

## **Dual Effect of Price in E-Commerce Environment: Focusing on Trust and Distrust Building Processes**

Jung Lee\*

This study examines the dynamics of trust and distrust at different price levels. We first note that trust and distrust are built with cognitive and affective foundations, and price is viewed as a financial burden or product quality information. Then, we relate price changes to trust and distrust, and hypothesize their interactions: price as a quality cue will positively moderate the cognitive dimension of trust, whereas price as financial burden will negatively moderate the affective dimensions of trust and distrust. We surveyed 263 online mall shoppers in Korea. Among our eight hypotheses, six are fully supported and two are partially supported. The result shows that price perception interacts with both the cognitive and affective dimensions of trust and distrust, but its specific impacts are distinguished by the price perceptions, whether it is financial burden or product quality information.

**Keywords :** Trust, Distrust, Cognition, Affect, Price, E-commerce

---

\* Assistant Professor, Bang College of Business, KIMEP University

## I . Introduction

Over the past decade, trust is often considered as a cure-all medicine in business because of its broad impact on businesses in various ways across areas [Fang *et al.*, 2014; Shin *et al.*, 2013], thus attracting the interest of businesses and researchers [Hong *et al.*, 2013]. Trust is a confident belief a truster has toward a trustee, wherein a trustee is expected to behave in a way the truster expects [Gefen *et al.*, 2003]. This strong belief initiates, accelerates, and continues business transactions by reducing perceived risk, eliminating business layers, and helping customers overcome their fear in businesses [McLain and Hackman, 1999]. Trust strengthens the ties between two parties and makes them enduring [Awad and Ragowsky, 2008]. Customers who trust sellers tend to purchase repeatedly and do not easily switch to other sellers [Flavián *et al.*, 2006]. They become a good source of profit for the organization.

Distrust, on the other hand, has attracted the interest of IS researchers for its strong negative influence on businesses [Dimoka, 2010]. Distrust is the feeling of suspiciousness that one harbors toward the other, such that a partner may not be capable of performing his tasks as expected and/or may not care about the other's welfare [Lewicki *et al.*, 1998]. Distrust is a negative expectation regarding a partner's behavior, in the sense that they are incompetent. It is fear that a partner might have a harmful motivation thus he will ruin the business [Grovier, 1994]. Contrary to trust, distrust blocks, restrains, and slows down business transactions [Bigley and Pearce, 1998]. Distrust increases anxiety and fear of customers for their partner's future behavior [Grovier, 1994].

Parties distrusting each other believe that his partner might conduct opportunistic behavior and they might be betrayed by their partners [Cho, 2006]. Customers avoid having transaction with sellers they distrust.

Due to the critical but seemingly opposite impacts of trust and distrust, these topics have been studied together in numerous IS literature [Komiak and Benbasat, 2008]. When there exist two influential factors with opposite impacts, such as trust and distrust, the relationship of these factors needs to be clarified to avoid any possible confusion on causality between attributes and outcomes. For example, business failure can be attributed to either low trust, high distrust, or both. High trust and low distrust situations must be distinguished from their conditions and consequences. Unless trust and distrust are not fully understood in their status and outcomes, management of trust and distrust will not be completed.

Understanding trust and distrust can adopt one practical approach to control one exogenous factor, such as price, and examine their dynamics. By observing the different responses of trust and distrust to price, how trust and distrust interact with each other, and how they are mediated to actual behaviors can be ascertained [Huang *et al.*, 2014]. Selecting price as a control factor is especially consequential because it is one of the most important decision factors in online business [Su, 2007; Weisstein *et al.*, 2013] that is controlled by the seller. Investigation on dynamics of trust and distrust with respect to different price levels will help researchers and managers understand the interesting phenomenon involving trust and distrust in online business.

Given these reasons, the current study examines the dynamics of trust and distrust under different price levels. We discuss the cognitive and affective dimensions of trust and distrust, and apply different price levels to hypothesize the impact of price on trust, distrust, and purchase intention. The cognition-affect framework used in this study will show how customers think (i.e., cognition) and feel (i.e., affect) when building trust and distrust.

The study is organized as follows. First, we review the literature on trust/distrust under the cognitive/affective dimensionality framework and price perception in business. We then formulate a research model where price acts as a moderating factor on trust and distrust formations. The comprehensive impacts of price on trust, distrust, and consumer behaviors are hypothesized. We also explain our research methodology and data collection process and present the results of the data analysis. Finally, we discuss our findings and state the contributions of our study.

## II. Theoretical Background

### 2.1 Cognitive and Affective Aspects of Trust/Distrust

Psychological foundations of trust and distrust have been frequently discussed in the literature [Chang *et al.*, 2013; Russell, 2003]. As cognition and affect are the two most important and representative psychological units that mediate consumer perception and behavior, a cognitive-affective systems theory of personality argues that individuals differ in how they categorize and encode situational stimuli, and in how such encodings activate and interact with

the cognitive and affective units of their mental states [Mischel and Shoda, 1995]. It shows how people think (i.e., cognitive dimension) and feel (i.e., affective dimension) about various outer stimuli and explains why people behave differently when responding to the same stimuli [Homburg *et al.*, 2007].

Cognitive dimension captures how people judge and assess an object based on facts and evidence [Chua *et al.*, 2008]. The dimension connotes the straightforward, conscious process of being aware of an event. This process is a knowledge-based, immediate understanding of exogenous stimuli, such as a partner's skill and competency [McKnight *et al.*, 2002]. Cognition dimension forms beliefs and expectations based on rationality, and works as a reasonable basis for an individual's action. Affective dimension, on the other hand, shows how people feel about a subject. Affect is a state of mind that arises from one's own emotion and sense of the others' feeling and motives [Chua *et al.*, 2008]. Affect is formed mostly with one's instincts, intuitions, or feelings and builds an emotional bond with the subject, not necessarily resulting from reasoning and understanding but more from feeling and sense [Morrow *et al.*, 2004].

Given this, trust can emerge with both cognitive and affective foundations [McAllister, 1995]. If one goes through a careful, methodical thought process to determine whether an individual, group, or organization is trustworthy [Morrow *et al.*, 2004] and establishes the trustworthiness of another, cognition-based trust is formed. If one trusts the other because of proper reason and evidence, such as his competence and benevolence [Dimoka, 2010], cognitive trust emerges. Affective foundations for trust also exist,

which are made up of the emotional bonds between individuals. If people make emotional investments in trust relationships, express genuine care and concern for the welfare of partners, believe in the intrinsic virtue of such relationships, and believe that these sentiments are reciprocated [Rempel *et al.*, 1985], trust emerges with affective foundation. Emotional ties link individuals, which provide the basis for trust.

