Antecedents of Online Trust towards e-Retailers for Repeat Buyers: An Empirical Study in Indian Context

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**ABSTRACT:** The research explores the trust building mechanisms among e-commerce vendors and reconciles trust as a cognitive as well as a knowledge based mechanism in the proposed framework. An empirical examination is conducted with variables integrity, benevolence and ability with trust as the dependent variable and propensity to trust as the mediating variable. Authors establish ability and integrity as primary antecedents and explore the central role of trust propensity in the online trust for Indian buyers. Additionally, it is observed that in the context of online buyers behaviour benevolence seems insignificant, which is counter-intuitive given the role of discounts in the Indian market. Lastly, the role of media and social influencers in building a perception of trust seems of little consequence.

**Keywords:** Benevolence, e-Commerce, Integrity, Online, Propensity, Trust

In 2015, the Indian e-commerce market clocked USD 16 billion and is estimated to reach USD 160 billion by 2020\(^1\). As per TRAI (Indian telecom regulator) report on internet broadband and narrowband subscribers as of March 2014; internet subscribers increased from 238.71 million at the end of Dec-13 to 251.59 million with quarterly growth of 5.40%. About 165 million (13% of total population) subscribers in India (TRAI, 2014) are actively using internet. Both industry and academic articles have pinned the e-commerce phenomena in India as largely being metro-city centric (Rao & Rao, 2012). However, in the long run the rural or semi-urban population will be the potential users and therefore India is perceived as a huge market for e-commerce. This estimation is based on mobile subscription of over 800 million, a large middle class population (estimated at 200-250 million) and a pent-up desire to own various lifestyle products across the tier-2 and tier-3 cities in India where availability is limited.

Comparison with China however, brings out stark differences. Data shows that number of online shoppers in China is about 42% of the total population which is about 560 million. The online shopping in China generated revenues of USD 300 billion in 2013 (Agarwal, 2014) and expected to rise to USD 1.5 Trillion by 2020. Average spending per consumer in China for 2015 was close to USD 826, whereas for

India it is not more than USD 90 per consumer even if we assume a 50% penetration among the owners of broadband (Millward, 2013). This difference among the behavior of consumers who do have access to broadband is mostly attributed to their lack of trust in online transactions and e-vendors (Bart, Shankar, Sultan, & Urban, 2005; Benedicktus, Brady, Darke, & Voorhees, 2010). Today, Indian e-vendors and firms face an uphill task in terms of bringing in new consumers; retaining existing consumers and increasing revenue per consumer. A better understanding of trust could enhance the prospects of Indian e-retailers besides offering a new avenue for Indian consumers to choose products and services of choice.

In the present work we explore trust among the Indian online repeat buyers. We begin with the review of literature to identify the conceptual underpinnings and then subsequently propose a model for trust among online Indian netizens. Further, we discuss research methodology, analysis and conclusions including limitations and practical implications of the current research.

**LITERATURE REVIEW**

Trust has been studied by scholars in the field of Psychology, Marketing, Organization Behavior, Human Computer interface etc. (McKnight, Choudhury, & Kacmar, 2002). Every field has contributed in its own ways to further our understanding about trust and more importantly this is an evidence of acceptance of trust as a fundamental concept across the domains. Studies exploring trust between business relations (Fukuyama, 1995), leaders and followers, buyer and seller (Crosby & Stephens, 1987; Doney & Cannon, 1997), co-workers (Mayer & Davis, 1999) have dominated the scholarly landscape in the management literature (Gefen, Karahanna, & Straub, 2003). However, literature on trust specific to online purchase has a recent origin with most scholarly work appearing from 2000 onwards (Lee & Turban, 2001). Among these studies too, a distinct difference between studies focusing on initial consumer trust based on cognition process of trust building (Gefen, 2000; McKnight, Choudhury, & Kacmar, 2002) and studies focusing on repeat consumer trust based on knowledge based trust building (Gefen, Karahanna, & Straub, 2003; Kim, Xu, & Koh, 2004) has been observed. However, authors have argued that complex interplay of both cognition and knowledge based trust building would be fundamental to explain trust.
Since the present work seeks to look at returning consumers, we look to operationalize both the trust building mechanisms into a comprehensive framework that conceptualizes trust.

