

**Is Firm Trust Essential In A Trusted Environment?
How Trust in the Business Context Influences Customers**

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Web Appendix

PART 1

ANTECEDENTS AND MODERATORS OF TRUST EXAMINED IN PREVIOUS MARKETING RESEARCH

Studies are identified by whether they examined the trusting party's individual characteristics (ICH), the trusting party's perceptions of the trusted party and/or of the relationship (PTP), or the trusting party's perception of the exchange context (PEC). N = no (did not examine) and Y = yes (did examine)

Study	Trust Is Influenced By:	ICH	PTP	PEC
Anderson & Narus 1990 (JM)	Trusted party's communication, quality of trusted party relative to the next best alternative, cooperativeness of the relationship.	N	Y	N
Atuahene-Gima & Li 2002 (JM)	Trusted party characteristics (supervisor accessibility, achievement orientation, role ambiguity) and relationship controls (output control and process control)	N	Y	N
Bart et al. 2005 (JM)	Trusting party's characteristics (familiarity with site, involvement, online expertise, Internet shopping experience, entertainment/chat experience), trusted site's characteristics (privacy, security, brand strength, advice, order fulfillment, community features, absence of errors, information on web site), category characteristics (financial risk, information risk, degree of info search required)	Y	Y	Y
Chaudhury & Holbrook 2001 (JM)	Utilitarian value of the trusted party's product.	N	Y	N
Cho 2006 (JR)	Trusted party's core business operations (offering good product assortment and value, site designs and security) and investments in relationship loyalty (economic rewards for loyalty, personalized communication, preferential treatment)	N	Y	N
Crosby et al. 1990 (JM)	Trusted party's attributes and actions (expertise, similarity) and relationship focus (contact intensity, mutual disclosure, cooperative intentions).	N	Y	N

WEB APPENDIX, PART 1 (CONT.)

Study	Trust Is Influenced By:	ICH	PTP	PEC
Doney & Cannon 1997 (<i>JM</i>)	Characteristics of the trusted firm (reputation, size, willingness to customize), characteristics of the trusted salesperson (expertise, power, likeability, similarity), characteristics of the relationship with the trusted firm (confidential information sharing, length of relationship), and characteristics of the relationship with the trusted salesperson (frequent business contact, frequent social contact, length of relationship)	N	Y	N
Dwyer & Oh 1987 (<i>JMR</i>)	Relationship characteristics such as formalization (rules and procedures), participation (consultation in decision making), and centralization (manufacturer authority)	N	Y	N
Erdem & Swait 2004 (<i>JCR</i>)	Consumer uncertainty	Y	N	N
Ganesan 1994 (<i>JM</i>)	Trusting party's experience and satisfaction with the trusted party, as well as characteristics of the trusted party, such as trusted party's specific investments and reputation.	Y	Y	N
Garbarino & Johnson 1999 (<i>JM</i>)	Attitudes toward the services offered by trusted party (actor satisfaction, actor familiarity, play attitudes, theater attitude).	N	Y	N
Garbarino & Lee 2003 (<i>P&M</i>)	Perceived (un)fairness of the trusted party.	N	Y	N
Hewett & Bearden 2001 (<i>JM</i>)	Trusting party's individualist or collectivist cultural orientation	Y	N	N
Johnson et al. 2004 (<i>JM</i>)	Trusting party's interactional and functional knowledge stores	Y	N	N
Kumar et al. 1995 (<i>JMR</i>)	Asymmetry and interdependence of the exchange relationship.	N	Y	N
Madhavan & Grover 1998 (<i>JM</i>)	Rich personal interaction and information redundancy in the exchange relationship.	N	Y	N
Maltz & Kohli 1996 (<i>JMR</i>)	Characteristics of the trusted party (such as perceived quality of services) and of the exchange relationship (such as positional power, and interfunctional rivalry).	N	Y	N

WEB APPENDIX, PART 1 (CONT.)

Study	Trust Is Influenced By:	ICH	PTP	PEC
Moorman et al. 1993 (<i>JM</i>)	Characteristics of the trusting party (job experience, firm experience), characteristics of the trusted party (such as research abilities and motivations), characteristics of the exchange context (such as organizational structure).	Y	Y	Y
Morgan & Hunt 1994 (<i>JM</i>)	Characteristics of the trusted party and exchange relationship (shared values, communication, opportunistic behavior)	N	Y	N
Ramaswami & Singh 2003 (<i>JM</i>)	Trusted party's distributive fairness, procedural fairness, interactional fairness	N	Y	N
Schlosser et al. 2006 (<i>JM</i>)	Trusted party's Web site investment and privacy/security statements	N	Y	N
Siguaw et al. 1998 (<i>JM</i>)	Market orientation of trusted party and trusting party.	Y	Y	N
Sirdeshmukh et al. 2002 (<i>JM</i>)	Trusted party's operational competence, operational benevolence, and problem solving	N	Y	N
Smith & Barclay 1997 (<i>JM</i>)	Organizational differences between trusted party and trusting party (reputations, job stability, strategic horizons, control systems, goals)	N	N	Y
Wang et al 2004 (<i>JIM</i>)	Information provided on the trusted party's Web site (such as seals of approval, privacy disclosures, security disclosures, return policy)	N	Y	N
Yousafzai et al. 2005 (<i>P&M</i>)	Information provided on the trusted party's Web site (such as security policies, privacy policies, legal and regulatory compliance, trusted third-party verification, guarantees, testimonials)	N	Y	N