Distrust also can be viewed from this cognitive/affective framework that it can emerge with both cognitive and affective foundations. Cognitive distrust is a rational judgment that the subject is not trustworthy because he may lack skill, is dishonest, or is malevolent [McKnight *et al.*, 2002]. Affective distrust, on the other hand, is an emotional repulsion that an individual has for the other. This repulsion can be in the form of fear, worry, or concern resulting in reluctance to conduct business with the other. Such emotional repulsion often emerges, but not necessarily, due to the subject's vicious, harmful motivation, or from cognitive distrust that a subject is incompetent.

To highlight the similarities of—and differences between—trust and distrust, their conceptual symmetry is noted [Lewicki *et al.*, 1998]. Cognitive trust and distrust are in a symmetrical position, meaning that their cycles are negatively correlated. High cognitive trust implies low cognitive distrust, and vice versa. For example, when a partner is rationally assessed based on his or her capabilities and found to be incompetent, lacking in knowledge, and unskilled, cognitive distrust emerges and cognitive trust diminishes.

By contrast, affective trust and affective distrust are not in a symmetrical position [Fredrickson, 2001], that is, low affective trust does not auto-

matically imply high affective distrust. For example, if a person's partner is not very benevolent, a warm and emotional bond may not easily develop, but neither does emotional repulsion (that is, affective distrust) develop, unless the partner is vicious and attempts to harm the person. The opposite of competency is incompetence, but the opposite of benevolence is non-benevolence, which is distinct from malevolence.

With these taken together, we can now clarify the relationship between trust and distrust: (1) cognitive trust and cognitive distrust are in a rather symmetric position, such that high cognitive trust necessarily implies low cognitive distrust, and (2) affective trust and affective distrust are not in a symmetric position, such that low affective trust does not necessarily imply high affective distrust. <Table 1> presents a summary of trust and distrust conceptualizations.

Among the implications provided by the literature, the causal relationship between cognition-and-affect units needs to be highlighted. The cognitive-affective systems theory of personality [Mischel and Shoda, 1995] proposed that the cognition unit (i.e., expectation and beliefs) about the outcomes of behaviors in a particular situation is formed first based on the encoded information and these expectations and beliefs then shape the affective responses with psychological reactions. This idea of cognition-and-affect causality has been further exercised in various research contexts [Chang and Chen, 2009; Yuksel *et al.*, 2010]. All these studies support the observation that cognitive information processing works as the foundation of the affective mindset of humans. The implication of cognition-affect distinction and relation is evident in how instantly occurring cognition may last stably as affection.

&lt;Table 1&gt; Cognitive/Affective Dimensions of Trust and Distrust

	Trust	Distrust	Relationship between trust and distrust
Cognitive dimension	Trust from the head. A positive expectation of the partner's future behavior, based on a rational judgment of the partner's capabilities.	Distrust from the head. A negative expectation of the partner's future behavior based on a rational judgment of the partner's capabilities.	Negative correlation between trust and distrust. If one's partner is evidently incompetent and lacks knowledge, cognitive distrust will emerge but cognitive trust will not.
Affective dimension	Trust from the heart. An emotional bond between two parties. One often builds an emotional bond with one's partner when one is touched by the partner's genuine care or heart-warming gestures.	Distrust from the heart. An emotional repulsion between two parties. One is often emotionally hurt and fears transacting with one's partner when the partner's malevolent behavior or a vicious motivation is observed.	Affective trust and distrust are not necessarily negatively correlated. Even if affective trust is low due to the partner's indifference or apathy, affective distrust does not necessarily arise unless the other party intentionally tries to harm whilst remaining emotionally un hurt.

## 2.2 Price Perception in Business: Price as Financial Burden and Quality Cue

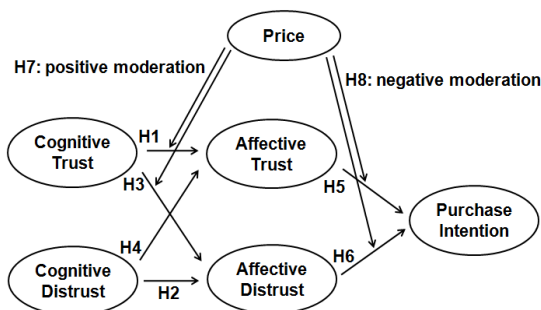
Price is the amount of money that a customer must part with to satisfy his consumption needs [Suh *et al.*, 2013]. Price is a "give" component for customers during transactions to "get" the product or service that he desires. Price is a burden for customers and a restriction on the coverage of consumption, which is inversely associated with the budget retained after purchase [Zeithaml, 1988]. Hence, in consumer behavior research, price is often viewed as a depressing factor, which may lower customer satisfaction [Jiang and Rosenbloom, 2005], purchase intention [Alford and Biswas, 2002], or increase perceived transaction risks [Zeithaml, 1988]. Price is also used as a parameter for product quality comparison. The difference between price and quality is named utility in economics and perceived value in managerial perspective

[Teas and Agarwal, 2000]. In this case, consumer choice actually depends, not solely on price or quality of product, but on the overall value (price-quality).

Although price is first viewed as a sacrifice component in transaction, another aspect of price, namely, informational component [Rao, 2005], also needs to be discussed. As one of the product information, price is used as a quality cue signaling product value [Völckner and Hofmann, 2007]. Frequently, customers do not purchase from the lowest price seller especially online because they are concerned that such low price might signal the poor quality of the product [Rao, 2005]. Price can exert a non-conscious influence on product quality expectancies [Shiv *et al.*, 2005] because there is a correlation between the actual product quality and price [Tellis and Wernerfelt, 1987]. Common sense dictates that high-quality products deserve to be priced high because of high production costs.

### III. Research Model

<Figure 1> describes our research model. It shows the paths through which cognitive trust/distrust are transformed into affective trust/distrust and finally into purchase intention. Price exerts a moderating effect on affective dimensions of trust/distrust and on purchase intention. This research model verifies the dual impact of price on trust/distrust → purchase intention processes; on one hand, price has a positive impact on trust, and on the other hand, it has a negative impact on purchase intention. The following subsections present a detailed explanation with supporting literature and rationalization.



<Figure 1> Research Model

#### 3.1 Forming Affective Trust/Distrust from Cognitive Trust/Distrust

Cognitive trust emerges when the customer assesses the capability of the seller to perform or deliver the service/product as promised [Dimoka, 2010]. Cognitive trust pertains to customer “awareness” of the seller’s trustworthiness. Numerous studies identify the sub-dimensions of trust, which are the capabilities of the trusted person [Kumar *et al.*, 1995]. A three-

dimensional view—competency, integrity, benevolence—covers the trustee’s intellectual capabilities and moral aspects [McKnight *et al.*, 2002]. When a truster recognizes his partner’s capability and assesses it positively based on his knowledge and rationale, trust is formed cognitively [Chua *et al.*, 2008]. The truster’s confident belief and expectation that the trustee will behave as he is expected results in positive outcome.

