 68.11% of the variance. Most of the existing studies Principal Component Matrix as the method of extraction. The Maximum Likelihood method was also used, but, it was able to explain less variance, hence, Principal Component Matrix was preferred as a tool for extraction. An examination of the Component Matrix in Table 2, shows that the components are also correlated with each other. This is also corroborated by theory and by examination of the statements in the original questionnaire.

**Table 2**  
**Component Correlation Matrix**

| <i>Component</i> | 1     | 2     | 3     | 4     | 5     | 6     |
|------------------|-------|-------|-------|-------|-------|-------|
| 1                | 1.000 | .548  | -.503 | .125  | .037  | .481  |
| 2                | .548  | 1.000 | -.438 | .037  | .073  | .372  |
| 3                | -.503 | -.438 | 1.000 | -.200 | -.039 | -.496 |
| 4                | .125  | .037  | -.200 | 1.000 | .056  | .254  |
| 5                | .037  | .073  | -.039 | .056  | 1.000 | .079  |
| 6                | .481  | .372  | -.496 | .254  | .079  | 1.000 |

Extraction Method: Principal Component Analysis. Rotation Method: Oblimin with Kaiser Normalization.

Since more than 7 values exceed the minimum threshold value of 0.32 as given by Tabachnick and Fidell (2007, p. 646), we cannot accept Orthogonal rotation and have to resort to Oblique rotation, Oblimin with Kaiser normalisation. Loadings under 0.4 were suppressed in accordance with the available literature. SPSS has been able to provide six factors as given in Table 3.

**Table 3**  
**Structure Matrix**

|     | <i>Component</i> |      |      |      |      |      |
|-----|------------------|------|------|------|------|------|
|     | 1                | 2    | 3    | 4    | 5    | 6    |
| V1  | .437             | .652 |      | .495 |      |      |
| V2  |                  | .689 |      | .462 |      | .518 |
| V3  | .510             | .737 |      | .425 |      |      |
| V4  | .555             | .664 |      |      |      | .455 |
| V5  | .453             |      | .478 | .647 |      |      |
| V6  |                  | .720 | .499 | .495 |      |      |
| V7  | .520             | .685 | .441 | .497 | .428 |      |
| V8  |                  | .649 |      |      | .505 | .530 |
| V9  |                  | .709 | .411 |      | .552 |      |
| V10 |                  |      | .431 | .500 | .709 |      |
| V11 |                  |      |      | .595 | .606 | .403 |
| V12 | .438             |      |      | .634 | .680 | .510 |
| V13 | .701             |      |      | .484 | .426 | .622 |
| V14 | .530             |      |      | .519 | .572 | .625 |
| V15 |                  |      | .433 | .633 | .694 | .430 |
| V16 | .648             |      |      | .494 | .585 | .473 |
| V17 | .657             |      |      | .477 | .634 | .551 |
| V18 | .519             |      |      | .584 | .702 | .558 |
| V19 | .707             |      |      | .421 | .559 | .518 |
| V20 | .579             |      |      | .564 | .598 | .690 |
| V21 | .585             |      | .412 | .655 | .541 | .417 |
| V22 | .602             |      |      | .559 | .555 | .734 |
| V23 | .689             |      |      | .511 |      | .711 |
| V24 | .742             |      | .401 |      | .482 | .611 |
| V25 | .594             |      | .582 | .571 | .408 | .520 |
| V26 |                  |      | .547 | .407 |      | .746 |
| V27 |                  |      | .596 | .560 | .415 | .546 |
| V28 | .465             |      | .459 | .674 | .507 | .608 |
| V29 | .515             |      | .605 |      | .413 | .582 |
| V30 | .624             |      | .455 |      | .692 | .572 |
| V31 | .683             |      |      |      | .496 | .423 |
| V32 | .656             |      | .562 |      | .512 | .490 |
| V33 | .541             | .487 | .456 |      | .616 | .519 |
| V34 | .549             |      | .665 |      |      |      |
| V35 | .485             |      | .483 |      | .420 | .766 |
| V36 |                  |      | .545 | .416 | .610 | .632 |
| V37 |                  |      | .536 | .574 | .408 | .710 |
| V38 |                  |      | .563 | .483 | .524 |      |
| V39 |                  |      | .629 | .664 |      | .480 |
| V40 | .498             |      | .625 | .592 | .434 | .480 |
| V41 | .476             |      | .662 | .417 | .477 | .674 |
| V42 | .590             |      | .538 |      | .635 | .533 |
| V43 | .698             |      | .633 | .425 | .441 | .479 |
| V44 | .577             |      | .603 |      | .621 | .520 |
| V45 | .489             |      | .653 |      | .655 | .509 |

Extraction Method: Principal Component Analysis. Rotation Method: Oblimin with Kaiser Normalization.

The new Component Correlation Matrix is given in Table 4, which indicates better results as compared to orthogonal rotation.

**Table 4**  
**Component Correlation Matrix**

| <i>Component</i> | 1     | 2     | 3     | 4     | 5     | 6     |
|------------------|-------|-------|-------|-------|-------|-------|
| 1                | 1.000 | .220  | .302  | .328  | .408  | .443  |
| 2                | .220  | 1.000 | .168  | .123  | .157  | .180  |
| 3                | .302  | .168  | 1.000 | .277  | .313  | .345  |
| 4                | .328  | .123  | .277  | 1.000 | .361  | .366  |
| 5                | .408  | .157  | .313  | .361  | 1.000 | .421  |
| 6                | .443  | .180  | .345  | .366  | .421  | 1.000 |

Extraction Method: Principal Component Analysis. Rotation Method: Oblimin with Kaiser Normalization.

