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Investigating the Nonlinear Effects of Trust on Online Repurchase Intention -- The Role of E- Commerce Institutional Contexts

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Completed Research Paper

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Abstract

Recent literature has gone beyond assessing simple effects of trust on repurchase intention to understanding the more complex and intriguing impacts of trust on online repurchase intention in regard to the operational boundary of trust. In response to the call for further research on the boundary conditions under which trust operates in the e-commerce context, this study investigates the extent of nonlinearity on the trust-repurchase intention relationship under different perceived institutional contexts.

Drawing on prospect theory, we propose that the positive relationship between trust and repurchase intention is concavely nonlinear in perceived effective contexts, and is convexly nonlinear in perceived ineffective contexts. Our hypotheses were empirically examined using survey data collected from online customers in New Zealand and Northern Ireland.

Keywords: Trust, online repurchase intention, e-commerce, nonlinear relationship, PEEIM, prospect theory, institutional contexts, institutional mechanisms