Once cognitive trust emerges, it helps customers build another form of trust called affective trust. Whereas cognitive trust is a rational assessment of the trustee’s capability to complete promised tasks, affective trust is a feeling of warmth that the truster builds with the trustee [McAllister, 1995]. Cognition is the straightforward, conscious process of being aware of the event and affect is a disposition or state of mind resulting from the reasoning and understanding that lasts for a certain period of time [Mischel and Shoda, 1995]. An emotional bond between two parties is often built after they interact with satisfactory result. The natural process of establishing such feeling first is initiated with the truster’s assessment that he is trustworthy, and reaches to his heart at which point he feels comfortable to do business with his trustee. From this premise, we have formed the following hypothesis.

**H1: Cognitive trust supports the building of affective trust.**

Cognitive distrust emerges when one suspects that his partner might not be competent enough to accomplish tasks as promised or he might conduct opportunistic behavior, such as decep-

tion and fraud. Cognitive distrust is a negative assessment of a partner's capability and morality. According to Dimoka [2010], distrust has two subconcepts-discredibility and malevolence. If somebody is not credible, possibly because of his lack of knowledge and skill, and malevolent with vicious generic motivation, distrust will emerge cognitively.

Once cognitive distrust emerges, it leads a customer to build another type of distrust called affective distrust. Affective distrust is a repulsive force between two parties that result in feelings of suspiciousness, worry, and fear. These feelings emerge after cognitive distrust is built when one observes his partner's incompetency or malevolence [Kumar *et al.*, 1995]. Affective distrust is not only the poor assessment of a partner, but more likely the feeling of hate. This feeling emerges if somebody is assessed poorly in business and causes a partner to become emotionally hurt. From this premise, we have formed the following hypothesis.

**H2: Cognitive distrust supports the emergence of affective distrust.**

Cognitive trust suppresses the emergence of affective distrust by lowering the anxiety level of the truster. If one has a positive assessment of his partner's capability and morality, which results in cognitive trust, this circumstance will lead him to feel safe when transacting with his partner. Affective distrust is a feeling of fear and worry. Hence, if one proves his competency and benevolence through cognitive trust, it will suppress the emergence of the partner's fear and anxiety. Affective distrust is a process of rationale judgment based on evidence and pos-

itive outcome, which affect the formation of the truster's feeling. Oftentimes, sellers are observed to provide hard evidence, such as certified escrow service, to relieve customers' anxiety for transactions. From this premise, we have generated the second hypothesis.

**H3: Cognitive trust suppresses the emergence of affective distrust.**

Cognitive distrust, on the other hand, suppresses the emergence of affective trust. This is a natural customer response when someone assesses a partner poorly due to his discredibility and malevolence; it then becomes hard for someone to build an emotional bond with his partner [McAllister, 1995]. A partner's incompetency and lack of knowledge or skill will make the transaction outcome difficult as expected. If a positive outcome is not expected, the feeling of warmth will not emerge. Customers will have difficulty in forming a positive expectation about a business transaction when the seller is incapable of delivering what is expected. Thus, affective trust will not emerge. From this premise, we have formed the following hypothesis.

**H4: Cognitive distrust suppresses the building of affective trust.**

The warm feeling a customer has toward his partner will facilitate smooth business transactions. The role of such affective trust is to make customers endure and resist environmental risks and uncertainty [Chua *et al.*, 2008]. In online business, transaction risk and product uncertainty have been problematic issues due to anonymity, impersonality, and information asymme-

try on the Internet. Affective trust enables customers to overcome such risks and uncertainties in online transactions. For example, online customers usually have difficulties conjecturing product value through the web. However, if affective trust is built between customers and sellers, customers will tend to buy the product despite the uncertainties. This occurrence shows how affective trust, which is actually the feeling of warmth and emotional bond, develops the patience and endurance of customers. From this premise, we have drawn the following hypothesis.

*H5: Affective trust has a positive impact on purchase intention.*

Affectively formed distrust prevents customers from purchasing. Customers who worry or are fearful and suspicious of transacting with the seller find it hard to actually engage in the transaction. This repulsive force between parties exaggerates the generic risks and uncertainty of the Internet. Whether such fear and suspiciousness are built based on fact or misunderstanding, once it is built, causes the customer to become inactive in business and refrain from purchasing the product. For example, if a customer fears and worries about the result of a transaction and is unsure of his partner's future behavior, his purchase intention will be lessened. Affective distrust will have a negative impact on purchase intention. From this premise, we have formed the following hypothesis.

*H6: Affective distrust has a negative impact on purchase intention.*

### 3.2 Impacts of Price on Trust/Distrust Building

For customers, price is first viewed as a financial burden in getting a service/product [Zeithaml, 1988]. It is a pure sacrifice constrained by the budget, in exchange with the product/service. Other things being equal, it is a general tendency that customers prefer lower-priced products. On the other hand, price can be viewed as product information signaling the value of the product [Völckner and Hofmann, 2007]. Oftentimes, it is presumed that the higher-priced product will actually be of higher value and quality [Jiang and Rosenbloom, 2005]. For this reason, online shopping mall users often refuse to choose the lowest-priced product. Hence, the price of a product implies both actual sacrifice and possible reward. When these seemingly opposite characteristics of price are applied to trust and distrust building, they generate complicated interaction with trust/distrust building.

Given its characteristic as a quality cue, price interacts with cognitive trust. When price increases, customers expect higher quality. High-paying customers request and expect more in terms of products or services [Rao, 2005]. Accordingly, those who expect more are more sensitive to and cautious about product quality because of their high expectation. When higher expectation is realized, greater happiness will be brought. Affect is more easily formed when higher expectation is fulfilled. Increased customer expectation causes them to become sensitive of their assessment of the transaction. Increased sensitivity is realized as a higher impact of cognitive trust. The phenomenon of high-



paying customers with higher expectations and more requirements is not unusual [Rao, 2005]. These customers are more concerned with the seller’s capability to deliver the product or service [Shiv *et al.*, 2005]. Cognitive trust is related to anticipated reward [Dimoka, 2010]. From this premise, we have generated the following hypotheses.

**H7: Higher price enhances the impact of cognitive trust.**

**H7a: Higher price enhances the positive impact of cognitive trust on affective trust.**

**H7b: Higher price enhances the negative impact of cognitive trust on affective distrust.**

Given its characteristic as a financial burden, price has a negative influence on purchase intention through its interaction with affective trust and distrust. When price increases, customers find it increasingly difficult to move on to the purchase stage [Alford and Biswas, 2002]. Whether the customers feel warmth (i.e., affective trust) or suspicion (i.e., affective distrust) toward the seller, such feelings are not as substantial as when financial burden increases. For exam-

ple, when customers pay more for a certain product, customers do not usually rely on how they “feel” but more on other fact-based circumstances, such as risk and reward. Accordingly, price works as a negative moderating factor: the higher the price, the less affective dimensions of individual will affect purchase intention.

Meanwhile, it must be noted that when the price is viewed as a quality cue or financial burden, it does not show any impact on cognitive distrust. Cognitive distrust is an active mental assessment that is related with a negative external stimulus such as an explicit deceit or a lie. Unless the price is irrationally high or inappropriately perceived, there is no obvious reason that the price will affect the customers from cognitive distrust aspect. From this premise, we have formed the following hypotheses. <Table 2> summarizes H7 and H8.