PART 2: DETAILS ON SURVEY ITEMS

Respondents marked their agreement/disagreement with the following statements on a scale from 1 (strongly disagree) to 7 (strongly agree), with the exception of the satisfaction questions, which were 7-point bi-polar scales.

Interpersonal Trust (IPT) (Cronbach Alpha UK = .93, Taiwan = .95)	
<i>YOUR FINANCIAL ADVISOR. For each of the statements below, please consider your financial advisor.</i>	
Benevolence	(IB1) I can count on my financial advisor to consider how his/her advice and actions will affect me; (IB2) When it comes to things that are important to me, I can depend on my financial advisor's support; (IB3) When making important decisions regarding my investments, my financial advisor is concerned about my welfare
Honesty	(IH1) My financial advisor usually keeps his/her promises; (IH2) I can count on my financial advisor to be sincere; (IH3) Even if my financial advisor were to give me an explanation that seemed unlikely, I would be confident that he/she is telling the truth
Firm-Specific Trust (FST) (Cronbach Alpha UK = .91, Taiwan = .96)	
<i>THE BANK THAT EMPLOYS YOUR FINANCIAL ADVISOR. For each of the statements below, please consider the company or bank for which your financial advisor works.</i>	
Benevolence	(FB1) I can count on my financial advisor's bank to consider how its actions will affect customers like me; (FB2) If I were to have any problems with my financial advisor, my financial advisor's bank will be ready and willing to offer me assistance and support; (FB3) When making decisions about its policies, my financial advisor's bank is concerned about customers like me
Honesty	(FH1) My financial advisor's bank usually does what it says it's going to do; (FH2) I can count on my financial advisor's bank to be sincere in its communication; (FH3) Even if my financial advisor's bank were to provide an unlikely explanation, I would be confident that the explanation was correct.
System Trust – Government (Cronbach Alpha: UK = .78, Taiwan = .95)	
<i>YOUR OPINION ABOUT GOVERNMENT REGULATORS. For each of the statements below, please consider your opinion about the people responsible for government regulation of the financial services industry.</i>	
Benevolence	(SB1) When making important decisions about financial regulation, the government is concerned about the welfare of people like me; (SB2) If I were to have problems with my financial advisor, government agencies are available to offer me assistance and support; (SB3) Those who make decisions about financial regulation in this country seem to understand the needs of people like me
Honesty	(SH1) Most elected officials are sincere in their campaign promises; (SH2) I can count on financial regulators to be sincere; (SH3) The government usually keeps its promises in terms of financial regulation
System Trust – Professional Association (Cronbach Alpha: Taiwan = .95)	
<i>YOUR OPINION ABOUT THE PROFESSIONAL ASSOCIATION FOR FINANCIAL SERVICES. For each of the statements below, please consider your opinion about the Financial Investment and Trust Association (FITA). If you are unfamiliar with the FITA, please feel free to mark your answers with a '4,' which indicates 'neither agree nor disagree.'</i>	
Benevolence	(PB1) When making important decisions about regulating financial advisors, the FITA are concerned about the welfare of people like me.; (PB2) If I were to have problems with my financial advisor, the FITA would offer me assistance and support.; (PB3) Those who run FITA in this country seem to understand the needs of people like me.
Honesty	(PH1) Most of those who run the FITA are sincere in their promises.; (PH2) Those who run the FITA tend to be honest in terms of regulating financial advisors.; (PH3) I can count on the FITA to be sincere.

WEB APPENDIX, PART 2 (CONT.)

Generalized Trust (Cronbach Alpha UK = .60, Taiwan = .82)	
<i>SOME FINAL QUESTIONS ABOUT YOU. Please circle the number that corresponds to your personal opinion about each of the statements below.</i>	
General -ized Trust	(GT1) I have a lot of faith in the people I know; (GT2) My relationships with others are characterized by trust and acceptance; (GT3) Basically I am a trusting person; (GT4) Experience has taught me to be doubtful of others until I know they can be trusted; (GT5) It is better to be suspicious of people you have just met until you know them better; (GT6) Only a fool would trust most people
Satisfaction (Cronbach Alpha UK = 0.91, Taiwan = 0.97)	
<i>YOUR OPINION ABOUT YOUR FINANCIAL ADVISOR'S PERFORMANCE. Please circle a number corresponding to your opinion about how your financial advisor has performed for you.</i>	
Satisfaction	How (S1) disgusted/contented, (S2) sad/happy, (S3) dissatisfied/satisfied, (S4) displeased/pleased are you with your financial advisor?