Amongst various trust related frameworks; work by Mayer et al. (1995) is considered as a major attempt towards integrating existing body of knowledge with respect to conceptualizing trust. Taking this ahead, Mayer and Davis (1999) define trust as “willingness to be vulnerable to the actions of another party”. This definition separates trust from various antecedents such as trustworthiness as well as outcomes such as risk taking, cooperation, job performance etc. Another scholarly work is by Rousseau et al., (1998) which strongly emphasizes upon the role of positive expectation towards intention of trustee and hence accepting vulnerability. Most authors in applied fields have utilized the aspects of ‘willful vulnerability based on positive expectations’ together with a ‘sense of general belief or trusting intentions on third party’ (Hosmer, 1995; McKnight, Choudhury, & Kacmar, 2002) when operationalizing trust.

Mayer and Davis (1999) clarifies that trustor would trust a trustee if the trustee fulfills certain specific characteristics that bestow upon her trustworthiness (antecedent of trust) in the perception of a trustor. Trustworthiness comprises three basic factors of ability, benevolence and integrity. Ability has been defined as the skills, competencies and characteristics that enable a trustee to create a perception of being capable and influential in its domain of work. Benevolence is defined as an intention on the part of the trustee to not cause any harm in any way to the trustor and be sensitive of the interests of the other party. Integrity refers to set of principles that are of importance to trustor and she believes that the trustee follows these principles in letter and in spirit. This framework has been adopted by several other works.

Existing literature also differentiates between trust as situational construct as well as trust as a personality trait (Mayer & Davis, 1999; Colquitt, Scott, & LePine, 2007). In terms of personality trait trust propensity or dispositional trust (McKnight, Choudhury, & Kacmar, 2002) has been defined as an individual difference between consumers that impacts one’s decision to trust, which is relatively stable throughout the life of an individual (Colquitt, Scott, & LePine, 2007). On the other hand, it is posed that trust develops and evolves as a result of “idiosyncratic combination” of the antecedents (Mayer & Davis,
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1999) which is situation and context specific (Lewicki & Bunker, 1995). This factor is relevant when involving unfamiliar actors, where buyers, sellers and service providers are unknown to each other. Moreover, constant re-evaluation by the trustor of the trustee is an ongoing process and positive experiences would result in higher trust over time (Jones & George, 1998).

Previous empirical research on online e-commerce trust have focused on website quality, service level and service quality, retailer characteristics, consumer characteristics, consumer’s attitude, knowledge about Internet and online transactions. Benedicktus et al., (2010); Bart et al. (2005); Schlosser et al. (2006) has found that the role of consumer characteristics and website characteristics has been limited in impacting consumer trust but retailer characteristics seem to have significant influence. This might be the case for more evolved e-commerce markets but given the cultural dimension of consumers across different markets, would need more validation in differing settings. Most empirical works have implemented the dimension of trust with explicit measure of ability, benevolence or integrity and associated expectation within trust rather than focusing on vulnerability aspect. Even with scholars having expressed caution with respect to conceptualizing trust with clear distinctions being specified between antecedents of trust, trust and outcomes of trust, this is still an area that requires more work.

Although the extant literature has helped in moving further to understand trust but many concerns raised a decade ago still remain. Besides, since consumer trust is culturally tuned (Lee & Turban, 2001) it is important to conduct studies in different cultural setting for wider understanding of existing constructs and to the best of our knowledge the suggested framework has not been directly applied or tested in an online context among the Indian online consumers. Hence we seek answers to the following research questions:

a) What factors are the primary drivers of trust for online transactions between consumers and E-retailers in an Indian context?

b) Does existing conceptualization of trust hold among Indian consumers in the context of online transactions?
CONCEPTUAL DEVELOPMENT