**H8: Higher price lessens the impact of affective trust and distrust on purchase intention.**

**H8a: Higher price lessens the positive impact of affective trust on purchase intention.**

**H8b: Higher price lessens the negative impact of affective distrust on purchase intention.**

<Table 2> Summarization of H7 and H8

Hypo	Perspective	Effect	Explanation
H7	Price is viewed as a quality cue	Positive moderating effect on cognitive trust	Consumers who pay a high price for a product/service are more sensitive to product/service quality → Assessment of product/service quality is captured by cognitive trust → Thus, the effect (beta coefficient) of cognitive trust increases.
H8	Price is viewed as a financial burden	Negative moderating effect on affective trust/distrust	As price increases, consumers become more cautious and sensitive to product/service quality, as in H7 → Accordingly, how they “feel” (affective dimension) become less important than how they “think” (cognitive dimension) → The beta coefficients of affective trust and distrust decrease.

## IV. Methodology

### 4.1 Item Development

Various studies on trust and distrust are consulted to develop questionnaires. We abstract keywords from relevant literature [Dimoka, 2010; McKnight *et al.*, 2002] and turn them into complete sentences. In developing measures, a number of points are considered. For cognitive trust and distrust, the focus is directed on the trustee's (i.e., seller) observable behavior. Given that cognitive trust and distrust are formed based on facts and evidence, cognitive trust primarily describes the virtues of the trustee, such as his competency and integrity, whereas cognitive distrust primarily describes, on the contrary, the viciousness of the trustee, including his harmful motivation and dishonesty. For affective trust and distrust, the focus is directed on the trustor's (i.e., customer) feelings. After trustors observe the trustees' behavior, how they feel and how they are affected are measured through affective trust and distrust. Affective trust describes an emotional bond between parties, whereas affective distrust describes the repulsive force between parties. For purchase intention, we adapted items from major literature that are exercised in the e-commerce context [Lee and Lee, 2009].

### 4.2 Survey Procedure

A web-based survey is designed to collect data as follows. First, we build a Web site that sells two types of package tours. Both package tours have the same purpose (i.e., summer vacation)

and location (i.e., Australia), but their prices differ because of differences in service quality. One is labeled as a luxurious hotel package, whereas the other is a regular travel package. However, the quality of the travel package is unknown until it is realized. Thus, customers have to estimate service quality only through the information on the Web and through price levels. The package tour is chosen as sample product for the following reasons: First, a package tour is a service-based product, the quality of which is mostly undetermined by the seller's capability. Such high reliance on a seller's capability highlights the emergence of trust. Second, a package tour is a relatively expensive product, which creates a feeling of great financial burden in customers. Such a feeling highlights the emergence of distrust.

We then invite participants from among Korean Internet users and instruct them to simulate planning a summer vacation tour in Australia. After showing them the Web site, we ask the respondents about their perceptions of trust, distrust, and purchase intention. Respondents are not allowed to proceed with experiment until after five minutes have passed. They have to examine the website for at least for 5 min before being allowed to proceed to the next page. If the respondents answer each question about their cognitive/affective trust/distrust levels too quickly and without pause, they are not allowed to answer the next page. The survey for the second product is conducted in the same manner. In total, it took the respondents an average of over 20 min to answer around 50 questions for two products, including full explanations. All these procedures are conducted

using Embrain.co (www.embrain.com) in September 2011, one of the largest market research companies in Korea with over 1.8 million consumer panels.

## V. Data Analysis and Results

We collect data from 263 respondents, who are all Internet users in Korea. The respondents' demographics and online shopping experiences are presented in <Table 3>. No possible bias exists in the age and gender of the respondents, and most of them have had previous online shopping experiences.

### 5.1 Measurement Model

A confirmatory factor analysis (CFA) is performed to test the validity of the constructs. All the fit statistics for the CFA model (GFI = 0.92, RMSR = 0.024, AGFI = 0.88, NFI = 0.99, CFI = 0.99, and normed chi-square = 1.97 in Low-price model; GFI = 0.92, RMSR = 0.022, AGFI = 0.88, NFI = 0.99, CFI = 0.99, and normed chi-square = 2.01 in High-price model; <Table 6>). The internal consistency and convergent validity of the constructs are then tested by examining the item-construct loading, composite reliability, and average variance extracted (AVE).

<Table 4> shows that all items exhibit the recommended level of loading values ( $> 0.7$ ). The values of the composite reliabilities are all higher than 0.7, as suggested by Nunnally and Bernstein [1994], and the values of AVE are all above 0.5. The discriminant validity is further examined using the square root of the AVE. In <Table 5>, all the square roots of AVE are greater than the off-diagonal construct correlations in the corresponding rows and columns.

We checked for possible common method variance using Harman's single-factor test [Podsakoff *et al.*, 2003]. This test shows the amount of spurious covariance shared among variables because of the common method (e.g., ambiguous wording) used in collecting data. An exploratory factor analysis of our items revealed six factors of which the eigen value is over 1. For the low price group, first factor explains 49% of total variance while other four factors show 13.41%, 10.16%, 8.41%, 5.12% respectively. For the high price group, five factors show 50.19%, 11.44%, 9.25%, 7.68%, 6.04% of total variance respectively. All five factors in both groups explain 87% and 85% of total variance. These results indicate that our data are not likely compromised by the common method bias.

<Table 3> Demographics of Respondents

Gender	Freq(%)	Age	Freq(%)	Internet Shopping Experience	Freq(%)
Male	131(49.8)	19~29	69(26.2)	None	15(5.7)
Female	132(50.2)	30~39	63(24.0)	Once or twice	18(6.8)
<b>Total</b>	<b>263(100)</b>	40~49	66(25.1)	From time to time	103(39.2)
		50~59	65(24.7)	Often	127(48.3)
		<b>Total</b>	<b>263(100)</b>	<b>Total</b>	<b>263(100)</b>

<Table 4> The Results of the Confirmatory Factor Analysis

Models	Construct	Indicator	Standardise loading	Measurement error	Composite reliability	AVE
Low-Price Model	Cognitive Trust	CT1	0.90	0.19	0.96	0.86
		CT2	0.93	0.13		
		CT3	0.94	0.11		
		CT4	0.93	0.14		
	Affective Trust	AT1	0.83	0.31	0.92	0.79
		AT2	0.92	0.15		
		AT3	0.92	0.16		
	Cognitive Distrust	CD1	0.90	0.20	0.94	0.85
		CD2	0.95	0.10		
		CD3	0.92	0.15		
	Affective Distrust	AD1	0.90	0.18	0.95	0.86
		AD2	0.94	0.12		
		AD3	0.94	0.12		
Purchase Intention	PI1	0.94	0.11	0.97	0.90	
	PI2	0.98	0.05			
	PI3	0.93	0.13			
High-Price Model	Cognitive Trust	CT1	0.93	0.14	0.97	0.88
		CT2	0.94	0.12		
		CT3	0.96	0.09		
		CT4	0.94	0.12		
	Affective Distrust	AT1	0.91	0.17	0.96	0.89
		AT2	0.95	0.09		
		AT3	0.96	0.07		
	Cognitive Distrust	CD1	0.95	0.10	0.97	0.91
		CD2	0.97	0.06		
		CD3	0.95	0.10		
	Affective Distrust	AD1	0.93	0.14	0.96	0.89
		AD2	0.96	0.08		
		AD3	0.94	0.11		
Purchase Intention	PI1	0.94	0.12	0.96	0.89	
	PI2	0.95	0.09			
	PI3	0.94	0.12			