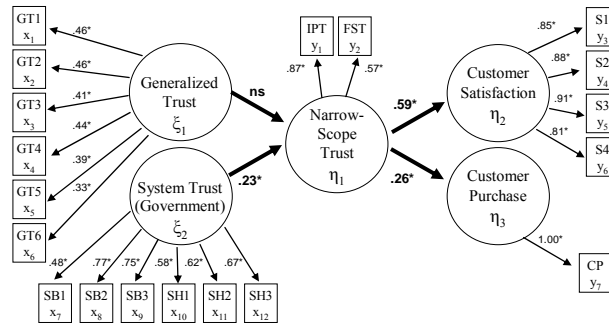
PART 3: STANDARDIZED REGRESSION COEFFICIENTS, STUDY ONE (UK)^a

INSTITUTIONAL-THEORY MODEL COEFFICIENTS				
Dependent Constructs	Independent Constructs	Model A	Model B	Model C
<i>Narrow-Scope Trust</i>	System Trust (Govt.)	.25**	.23**	.23**
	Generalized Trust	.01	.02	.02
	Common Method Variance		.10	.11
	Acquiescence Bias			.11
<i>Customer satisfaction</i>	Narrow-Scope Trust	.60**	.59**	.59**
	Common Method Variance		.09	.09
	Acquiescence Bias			.02
<i>Customer purchase</i>	Narrow-Scope Trust	.25**	.24**	.26**
	Common Method Variance		.01	-.02
	Acquiescence Bias			-.09
<i>Fit Statistics</i>	Chisquare	207 (df 142)	287 (df 215)	506 (df 232)
	RMSEA	.03	.03	.06
	CFI	.98	.99	.95
	AGFI	.94	.93	.87
FUNCTIONALIST-THEORY MODEL COEFFICIENTS				
Dependent Constructs	Independent Constructs	Model A	Model B	Model C
<i>Customer satisfaction</i>	System Trust (Govt.)	-.03	-.04	-.05
	Generalized Trust	.04	.06	.00
	Narrow-Scope Trust	.52**	.61**	.60**
	Common Method Variance		.10*	.10
	Acquiescence Bias			.01
<i>Customer purchase</i>	System Trust (Govt.)	.01	.00	.00
	Generalized Trust	-.05	-.06	.05
	Narrow-Scope Trust	.25**	.25**	.26**
	Common Method Variance		-.02	-.02
	Acquiescence Bias			-.14
<i>Fit Statistics</i>	Chisquare	205 (df 138)	284 (df 211)	505 (df 228)
	RMSEA	.03	.03	.06
	CFI	.98	.99	.95
	AGFI	.93	.93	.87

^a For each set of coefficients, Model A is the unadjusted model, Model B is adjusted for common method variance, and Model C is adjusted for both common method variance and acquiescence bias.

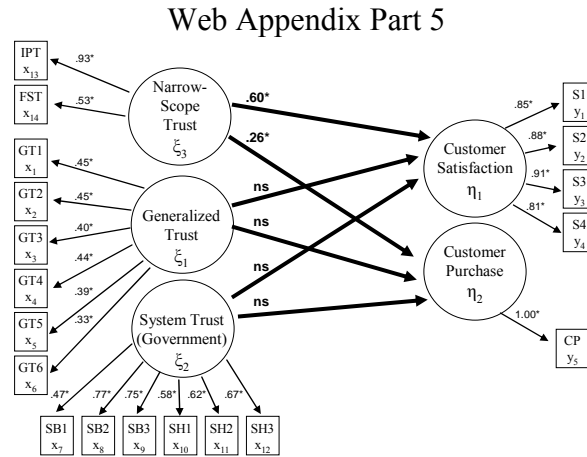
PART 4: DIAGRAM OF STRUCTURAL MODEL, STUDY ONE (UK)
TEST OF MEDIATED MODEL (INSTITUTIONAL THEORY)
standardized solution^a

Web Appendix Part 4



^a This model also included controls for acquiescence and common method variance. See Web Appendix (Part 3) for details on the coefficients associated with these controls.

PART 5: DIAGRAM OF STRUCTURAL MODEL, STUDY ONE (UK)
TEST OF NON-MEDIATED MODEL (FUNCTIONALIST THEORY)
standardized solution^a



^a This model also included controls for acquiescence and common method variance. See Web Appendix (Part 3) for details on the coefficients associated with these controls.