Literature unequivocally leads us to the fact that distrust or lack of trust has been viewed as the primary bottleneck to the diffusion of online purchase. Online purchasing requires trust in the online vendor, trust in the service delivery mechanism and trust in the internet (Lee & Turban, 2001). Among other important facets of trust unearthed by literature are its idiosyncraticity, time incompressibility, and its dynamic and fragile nature. We adopt Mayer and Davis (1999) framework for our work, although they have defined trust with primarily human interaction in mind but fundamentally it could be extrapolated to interaction between an individual and an organization; between two organizations; individual and a computerized or automated system as well. Based on Mayer and Davis (1999) we map the attributes that lead to trustworthiness of online delivery (platform trustworthiness, service quality etc.) into primary antecedents of ability, benevolence and integrity. We have already discussed the definitional aspects of the three constructs and their relationship with trust in the literature review.

**Ability:** Different aspects of website quality, service level and service quality are factors that are representative of how good a vendor is in her basic functions. A vendor with unreliable website or delivery would not be considered reliable and trustworthy. Theoretically also, Lee & Moray (1992) and Lee and Turban (2001) have posited that trust in automated systems is a function of perceived capability of and performance of the system. We capture all capability and performance oriented measures within ability. Any vendor who is perceived as capable would have higher trust vis-à-vis other vendors. Based on the preceding discussion it is proposed that;

*Hypothesis 1: Higher perception of the ability of E-retailer among consumers would positively impact trust among online consumers.*

**Integrity:** As per Mayer et al., (1995) the synonyms such as fairness, reliability, fulfillment of promise, value system and its congruence between E-retailer and consumer, consistency etc. almost everything that sums up the character as a whole of the E-retailer would be a part of the dimension of
integrity. Any E-retailer which is perceived as a vendor with integrity would find it easier to do business and would find it relatively easy to retain its customers. Based on above discussion we propose;

Hypothesis 2: Higher perception of integrity among consumers would positively impact trust in online transactions with E-retailers.

Consensus perception: Consensus based perception about E-retailer as an antecedent to trust. Benedicktus et al., (2010), Cialdini (1993) and many other scholars have considered information as a driver of persuasion, and a manifestation of “social proof”. Consensus perception including communication through referrals, communication by social groups of significance, communication through various media such as print media, digital media would aid in creating a feeling of trustworthiness if general intent of communication is positive in its tone and hence would lead to reinforcement of trust. On the negative side we would expect any negative views about a vendor or a platform may substantially deteriorate the existing trust among the consumers. Two important points that need to be noted about consensus perception is firstly existence of third party view and secondly high credibility of source. Hence we propose;

Hypothesis 3: Positive consensus perception (third party view) about E-retailer/platform by credible sources would positively impact consumer’s trust in online transactions

Benevolence: E-retailer needs to be capable but that alone is not sufficient for trustworthiness. A strong belief among consumers that vendor has positive intentions towards them; is committed to mutual welfare beyond the notion of profit e.g. ensuring value for money and protecting consumers from harm would enable a E-retailer to garner higher trust. Hence we propose;

Hypothesis 4: Higher perception of benevolence of E-retailer would positively impact trust among online consumers.

Trust propensity: We have already discussed the role of trust propensity and its relationship with trust in the preceding sections of the literature review. Since it is a fundamental attribute of a human
being we expect each of the other trustworthiness constructs as well as other trust building perceptions to act through trust propensity (Rotter, 1967; Stack, 1978). Therefore, our next hypothesis is;

*Hypothesis 5a*: Higher trust propensity among consumers would positively impact their trust in online transactions and E-retailers.

*Hypothesis 5b*: Trust propensity mediates the relationship between ability and online trust.

*Hypothesis 5c*: Trust propensity mediates the relationship between integrity and online trust.

*Hypothesis 5d*: Trust propensity mediates the relationship between consensus perception and online trust.

*Hypothesis 5e*: Trust propensity mediates the relationship between benevolence and online trust.