<Table 5> Correlations of Latent Variables and Evidence of Discriminant Validity

	Low-Price Model							High-Price Model						
	Mean	SD	CT	AT	CD	AD	PI	Mean	SD	CT	AT	CD	AD	PI
CT	6.14	1.50	<b>0.93</b>					6.62	1.45	<b>0.94</b>				
AT	5.96	1.56	0.82	<b>0.89</b>				6.43	1.57	0.85	<b>0.94</b>			
CD	4.50	1.65	-0.63	-0.60	<b>0.92</b>			3.95	1.72	-0.67	-0.65	<b>0.96</b>		
AD	4.42	1.78	-0.62	-0.64	0.81	<b>0.93</b>		3.96	1.77	-0.70	-0.71	0.86	<b>0.94</b>	
PI	5.62	1.77	0.74	0.70	-0.56	-0.61	<b>0.95</b>	5.64	1.72	0.59	0.60	-0.44	-0.43	<b>0.94</b>

All correlation is significant at the 0.05 level (2-tailed).

The bold numbers in the diagonal row are square roots of the average variance extracted.

<Table 6> The Overall Statistics of the Measurement and Structural Model

Fit index	Measurement Model		Structural Model	
	Low-Price Model	High-Price Model	Low-Price Model	High-Price Model
<b>Absolute Fit Measures</b>				
Chi-square test statistic ( $\chi^2$ ); df	184.86: 94	188.86: 94	225.65: 97	211.23: 97
p-value	0.0000	0.0000	0.0000	0.0000
Goodness-of fit index (GFI)	0.92	0.92	0.90	0.91
Root mean square error of app. (RMSEA)	0.061	0.062	0.071	0.067
Root mean squared residual (RMR)	0.024	0.022	0.039	0.032
<b>Incremental Fit Measures</b>				
Adjusted goodness-of-fit index (AGFI)	0.88	0.88	0.86	0.87
Normed fit index (NFI)	0.99	0.99	0.98	0.98
Non-normed fit index (NNFI)	0.99	0.99	0.99	0.99
Comparative fit index (CFI)	0.99	0.99	0.99	0.99
<b>Parsimonious Fit Measure</b>				
Normed chi-square (Chi/df)	1.97	2.01	2.33	2.18

## 5.2 Structural Model

We conduct structural equation modeling analysis using LISREL 8.71 for each group to test the hypotheses. As shown in <Figure 2> and <Figure 3>, most of the paths are found significant, except the path from affective distrust, to purchase intention in the high-price group. From this finding, we conclude that H1 to H5 are fully supported, whereas H6 is par-

tially supported. We calculate the chi-square value differences between the pooled model (i.e., the model using the entire data set) and the testing model (i.e., the model relaxing the assumption that the target paths are the same between groups) to test H7 and H8. If the chi-square values are significantly different between the groups, path coefficients are presumed to differ between groups. Thus, the hypotheses are supported. As shown in <Table

<Table 7> Chi-square Test

Model/Path from A to B	Chi-square	DF	Chi-square (DF) difference with Pooled model	Sig.	Testing H	
<b>Pooled model</b>	<b>94.21</b>	<b>15</b>				
When relaxing the assumption that the path from A to B are the same between groups.	CT → AT	83.25	11	10.96(4)	0.05	H7a
	CT → AD	88.95	11	5.26(4)	0.25	H7b
	AT → PI	82.92	11	11.29(4)	0.025	H8a
	AD → PI	76.55	11	17.66(4)	0.005	H8b*

\* Given the insignificant relationship in original model (i.e., AD → PI in the high-price model), significance level (= 0.005) does not directly prove the difference. However, the significant path becomes insignificant as price is lowered. Thus, price can be presumed to have a moderately negative effect.

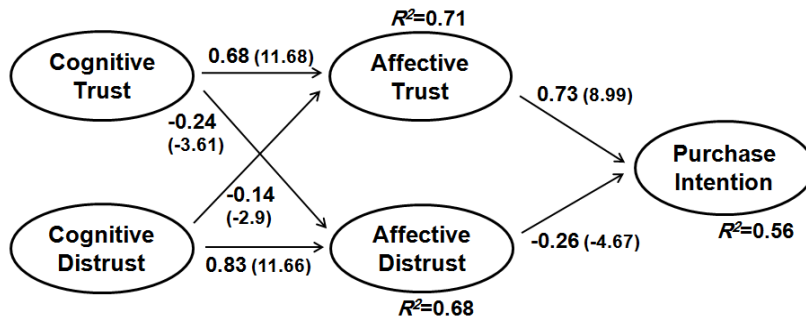
<Table 8> Hypotheses Test Result

H	Hypotheses	Low-Price model	High-Price model
H1	Cognitive trust supports the building of affective trust.	S	S
H2	Cognitive distrust supports the emergence of affective distrust.	S	S
H3	Cognitive trust suppresses the emergence of affective distrust.	S	S
H4	Cognitive distrust suppresses the building of affective trust.	S	S
H5	Affective trust has a positive impact on purchase intention.	S	S
H6	Affective distrust has a negative impact on purchase intention.	S	NS
H7a	Higher price enhances the impact of cognitive trust on affective trust.	S	
H7b	Higher price enhances the impact of cognitive trust on affective distrust.	NS	
H8a	Higher price lessens the impact of affective trust on purchase intention.	S	
H8b	Higher price lessens the impact of affective distrust on purchase intention.	S	

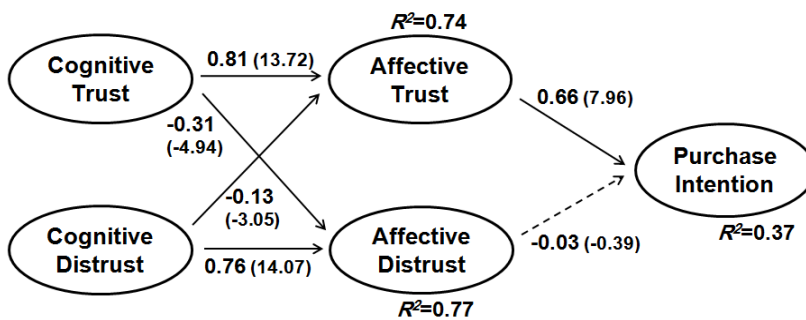
S: supported; NS: Not supported.