The variable and their corresponding statements are given in the APPENDIX.

## RESULTS AND DISCUSSION

Substantive interpretation is based on the significant loadings as discussed above:

1. Factor1: Trust and its manifestation (V13, V16, V17, V19, v24, V25, V31, V32, V43)
2. Factor2: Credibility of the Vendor (V1, V2, V3, V4, V6, V7, V8, V9)
3. Factor3: Reliability of the Vendor (V27, V28, V29, V34, V38, V40)
4. Factor4: Honesty of the Vendor (V5, V21, V39)
5. Factor5: Information Quality (V10, V11, V12, V15, V18, V30, V33, V42, V44, V45)
6. Factor6: Reputation and Ability of the Vendor (V14, V20, V22, V23, V26, V35, V36, V37, V41)

## CONCLUSION

Six factors have been extracted which are able to explain 68.11 % of the variance. There are some variable which do not manifest themselves in any of the factors. However, this seems more related to the mechanics of the rotation rather than the variables per se. Also Factor Analysis by its very nature has the inherent characteristic of providing different results with a different sample at a different point of time using the same set of variables. Further investigation is required into the same, using some other method of model testing like Structured Equation Modeling (SEM).

## APPENDIX

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|     |  |    |
|-----|--|----|
| V1  | 1. I am comfortable giving the e-commerce vendor control over information about me.                                  | F2 |
| V2  | 2. I can trust the performance of the e-commerce website.  | F2 |
| V3  | 3. E-commerce sites are trustworthy.   | F2 |
| V4  | 4. E-commerce vendors normally honor their promises and commitments.   | F2 |
| V5  | 5. E-commerce vendor has more to lose by not delivering on his promises.   | F4 |
| V6  | 6. I think that information provided by e-commerce vendors is sincere and honest.                                    | F2 |
| V7  | 7. E-commerce vendors represent a company or organization that will deliver on promises made.                        | F2 |
| V8  | 8. Good Design/ Look of the site makes it more credible.   | F2 |
| V9  | 9. Information Design/ Structure of the website increases the credibility of the e-commerce vendor.                  | F2 |
| V10 | 10. Usefulness of information on the website increases the credibilty of the e-commerce vendor.                      | F5 |
| V11 | 11. Accuracy of information on the website increases the credibilty of the e-commerce vendor.                        | F5 |
| V12 | 12. Advertising on the e-commerce vendors' website increases the credibility of the vendor.                          | F5 |
| V13 | 13. Correct tone of writing and good presentation increases the credibility of the e-commerce vendor.                | F1 |
|     | 14. Identity of organisation and its objective clearly presented increases the credibility of the e-commerce vendor. | F6 |
| V15 | 15. Functionality of site increases the credibility of the e-commerce vendor.  | F5 |
| V16 | 16. Affiliations and trust marks increase the credibility of the e-commerce vendor.                                  | F1 |
| V17 | 17. The e-commerce vendor is likely to pass any incidental benefits from its vendors to the customers.               | F1 |
| V18 | 18. The e-commerce vendor is honest in accepting its mistakes.   | F5 |
| V19 | 19. The e-commerce vendor is honest in giving product ratings.   | F1 |
| V20 | 20. The e-commerce vendor is honest in reporting actual delivery times.  | F6 |
| V21 | 21. The e-commerce vendor is honest in representation of the product under consideration.                            | F4 |
| V22 | 22. The e-commerce vendor is honest in using customer related data.  | F6 |
| V23 | 23. The e-commerce vendor is honest in delivering goods as promised.   | F6 |
| V24 | 24. The e-commerce vendor consistently delivers good quality product.  | F1 |
| V25 | 25. The e-commerce vendor can be relied upon to give the best deal.  | F1 |
| V26 | 26. The e-commerce vendor can be relied upon to be consistent in delivery time.                                      | F6 |
| V27 | 27. The e-commerce vendor can be relied upon to take customer complaints seriously.                                  | F3 |
| V28 | 28. The e-commerce vendor can be relied upon for the authenticity of the content posted on its website.              | F3 |

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*contd.*

|     |   |    |
|-----|---|----|
| V29 | 29. The e-commerce vendors have good reputation   | F3 |
| V30 | 30. It is expected that the e-commerce vendors are concerned about their customers.                             | F5 |
| V31 | 31. It is expected that online sellers offer good services.   | F1 |
| V32 | 32. Most customers would like to deal with e-commerce vendors.  | F1 |
| V33 | 33. E-commerce vendors are well known.  | F5 |
| V34 | 34. The e-commerce vendors are capable of protecting my personal data.  | F3 |
|     | 35. The e-commerce vendor is capable of ensuring that my personal data is not shared or tracked by anyone else. | F6 |
| V36 | 36. E-commerce vendors have the ability to successfully handle sales transactions on the Internet.              | F6 |
| V37 | 37. E-commerce vendors have sufficient expertise and resources to do business on the Internet.                  | F6 |
| V38 | 38. The e-commerce vendor has access to the information needed to handle transactions appropriately.            | F3 |
| V39 | 39. I believe the e-commerce vendor wants to make me happy.   | F4 |
| V40 | 40. I believe the e-commerce vendor wants me to have positive attitude towards him.                             | F3 |
| V41 | 41. I believe the e-commerce vendor wants to make my life easy.   | F6 |
| V42 | 42. I believe the e-commerce vendor is interested in a long term relationship with the customer.                | F5 |
| V43 | 43. I believe the e-commerce vendor is not likely to intentionally deceive me.                                  | F1 |
| V44 | 44. I have full faith in the e-commerce vendor.   | F5 |
| V45 | 45. I would normally not cross-check on any of the commitments made by the vendor.                              | F5 |

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