An Experimental Investigation of Trust Enhancing Features: Comparison of a Store's Trust-Assuring Arguments and a Third Party Certification

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Abstract

A trust-assuring argument refers to the "statements of a claim and its supporting statements used in an Internet store to address trust related issues." In this paper we attempt to compare the relative influence of a store's trust-assuring arguments on consumer trust to that of a third party certification. Drawing from Elaboration Likelihood Model and Toulmin's model of argumentation, the following three factors are analyzed for the comparisons. They are: content of arguments, sources of the arguments, and consumers' personal relevance of argument topics.

Kim and Benbasat (2004) demonstrated that *well structured* trust-assuring arguments (based on Toulmin) increase consumer trust. They, however, did not investigate the relative influence of such arguments on consumers' trust when compared to other trust enhancing features, such as third party certifications (e.g., WebTrust, BBBOnline, TRUSTe, etc), which we regard as a type of trust-assuring argument made by *an independent third party*. We believe that this is an important question for business managers because implementing different trust enhancing features require different levels of investment. For example, obtaining third party certifications is likely to be more costly than implementing trust-assuring arguments made by an Internet store itself. In case of WebTrust certification (a third party certification issued by accounting firms) a company has to pass an audit conducted by a WebTrust licensed accounting firm every 6 months to maintain the certification (Cook and Luo 2003). Thus, the investment for WebTrust certification is likely to be much higher than that for a store's trust-assuring arguments implementation. Hence, it is important to examine the relative influence of trust-assuring arguments made by Internet stores on consumer trust when compared to that of a third party certification. If claims by the store can be bolstered by using well-structured arguments, then there will be no need to adhere to costly third party certifications.

Business managers might believe that it is apparent that third party certifications will have stronger effects in increasing consumer trust than trust-assuring arguments made by a store itself do. However, it is possible that the former might not be as effective as the latter in a certain condition where a third party's certification consists of a simple claim and one feel high personal relevance of trustworthiness of a store.

The main focus of the paper is to identify the conditions in which a store's well-structured trust-assuring arguments (based on Toulmin's model) are more (or less) effective than a third party certification in increasing consumer trust. The question was investigated in a laboratory experimental setting with 128 subject data. The results suggest: 1) under the high personal relevance conditions (when customers shop relatively expensive products), a store's well structured trust-assuring arguments are as effective as a third party certification if the content of the latter is equivalent to the former, and further the a store's trust-assuring arguments are more effective than a third party certification if the content of the former is well structured and that of the latter is not, 2) under the low personal relevance conditions (when customers shop relatively inexpensive products), a third party certification, regardless its content, increased consumers' trusting belief more than a store's trust-assuring arguments did in terms of mean scores while the differences were not statistically significant if the content of the latter is well structured.

Keywords: Trust, Trust-assuring Arguments, Toulmin, Third party Certification, and ELM