7>, the effect of cognitive trust on affective trust increases ( $\beta = 0.68 \rightarrow \beta = 0.81$ ) as price increases at the 0.05 significance level. The path coefficient from cognitive trust to affective distrust increases, but the change is not statistically significant. Hence, H7a is supported, whereas H7b is not. The path from affective trust to purchase intention is significantly lowered as price increases ( $\beta = 0.73 \rightarrow \beta = 0.66$ ,  $p = 0.025$ ), thus supporting H8a. Testing group differences in the path from affective distrust

to purchase intention is not applicable because of the insignificant relationship in the original model (i.e., AD → PI in the high-priced model). However, the significant path becomes insignificant as price decreases ( $\beta = -0.26$ ;  $p < 0.01 \rightarrow \beta = -0.03$ ;  $p > 0.10$ ). Thus, by lowering the price, the path from affective distrust to purchase intention weakens, as hypothesized in H8b. In total, H1 to H5 and H8 are fully supported, and H6 and H7 are partially supported, as summarized in <Table 8>.



&lt;Figure 2&gt; Low-price Model



&lt;Figure 3&gt; High-price Model

## VI. Discussion

### 6.1 Summary of Findings

Of the eight hypotheses, six are supported and two are partially supported. Most of the relationships were found to be significant, as expected. It is not difficult to conclude that price has a positive moderating effect on cognitive trust and a negative moderating effect on the affective dimensions of trust and distrust. However, in addition to the hypotheses test results, we observed notable changes in construct perception that the study needs to discuss.

First, as a result of price increase, trust level increases ( $\mu = 6.05 \rightarrow \mu = 6.53$ ), and distrust level decreases ( $\mu = 4.46 \rightarrow \mu = 3.96$ ), whereas purchase intention remains almost the same ( $\mu$

$= 5.62 \rightarrow \mu = 5.64$ ; <Table 3>). Although the price increases, purchase intention does not decrease. This finding differs from those of previous studies, which assume a negative relationship between price and purchase intention [6]. This disparity can be interpreted as follows. When price increases, purchase intention may not be critically affected as long as the increase is justified by improvements in quality. For customers who purchase entertainment products such as package tours, content and not price is the primary factor to consider.

Another noticeable result is the stronger effect of trust ( $\beta = 0.73$ ; 0.66) on purchase intention, compared with distrust ( $\beta = -0.26$ ). Contrary to the common belief that customers' negative feelings are often more significant than their positive ones [Samson, 2006], the current

results imply that trust is still a more important decision-making factor than distrust. This finding shows that in reality, people will not buy the product unless they have a strong positive feeling of trust. By contrast, suspiciousness does not critically affect purchase intention as long as customers can have confident, positive expectations about the transaction.

## 6.2 Academic Contribution

The contributions of this study are multifaceted. The present study investigates dual impacts of price interacting with trust and distrust. Price has been considered one of the most important decision factors in online businesses. Thus, numerous studies have investigated the impact of price. However, most studies have considered price as a single-effect factor, such as a risk factor [Pavlou, 2003] or a quality cue [Zeithaml, 1988]. Few studies have noted these dual characteristics and integrated them into a single context. This study thus investigates its dual impacts and identifies their specific relationships with other outcome variables. Correctly relating causes to their effect is important with two types of effects, which are unrelated and even seemingly opposite, generated from one factor (trustee's behavior) and existing on one outcome (seller's purchase intention). Hence, by considering two seemingly opposite effects of price on trust/distrust-building and purchase intention, this study provides in-depth understanding on how price affects consumer behavior in various stages.

Another academic contribution of this study lies in the investigation into the exercise of cognitive and affective dimensionality in the trust/

distrust context and the development of their measures. The cognition-affect framework has been practiced numerous times in previous research on trust [Chang and Chen, 2009] for its effectiveness in reflecting the human mindset and its logical flow from stimuli to lasting feeling. However, few applied this framework on trust and distrust as comparative concepts. Trust and distrust are critical concepts with opposite impacts, but are not fully explained. The framework in this study reflects the psychological aspects of trust and distrust and develops their measurements. Such conceptualizations and operationalization helps researchers understand how trust and distrust emerge in and mediate consumer behavior.

Finally, this study provides foundations for the further development of trust and distrust conceptualization. Whether trust and distrust are related or are independent or opposite concepts has been an issue for IS researchers [Sitkin and Roth, 1993]. A question on what trust and distrust are and how they are different [Cho, 2006] has been posed. In this study, we do not direct how they are different but provide foundations for conceptualization, which can be further used as trust/distrust studies. For example, affective trust being an emotional bond and affective distrust involving fear and worry is discussed. The relationship between cognitive trust and distrust, which is rather opposite in direction, differs from the relationship between affective trust and distrust, which is not directly in opposite directions. Such detailed conceptualization on trust and distrust can provide the foundation on how trust and distrust can be differentiated in future studies.



### 6.3 Practical Implications

This study enlightens practitioners about customers' perception that high price is not only a sacrifice but also a signal for better quality. For practitioners, price has been an essential strategic issue [Erickson and Johansson, 1985] because of its critical impact on consumer demands. However, price has oftentimes been treated as a sacrifice factor [Teas and Agarwal, 2000] and sometimes as quality cue [Rao, 2005], but few have combined these views into a single context. This study, accordingly, by combining the dual impacts of trust into a single context, shows practitioners how customers react to two-sided information through their purchase behavior. Moreover, by showing interactions between these dual impacts and the customers' psychological responses, including how customers would think (cognitive dimension) and feel (affective dimension) about price and how it will affect their purchase intention, this study helps practitioners understand customers and teaches them to manage price levels in their business.

Another implication of this study is that it shows how customers systematically respond to changes in exogenous factors, such as price. For practitioners, understanding how customers think (i.e., cognition) and feel (i.e., affect) is crucial when an exogenous factor such as price changes [Gefen and Carmel, 2013]. However, managers will find it laborious to fully understand customers from the inside by observing behavior alone. One benefit of applying a psychological framework, as in this study, would be that it shows the workings of the human mindset. This study applies the framework reflecting the psychological aspects of customers.

By applying the cognition-affect framework, we show how customers first cognitively form trust/distrust and how such cognitions build affect to finally influence purchase behavior. This study adds implications by showing such sequential and specified price impacts can help managers in setting price and preparing their responses to customers.

Finally, this study presents a comparative view of trust and distrust so that practitioners can encompass more realistic and efficiency-oriented trust and distrust management. In reality, resources are scarce, and managers should prioritize various business issues. Even if both trust and distrust are considered important, discussing which one is more significant than the other under what circumstances is still desired. This study parallels trust and distrust with consumer behavior and shows their paths. For example, the stronger impact of affective trust over affective distrust toward purchase intention implies that a feeling of warmth should be prioritized than a feeling of suspiciousness. When resources are limited in managing both trust and distrust, exerting more effort into increasing trust than lowering distrust is recommended.