**INSTRUMENT DEVELOPMENT**

For the survey development, we followed Nunnally’s “domain sampling” approach (Nunnally, 1978). A three-step procedure was employed to create items for the proposed study and establish its content validity. First, each of the variable dimensions were identified by conceptualizing them against the e-commerce context. Second, items from prior trust literature reflecting each dimension of trust were identified and third, prior scale items that matched best were selected and reworded to relate specifically to the e-commerce context (Bhattacherjee, 2002). Wherever required, new contextual items were created for a variable except for ‘propensity to trust’. The items for this construct were adopted from Lee & Turban (2001). Consistent with Anderson and Gerbing (1984), and Bentler and Chou (1987), each of the latent construct was measured by at least three observable indicators. The questionnaire adheres to good question writing principles (Dillman, 2000).
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The unit of analysis is an individual who is a regular online buyer and has been purchasing for at least 1 year through digital channels. The survey instrument consisted of questions pertaining to respondent’s demographics; questions related to online shopping behavior and 30 questions related to factors affecting trust propensity and overall trust on e-commerce sites. All variables in this section used 5 point Likert scale with endpoints ranging from 1 (strongly disagree) to 5 (strongly agree). The survey was first pilot tested with 78 full time final year postgraduate (MBA) students (52.6% males and 42.4% females) in the age group of 22 to 28 years to ensure that the items were rationally operationalized.

DATA ANALYSIS

Reliability Tests and Exploratory Factor Analysis

For reliability, the assessment of individual items within a construct was performed and was observed to be good with a Cronbach’s alpha value of 0.70. For exploratory analysis, we conducted Principal Component Analysis (PCA) with Orthogonal Varimax test (Chen & Paulraj, 2004), Hair et al., (2005). In the current analysis, the Sampling Adequacy Test values were above 0.6, and the values for ‘Bartlett’s Test of Sphericity’ exceeded 0.70 in all the cases.

Certain eliminations were performed after exploratory phase: two items (trust1 and trust4) from the factor ‘trust’, two from ‘ability’ (ability2 and ability 5) were dropped. To our surprise, factor ‘consensus perception’ and ‘benevolence’ did not appear as significant variables. In fact, 2 items from benevolence (ben2 and ben6) exhibited very strong association with ‘integrity’. Therefore, those items were revisited and with the consensus of experts, were regrouped with ‘integrity’. Finally, the survey had a total of twenty three items measuring five predictor variables and one dependent variable (see Table 1).

Post factor analysis, the final questionnaire was sent to a list of 1734 emails (prepared from the social contacts. Original response rate was 10% i.e. we received close to 170 filled responses. After the

\[2\] Due to the paucity of space, survey instrument is not included in the article.
second round of mails, 98 more were received, summing up to 268. From 268, 14 responses were dropped as these individuals have not responded to 15 or more questions in the survey, hence the final response rate was 14.64%. A low response rate could be attributed to the length of the survey which was considered lengthy by a majority of the respondents. Since we have received responses from more than 10 Indian states and 2 union territories, the effort was worthwhile. All respondents were regular online buyers, and had purchased at least one item from an e-commerce website in past 1 month. The survey cycle was for 3 months starting from 4th December’14 to 5th March’15. The demographics of the respondents are presented in Table 2.

Insert Table 2 about here

Table 3 presents the inter-correlations among the independent and mediating variables. All correlations significant to 0.05 or less are reported. Since the reliability measure of ‘benevolence’ was significantly low, the variable was excluded. The low coefficients of correlations could be partially attributed to low reliabilities (less than 0.85).

Insert Table 3 about here

Hypotheses Testing

For hypotheses testing, the relationship between independent variables and mediator variable ‘propensity to trust’ was analyzed, and then with the variable ‘trust’ (see Table 4). It captures path coefficients and fitness parameters both with and without the presence of proposed mediator.

The original model without any mediating variable showed AGFI at 0.85, NFI at 0.848, CFI at 0.917, and RMSEA at 0.062. The chi square to degrees of freedom ratio is less than the recommended 1:3 (Table 4). All values are within the acceptable thresholds. CFI of above 0.9 indicates a reasonable fit in both the cases. The model showed good fit with significant (p<0.01) path coefficients between trust & integrity and trust & ability. For the testing purpose we have used IBM SPSS AMOS 20.0. Mediation was
tested by adhering to the refined version of process outlined by Mackinnon, Fairchild, & Fritz (2007), which was initially proposed by Baron and Kenny (1986). Simple reasons being, latter tends to miss some true mediation effects because of Type II errors. The values for GFI, AGFI, IFI, RMSEA and CFI improved with the inclusion of the mediating variable ‘propensity to trust’ (Table 4).

