

# Consumer Trust and Product Choice in Online Marketplace: A Motivated Belief Perspective

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## **Abstract**

With the importance of trust in facilitating online transactions, platforms have invested substantial resources to improve consumers' trust in online marketplace. Although abundant studies have demonstrated positive impacts of trust building on platforms, little is known about its potential negative impacts. In this research, we propose an unintended positive impact of low trust on platforms. In particular, consumers with relatively low trust in a platform will tend to choose products offered at higher prices. Moreover, this effect emerged because consumers with relatively low trust in a platform are motivated to believe that higher-priced products have higher quality and thus have a greater preference for these products, which in turn benefits the platforms. A unique dataset obtained from an actual e-commerce platform and a series of online experiments provide convergent support for the proposed effect of low trust on price choices and the mechanism underlying this effect.

**Subject Areas:** *Consumer Behaviour, Decision-Making, Electronic Commerce and Internet Marketing*

**Track:** Digital Marketing & Social Media