### 6.4 Limitations and Future Research

This study has a number of limitations. First, price has been relatively conceptualized. We control price at two levels. Determining what level of price can be considered low or high needs further discussion. Second, the product type tested is limited to a travel package, which is a service-based, relatively expensive product. Extending the product types to widely purchased goods online, such as electronics, and uni-

que products, such as antiques, is recommended to generalize the hypothesis test result. Third, further refinement of measurements is desired. This study first develops trust and distrust items along with their cognition-affect aspects in a single context. Despite the importance of trust and distrust, their dimensionalities have not been fully discussed. Refining these dimen-

sionalities for future studies on trust and distrust is expected. Finally, analyzing the actual purchase data to compare with the experimental data as in this study is recommended. Since the dependent variable measures the 'intention' to purchase instead of the actual purchase, it would enhance the understanding of readers if actual data record is concurrently displayed.

### ⟨References⟩

- [1] Alford, L. and Biswas, A., "The Effects of Discount Level, Price Consciousness and Sale Proneness on Consumers' Price Perception and Behavioral Intention," *Journal of Business Research*, Vol. 55, No. 9, 2002, pp. 775-783.
- [2] Awad, N. and Ragowsky, A., "Establishing Trust in Electronic Commerce through Online Word of Mouth: An Examination Across Genders," *Journal of Management Information Systems*, Vol. 24, No. 4, 2008, pp. 101-121.
- [3] Bigley, G.A. and Pearce, J.L., "Straining for Shared Meaning in Organization Science: Problems of Trust and Distrust," *Academy of Management Review*, Vol. 23, No. 3, 1998, pp. 405-422.
- [4] Chang, H.H. and Chen, S.W., "Consumer Perception of Interface Quality, Security and Loyalty in Electronic Commerce," *Information and Management*, Vol. 46, No. 7, 2009, pp. 411-417.
- [5] Chang, M.K., Cheung, W., and Tang, M., "Building Trust Online: Interactions among Trust Building Mechanisms," *Information and Management*, Vol. 50, No. 7, 2013, pp. 439-445.
- [6] Cho, J., "The Mechanism of Trust and Distrust Formation and Their Relational Outcome," *Journal of Retailing*, Vol. 82, No. 1, 2006, pp. 25-35.
- [7] Chua, R.Y.J., Ingram, P., and Morris, M.W., "From the Head and the Heart: Locating Cognition- and Affect-based Trust in Managers' Professional Networks," *Academy of Management Journal*, Vol. 51, No. 3, 2008, pp. 436-452.
- [8] Dimoka, A., "What Does the Brain Tell Us about Trust and Distrust? Evidence from a Functional Neuroimaging Study," *MIS Quarterly*, Vol. 34, No. 2, 2010, pp. 373-396.
- [9] Erickson, G.M. and Johansson, J.K., "The Role of Price in Multi-attribute Product Evaluations," *Journal of Consumer Research*, Vol. 12, No. 2, 1985, pp. 195-199.
- [10] Fang, Y., Qureshi, I., Sun, H., McCole, P., and Ramsey, E., "Trust, Satisfaction, and Online Repurchase Intention: The Moderating Role of Perceived Effectiveness of E-Commerce Institutional Mechanisms," *MIS Quarterly*, Vol. 38, No. 2, 2014, pp. 407-427.
- [11] Flavián, C., Guinalú, M., and Gurrea, R., "The Role Played by Perceived Usability, Satisfaction and Consumer Trust on Web-

- site Loyalty," *Information and Management*, Vol. 43, No. 1, 2006, pp. 1-14.
- [12] Gefen, D. and Carmel, E., "Why the First Provider Takes It All: the Consequences of a Low Trust Culture on Pricing and Ratings in Online Sourcing Markets," *European Journal of Information Systems*, Vol. 22, 2013, pp. 604-618.
- [13] Gefen, D., Karahanna, E., and Straub, D.W., "Trust and TAM in Online Shopping: an Integrated Model," *MIS Quarterly*, Vol. 27, No. 1, 2003, pp. 51-90.
- [14] Grovier, T., "An Epistemology of Trust," *International Journal of Moral Social Studies*, Vol. 8, No. 2, 1994, pp. 155-174.
- [15] Homburg, C.H., Grozdanovic, M., and Klarmanm, M., "Responsiveness to Customers and Competitors: the Role of Affective and Cognitive Organizational Systems," *Journal of Marketing*, Vol. 71, No. 3, 2007, pp. 18-38.
- [16] Hong, I., Kim, T., and Cha, H., "The Mediating Role of Perceived Risk in the Relationships Between Enduring Product Involvement and Trust Expectation," *Asia Pacific Journal of Information Systems*, Vol. 23, No. 4, 2013, pp. 103-128.
- [17] Huang, L., Ba, S., and Lu, X., "Building Online Trust in a Culture of Confucianism: The Impact of Process Flexibility and Perceived Control," *ACM Transactions on Management Information Systems*, Vol. 5, No. 1, 2014, Article 4.
- [18] Jiang, P., and Rosenbloom, B., "Customer Intention to Return Online: Price Perception, Attribute-level Performance, and Satisfaction Unfolding over Time," *European Journal of Marketing*, Vol. 39, No. 1/2, 2005, pp. 150-174.
- [19] Komiak, S.Y.X. and Benbasat, I., "A Two-process View of Trust and Distrust Building in Recommendation Agents: A Process-tracing Study," *Journal of Management Information Systems*, Vol. 24, No. 4, 2008, pp. 249-273.
- [20] Kumar, N., Scheer, L.K., and Steenkamp, J.B., "The Effects of Perceived Interdependence on Dealer Attitudes," *Journal of Marketing Research*, Vol. 32, No. 3, 1995, pp. 348-356.
- [21] Lee, J. and Lee, J.N., "Understanding Product Information Inference Process in Electronic Word-of-Mouth: an Objectivity-subjectivity Perspective," *Information and Management*, Vol. 46, No. 5, 2009, pp. 302-311.
- [22] Lewicki, R.J., McAllister, D.J., and Bies, R. J., "Trust and Distrust: New Relationships and Realities," *Academy of Management Review*, Vol. 23, No. 3, 1998, pp. 438-458.
- [23] McAllister, D.J., "Affect and Cognition-based Trust as Foundations for Interpersonal Cooperation in Organizations," *Academy of Management Journal*, Vol. 38, No. 1, 1995, pp. 24-59.
- [24] McKnight, D.H., Choudhury, V., and Kacmar, C., "Developing and Validating Trust Measures for E-commerce: an Integrative Typology," *Information Systems Research*, Vol. 13, No. 3, 2002, pp. 334-359.
- [25] McLain, D.L. and Hackman, K., "Trust, Risk, and Decision-making in Organizational Change," *Public Administration Quarterly*, Vol. 23, No. 2, 1999, pp. 152-176.
- [26] Mischel, W. and Shoda, Y., "A Cognitive-affective System Theory of Personality: Re-