Our hypotheses H1, H2 and H5a are accepted with positive and significant (p < 0.01) associations between integrity and trust, ability and trust, trust propensity and trust. They have been found to be valid with moderate magnitudes (ability to trust $\beta = 0.330$, integrity to trust $\beta = 0.248$) and slightly weaker magnitude ($\beta=0.19$) in the case of trust propensity and trust.

Hypotheses H5b-H5c were also accepted. We have also been able to establish partial mediation between integrity and trust through trust propensity as the mediator. However, the proposed mediation between ability and trust through trust propensity could not be established as ability does not significantly impact trust propensity although the results show a minor indirect effect between the two. A high multicollinearity between the variables could be one of the possible reasons for low path coefficients, particularly, in studies with modest sample sizes (Colquitt, Scott, & LePine, 2007). The results in the table 4 vary in their CFI value from 0.78 to 0.83 and as such from a conventional perspective can only be considered as moderate to weak fit. Other parameters however, are mostly within acceptable limits. We present an interpretation of our results in the next section.

**DISCUSSION**

The main objective of the current research is to analyze the antecedents of trust in e-commerce retailers. The extant literature review and our preliminary investigations both pointed out the fact that lack of trust is one of the most daunting barriers to ecommerce users, since it involves the transactions pertaining to financial and private confidential information (Hoffman, Novak, & Peralta, 1999).
Our meta-analysis complements the previous research (Bart, Shankar, Sultan, & Urban, 2005) (Benedicktus, Brady, Darke, & Voorhees, 2010) in the domain of trust and our results offer a number of theoretical, measurement, and practical implications. Trust in online purchase is typically a function of perceived capability and performance of the entire e-commerce ecosystem (especially e-retailer / merchant). A capable e-commerce merchant who is fair in his dealings and transactions is found to be more trustworthy. The hypotheses H1 and H2 supported these testimonials, which means that the attributes ‘ability’ and ‘integrity’ both are imperative in establishing online trust.

Organizations perceived as having a domain expertise are more likely to be trusted. Hence emerging e-commerce retailers or aggregators must showcase their ability to target users by publishing their fair security policies, confidentiality statements, technology platforms, transaction mechanisms, accreditations, awards, return policies, delivery norms etc. on their website and advertisements. This will help in building trust followed by increased online transactions (2002). Unlike evidences available in the literature, hypotheses 3 and 4 were rejected. However, we still believe that both consensus perception and benevolence are important antecedents. Contextual studies indicate that a majority of Indian buying decisions are influenced by peers, friends, and families recommendations. Communication through various media such as print media, digital media (Sinha & Kim, 2012) aid in creating a feeling of trustworthiness if general intent of communication is positive in its tone and hence would lead to reinforcement of trust (Cialdini, 1993; Benedicktus, Brady, Darke, & Voorhees, 2010).

E-Commerce is still an emerging market in India, hence organizations need time & experience to understand & meet consumer’s expectations. Similarly, consumers are trying to gradually comprehend the dynamics of the industry. Besides having assurance from the e-commerce aggregators (or merchants), buyers are reluctant towards online monetary transactions. The most popular mode of payment for online purchases in India is still Cash on Delivery (CoD). This affects the profits of the online retailers in two ways- the courier service charges extra for making a CoD delivery (Mahajan, 2015) and leads to interest amount loss on postpaid items. For every dollar spent on e-retailing, 35% is spent on supporting services
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like warehousing, payment gateways, and logistics, among others while delivery costs a platform owner
8-10% implying significant burn if item is to be returned (Asthana, 2014). The rate of item return is
higher in this mode of payment; this ultimately translates into higher costs and longer credit cycles. For
many respondents, the quality of goods and services delivered to the consumers has been a cause of
concern. Initially, processes like vendor profiling, quality checks, identity verification, and standard
pricing methods were not in place. Hence, frauds, late deliveries, and damaged goods are affecting the
perception of customer services and trust in the system. This could also be responsible for both higher
churn rates, and rejecting the role of benevolence in our model (Hypothesis H4).