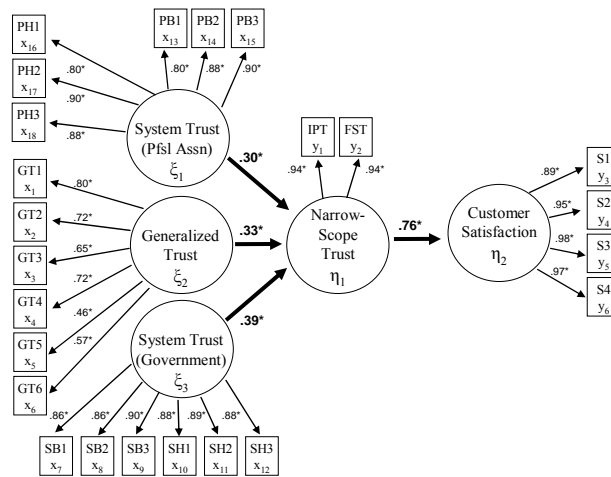
PART 6: STANDARDIZED REGRESSION COEFFICIENTS, STUDY TWO (TAIWAN)^a

INSTITUTIONAL-THEORY MODEL COEFFICIENTS				
Dependent Constructs	Independent Constructs	Model A	Model B	Model C
<i>Narrow-Scope Trust</i>	System Trust (Govt.)	.40**	.40**	.39**
	System Trust (Pfssl. Assn.)	.30**	.30**	.30**
	Generalized Trust	.35**	.36**	.33**
	Common Method Variance		.06	.06
	Acquiescence Bias			.04
<i>Customer satisfaction</i>	Narrow-Scope Trust	.77**	.77**	.76**
	Common Method Variance		-.06	-.06
	Acquiescence Bias			.01
<i>Fit Statistics</i>	Chisquare	413 (df 238)	438 (df 257)	485 (df 276)
	RMSEA	.05	.05	0.05
	CFI	.99	.99	0.99
	AGFI	.85	.85	0.84
FUNCTIONALIST-THEORY MODEL COEFFICIENTS				
Dependent Constructs	Independent Constructs	Model A	Model B	Model C
<i>Customer satisfaction</i>	System Trust (Govt.)	.00	.00	.02
	System Trust (Pfssl. Assn.)	-.03	-.03	.05
	Generalized Trust	.09	.08	.10
	Narrow-Scope Trust	.73**	.74**	.74**
	Common Method Variance		-.05	-.05
	Acquiescence Bias			-.09
<i>Fit Statistics</i>	Chisquare	410 (df 235)	436 (df 254)	482 (df 273)
	RMSEA	.05	.05	.05
	CFI	.99	.99	.99
	AGFI	.85	.85	.84

^a For each set of coefficients, Model A is the unadjusted model, Model B is adjusted for common method variance, and Model C is adjusted for both common method variance and acquiescence bias.

*PART 7: DIAGRAM OF STRUCTURAL MODEL, STUDY TWO (TAIWAN)
 TEST OF MEDIATED MODEL (INSTITUTIONAL THEORY)
 standardized solution^a*

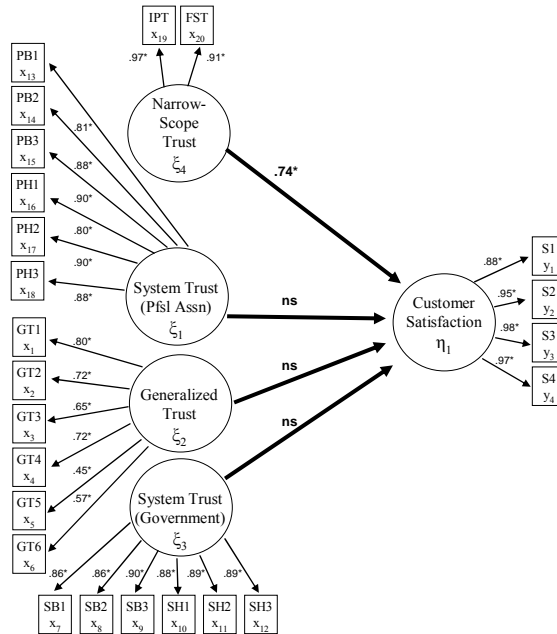
Web Appendix Part 7



^a This model also included controls for acquiescence and common method variance. See Web Appendix (Part 6) for details on the coefficients associated with these controls.

*PART 8: DIAGRAM OF STRUCTURAL MODEL, STUDY TWO (TAIWAN)
 TEST OF NON-MEDIATED MODEL (FUNCTIONALIST THEORY)
 standardized solution^a*

Web Appendix Part 8



^a This model also included controls for acquiescence and common method variance. See Web Appendix (Part 6) for details on the coefficients associated with these controls.