- conceptualizing Situations, Dispositions, Dynamics, and Invariance in Personality Structure," *Psychological Review*, Vol. 102, 1995, pp. 246-268.
- [27] Morrow, J.L. Jr, Hansen, M.H., and Pearson, A.W., "The Cognitive and Affective Antecedents of General Trust within Cooperative Organizations," *Journal of Managerial Issues*, Vol. 16, No. 1, 2004, pp. 48-64.
- [28] Nunnally, J.C. and Bernstein, I.H., *Psychometric Theory* (3rd Ed), New York: McGraw-Hill. 1994.
- [29] Pavlou, P.A., "Consumer Acceptance of Electronic Commerce: Integrating Trust and Risk with the Technology Acceptance Model," *International Journal of Electronic Commerce*, Vol. 7, No. 3, 2003, pp. 101-134.
- [30] Podsakoff, P.M., MacKenzie, S.M., Lee, J., and Podsakoff, N.P., "Common Method Variance in Behavioral Research: A Critical Review of the Literature and Recommended Remedies," *Journal of Applied Psychology*, Vol. 88, 2003, pp. 879-903.
- [31] Rao, A.R., "The Quality of Price as a Quality Cue," *Journal of Marketing Research*, Vol. 42, 2005, pp. 401-405.
- [32] Rempel, J.K., Holmes, J.G., and Zanna, M.D., "Trust in Close Relationships," *Journal of Personality and Social Psychology*, Vol. 49, No. 1, 1985, pp. 95-112.
- [33] Russell, J.A., "Core Affect and the Psychological Construction of Emotion," *Psychological Review*, Vol. 110, No. 1, 2003, pp. 145-172.
- [34] Samson, A., "Understanding the Buzz that Matters: Negative vs. Positive Word of Mouth," *International Journal of Market Research*, Vol. 48, No. 6, 2006, pp. 647-657.
- [35] Shin, G., Ahn, J.H., and Kim, T., "IPTV in Korea: The Effect of Perceived Interactivity on Trust, Emotion, and Continuous Use Intention," *Asia Pacific Journal of Information Systems*, Vol. 23, No. 3, 2013, pp. 55-76.
- [36] Shiv, B., Carmon, Z., and Ariely, D., "Placebo Effects of Marketing Actions: Consumers May Get What They Pay For," *Journal of Marketing Research*, Vol. 42, No. 4, 2005, pp. 383-393.
- [37] Sitkin, S.B. and Roth N.L., "Explaining the Limited Effectiveness of Legalistic Remedies for Trust/Distrust," *Organization Science*, Vol. 4, No. 3, 1993, pp. 367-392.
- [38] Su, B., "Consumer e-tailer Choice Strategies at On-line Shopping Comparison Sites," *International Journal of Electronic Commerce*, Vol. 11, No. 3, 2007, pp. 135-159.
- [39] Suh, K.S., Benbasat, I., and Suh, E.K., "The Impact of Listing Location on Visits, Bids, and Final Prices in Online Auctions: A Field Experiment," *International Journal of Electronic Commerce*, Vol. 17, No. 3, 2013, pp. 87-108.
- [40] Teas, K.R. and Agarwal, S., "The Effects of Extrinsic Product Cues on Consumers' Perceptions of Quality, Sacrifice, and Value," *Journal of the Academy of Marketing Science*, Vol. 28, No. 2, 2000, pp. 278-290.
- [41] Tellis, G.J. and Wernerfelt, B., "Competitive Price and Quality under Asymmetric Information," *Marketing Science*, Vol. 6, 1987, pp. 240-253.
- [42] Völckner, F. and Hofmann, J., "The Price-perceived Quality Relationship: A Meta-analytic Review and Assessment of its Determinants," *Marketing Letters*, Vol. 18, No. 3,

- 2007, pp. 181-196.
- [43] Weisstein, F.L., Monroe, K.B., and Kukar-Kinney, M., "Effects of Price Framing on Consumers' Perceptions of Online Dynamic Pricing Practices," *Journal of the Academy of Marketing Science*, Vol. 41, No. 5, 2013, pp. 501-514.
- [44] Yuksel, A., Yuksel, F., and Bilim, Y., "Destination Attachment: Effects on Customer Satisfaction and Cognitive, Affective and Conative Loyalty," *Tourism Management*, Vol. 31, No. 2, 2010, pp. 274-284.
- [45] Zeithaml, V., "Consumer Perceptions of Price, Quality and Value: A Means-end Model and Synthesis of Evidence," *Journal of Marketing*, Vol. 52, No. 3, 1988, pp. 2-22.

### 〈Appendix〉 Measurement

Construct	Items	Keywords	Questionnaires
Cognitive Trust	CT1	Knowledge and skill	This Web site seems to have sufficient knowledge and skills to provide the specified package tour service.
	CT2	Knowhow	This Web site seems to possess the know-how to provide the service as promised.
	CT3	Professionalism	This Web site seems to be a professional package tour service provider.
	CT4	Trustworthiness	This Web site service seems to be trustworthy.
Cognitive Distrust	CD1	Lack of knowledge and skill	This Web tour company does not seem to have sufficient knowledge and skills to provide the package tour service as written on its website.
	CD2	Lack of know-how	This Web site does not seem to possess the know-how to provide the service as promised.
	CD3	Amateurism	This Web site looks amateurish; thus, I am suspicious of its capability to provide the service.
Affective Trust	AT1	Sincerity	This Web site will sincerely understand my anxiety about the tour, and try its best to reduce it.
	AT2	Emotional bond	I would feel a sense of loss if I could no longer purchase from this Web site.
	AT3	Responsiveness	This Web site will respond to my problems or questions caringly.
Affective Distrust	AD1	Fear	I am afraid of the damage the future business conduct of this Web site may bring.
	AD2	Suspiciousness	I am suspicious that this Web site will respond to my interest in the product with vicious intentions.
	AD3	Anxiety	I worry that this Web site might not care about my business.
Purchase Intention		PI1	I am positive toward buying this product.
		PI2	I have the intention of buying this product.
		PI3	I think the buying this product is a good idea.

◆ About the Authors ◆



Jung Lee

Jung Lee is an Assistant Professor in the Bang College of Business at KIMEP University. She was a post-doctoral research fellow in the Department of Information Systems at the National University of Singapore. She received Ph.D. degree in MIS from Korea University Business School, M.S. degree in Information Systems from the Graduate School of Information of Yonsei University, and B.S. degree in Biology from Korea Advanced Institute of Science and Technology (KAIST). Her research interests include electronic word-of-mouth, trust/distrust and social media. She has published papers in journals including *Decision Support Systems*, *Information & Management*, *Information Systems Frontiers*, *International Journal of Electronic Commerce*, and presented papers at conferences including ICIS, AMCIS, and PACIS.

Submitted : July 31, 2014

1st revision : September 14, 2014

Accepted : September 15, 2014