Development of trust between the trustee and trustor is a two way progression. In addition to the
e-retailer’s capabilities and past experiences, trust is also influenced by the ‘propensity to trust’. In
support of our hypotheses (H5a, H5b and H5c), trust propensity is related to trust which in turn influences
an online shopper’s intention for further engagement in e-commerce. Compared to direct effects, trust
propensity reported partial mediation with trust when considered with ability and integrity. Trust often
requires a leap beyond the expectations that ability, benevolence (although it is insignificant in our case),
and integrity can inspire (Lewis & Weigert, 1985). Possible reason for low mediation could be because
low propensity to trust is likely to have a significant effect on a person’s initial trust (McKnight,
Cummings, & Chervany, 1998). However, when a consumer has had both good and bad experience in
online shopping, the propensity to trust is possibly less important (Wang, Chen, & Jiang, 2009).

Trust propensity have significant indirect effects with low magnitude on trust to go along with its
significant direct effect (moderate magnitude), and backs Govier’s opinion that “observations are theory-
laden,” with trusting parties perceiving better reasons to trust (Govier, 1994, p. 244). For repeat online
buyers, the qualities associated with capability & integrity, such as reliability, promise fulfillment, secure
transactions, sufficient information about products, fair policies, global standards are more important and
hence organizations should consistently work towards their improvement.
LIMITATIONS

Our research could not include control variables such as ‘online familiarity’, gender, age, disposable income etc. However, in phase 2, we intend to extend the model and analyze how these associations behave differently in the presence of various control variables. The most pressing limitation of our study is our sampling technique which is at best based on convenience rather than a sound sampling strategy which thereby severely restricts the generalization of our results. However, given the Indian context where such data is rather difficult to collect our work presents an insightful picture.

To the extent that consensus perception and benevolence were found to be insignificant; future work should look into operationalizing both these constructs in a comprehensive manner.
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Figure 1: Research Model

Table 1. Principal Component Factor Analysis

<table>
<thead>
<tr>
<th>Components</th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
</tr>
</thead>
<tbody>
<tr>
<td>AVE</td>
<td>0.71</td>
<td>67.06</td>
<td>51.33</td>
<td>47.77</td>
</tr>
<tr>
<td>Reliability (α)</td>
<td>0.71</td>
<td>0.83</td>
<td>0.72</td>
<td>0.81</td>
</tr>
<tr>
<td>KMO</td>
<td>53.40</td>
<td>0.74</td>
<td>0.71</td>
<td>0.85</td>
</tr>
<tr>
<td>Trust_2</td>
<td>0.69</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Trust_3</td>
<td>0.71</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Trust_4</td>
<td>0.67</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Trust_6</td>
<td>0.54</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Propensity Trust_1</td>
<td>0.85</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Propensity Trust_2</td>
<td>0.85</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Propensity Trust_3</td>
<td>0.82</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Propensity Trust_4</td>
<td>0.67</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Ability_1</td>
<td>0.67</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Ability_3</td>
<td>0.54</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Ability_4</td>
<td>0.54</td>
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</tbody>
</table>
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<table>
<thead>
<tr>
<th>Ability_6</th>
<th>0.75</th>
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</thead>
<tbody>
<tr>
<td>Integrity_1</td>
<td>0.57</td>
</tr>
<tr>
<td>Integrity_2</td>
<td>0.64</td>
</tr>
<tr>
<td>Integrity_3</td>
<td>0.75</td>
</tr>
<tr>
<td>Integrity_4</td>
<td>0.59</td>
</tr>
<tr>
<td>Integrity_5</td>
<td>0.72</td>
</tr>
<tr>
<td>Integrity_6</td>
<td>0.56</td>
</tr>
<tr>
<td>Integrity_7</td>
<td>0.61</td>
</tr>
</tbody>
</table>

Table 2. Demographics of the Respondents

<table>
<thead>
<tr>
<th>Age</th>
<th>Income (INR)</th>
<th>Gender</th>
<th>Gender Count (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Below 25 years</td>
<td>32.3% (82)</td>
<td>Less than 50K</td>
<td>11.8% (30)</td>
</tr>
<tr>
<td>25-40 years</td>
<td>57.9% (147)</td>
<td>50K-100K</td>
<td>36.6% (93)</td>
</tr>
<tr>
<td>Above 40 years</td>
<td>9.8% (25)</td>
<td>Above 100K</td>
<td>51.6% (131)</td>
</tr>
</tbody>
</table>

Table 3. Correlation Matrix of Predictor Variables

<table>
<thead>
<tr>
<th></th>
<th>Mean</th>
<th>Std. Dev.</th>
<th>Ability</th>
<th>Integrity</th>
<th>Prop to Trust</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ability</td>
<td>4.92</td>
<td>0.63</td>
<td>1</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Integrity</td>
<td>4.38</td>
<td>0.75</td>
<td>0.53**</td>
<td>1</td>
<td></td>
</tr>
<tr>
<td>Prop to Trust</td>
<td>3.75</td>
<td>0.81</td>
<td>0.12</td>
<td>0.19**</td>
<td>1</td>
</tr>
</tbody>
</table>

*Correlation is significant at p < 0.05 level (2 tailed)
**Correlation is significant at p < 0.01 level (2 tailed)
### Table 4. Mediation Analysis

#### Model without Mediators

<table>
<thead>
<tr>
<th></th>
<th>Estimate</th>
<th>S.E.</th>
<th>C.R.</th>
<th>P</th>
<th>CMIN/DF</th>
<th>NFI</th>
<th>RFI</th>
<th>IFI</th>
<th>TLI</th>
<th>CFI</th>
<th>RMSEA</th>
<th>PClose</th>
</tr>
</thead>
<tbody>
<tr>
<td>Trust→Integrity</td>
<td>0.24</td>
<td>0.10</td>
<td>2.47</td>
<td>.014**</td>
<td>1.96</td>
<td>0.85</td>
<td>0.82</td>
<td>0.92</td>
<td>0.90</td>
<td>0.92</td>
<td>0.06</td>
<td>0.08</td>
</tr>
<tr>
<td>Trust→Ability</td>
<td>0.33</td>
<td>0.13</td>
<td>2.53</td>
<td>.012**</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
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#### Full Model (with Mediators) GFI = 0.901, AGFI=0.871

<table>
<thead>
<tr>
<th></th>
<th>Estimate</th>
<th>S.E.</th>
<th>C.R.</th>
<th>P</th>
<th>CMIN/DF</th>
<th>NFI</th>
<th>RFI</th>
<th>IFI</th>
<th>TLI</th>
<th>CFI</th>
<th>RMSEA</th>
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<tr>
<td>Prop_Trust→Integrity</td>
<td>0.154</td>
<td>0.09</td>
<td>1.623</td>
<td>0.100*</td>
<td>1.832</td>
<td>0.84</td>
<td>0.92</td>
<td>0.91</td>
<td>0.92</td>
<td>0.06</td>
<td>0.13</td>
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<tr>
<td>Prop_Trust→Ability</td>
<td>0.01</td>
<td>0.11</td>
<td>0.07</td>
<td>0.94</td>
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<tr>
<td>Trust→Prop_Trust</td>
<td>0.19</td>
<td>0.08</td>
<td>2.38</td>
<td>0.02**</td>
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<tr>
<td>Trust→Ability</td>
<td>0.32</td>
<td>0.13</td>
<td>2.51</td>
<td>0.01**</td>
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#### Indirect Effects

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<th>Prop. To Trust</th>
<th>Trust</th>
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<tbody>
<tr>
<td>Trust</td>
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<td>0.00</td>
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<td>0</td>
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</tbody>
</table>

*Paths are significant at p < 0.05 level

**Paths are significant at p < 0.01 level
REFERENCES

http://www.livemint.com/Industry/fkX8mBC8BOBysDkNx5K5iO/PE-VC-investors-warm-up-to-Indian-ecommerce.html


