



Trust in Consumer Markets: The Role of Consumer Policy and Market Norms Across 30 European Countries

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Abstract

Economic transactions involve concerns about seller honesty and product quality, requiring a baseline level of trust from consumers. While economic sociology has extensively studied how networks and market intermediaries foster trust, the role of social macrostructures has been examined less. This paper makes the case that consumer trust is embedded within institutions, operationalized as consumer policy, and culture, represented as market norms. To test our case, we analyze a pooled (2016–2020) dataset of the European Union survey on consumer trust and establish multidimensional indicators of consumer policy and market norms. We find a positive association between consumer policy and consumer trust, even when controlling for economic variables and the sociodemographic composition of countries. Furthermore, cross-level interactions show varied effects on social groups, as consumer policy disproportionately benefits the non-vulnerable. By adopting a comparative perspective on institutions with a focus on social-inequality, this study fills a lacuna in research on consumer trust.

Keywords

Comparative sociology, trust, institutions, social inequality, economic sociology, economic vulnerability

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Introduction

Many modern economic transactions are characterized by concerns about quality uncertainty (Beckert, 2020), resulting from the limits of contractual agreements (Durkheim, 1893), the asymmetrical distribution of information (Akerlof, 1970), or the gradual replacement of socially embedded exchange by arm's-length economic relations (Uzzi, 1996). In consumer markets, specifically, the rise of e-commerce and global economic relations, the increasing complexity of products and services as well as escalating turnover rates have furthered consumers' uncertainty about the honesty of sellers or the quality of products (Macanovic & Przepiorka, 2024). Against this backdrop, trust became regarded as a social glue of market activities and an impetus for economic growth (Algan & Cahuc, 2014; Arrow, 1972). In situations of risk and uncertainty, trust stabilizes expectations regarding an unknown future outcome, and induces a belief that others behave trustworthy or abstain from acting detrimentally (Gambetta, 2000; Möllering, 2006). In markets, consumers show trust in as far as they expect a seller to fulfill his or her contractual obligation to provide a product on time, for a reasonable price, and with promised quality (Buskens & Weesie, 2000).

Past work in economic sociology has zoomed in how social networks and personal relations generate trust in micro-interactions and at the meso-level of markets (Cook, 2005; Granovetter, 1985). Recently, Karpik (2010) advanced the idea of "trust devices," such as critics, rankings, and reputations, that reduce uncertainty in markets for cultural products. Economic scholars, in turn, have often linked trust to market structures and market competition more generally (Berggren & Jordahl, 2006).

This paper effectively complements these literatures by examining how political institutions, operationalized as consumer policy, as well as culture, represented as market norms are associated with trust in consumer markets. We make the case that a buyer's willingness to trust another economic actor is conditional on third-party institutions (North, 1990; Platteau, 1994b; Six & Verhoest, 2017). Consumer policy institutions such as public agencies, ministries or consumer associations establish consumer rights and product or safety standards, help consumers enforce these rights in case of contract or legal violations, and diminish quality uncertainty by product testing or labeling schemes (Nessel, 2019). Given that consumer policy seeks to protect from risks as well as to empower consumers to make better choices (Strünck, 2015), initial research has linked the role of these institutions to consumer trust generation (Berg, 2022; Nessel, 2022). Similarly, consumer trust can be associated with cultural orientations related to the proposed benefits of the free market, as stated in the so-called *doux commerce* thesis (Hirschman, 1982): Competitive economic environments and private ownership support the benevolence of economic firms, as defection would drive out rogue traders from the market. Reflecting preferred modes of economic organization, such market norms can be understood as cultural institutions, as they reflect beliefs about sellers and retailers and their trustworthiness. While the cross-cultural variation of such market norms and their role in economic life have been documented (Koos & Sachweh, 2019), their role in trust generation is still unclear.

To test our case, we run multilevel models with a pooled dataset assembled from three waves (2016–2020) of the European Union (EU) survey "Consumers' Attitudes towards Cross-Border Trade and Consumer Protection." Our analysis spans a total of 73,120

consumers across 30 countries. To comparatively examine the role of consumer policy and market norms for trust, we construct original indices that allow us to distinguish variation across countries in a consumer policy index—measuring the strength, effectiveness, and trustworthiness of consumer policy—and a market norms index—measuring values regarding the provision of goods by markets.

We find a strongly robust association between consumer policy and consumer trust, that holds when controlling for various economic macro-variables and the sociodemographic composition of countries. In contrast, the correlation between consumer trust and pro-market norms is fully explained by economic macro-variables. In cross-level interactions, we find that the association of consumer policy on consumer trust is stronger if consumers do not feel economically vulnerable, but is not moderated by knowledge about consumer rights.

The article chimes with a sociological approach to markets as laid out by Beckert (2009, p. 247), who regards market actors' expectations as being “formed by the structural, institutional, and cultural embeddedness of market exchange.” As part of this approach, a comparative economic sociology (Koos & Sachweh, 2019; Münnich, 2017) has begun to garner empirical evidence for fundamental debates about the role of institutions and cultural orientations in market societies (Fourcade & Healy, 2007; Nee & Swedberg, 2005). To this debate we contribute by shedding light on the links between consumer policy, market norms, and trust in the field of consumer markets. In this context, our work also links to a burgeoning literature on the institutional and cultural embeddedness of other forms of trust (Dinesen, 2013; Herreros, 2023). While these provide valuable insights about social and political trust in non-market spheres, we shift the focus on trust in the sphere of markets, specifically large-scale consumer markets. In this domain, trust functions less as a moral or civic anchor and more as a strategy to navigate informational asymmetries.

To be sure, the field of consumer trust is certainly far from uncharted territory (Alecú, 2024; Khamitov et al., 2024). But only recently have studies started to explore its cross-country variation. Laying the groundwork to better connect research on consumer trust, on the one hand, and political institutions in the economy, on the other hand, Berg (2022) and Nessel (2022) have detected considerable variation in consumer trust across nations, notwithstanding the increasing harmonization of consumer rights, standards, and regulations across the EU. We draw on and add to this literature by studying how consumer trust is related to consumer policy and market norms. More specifically, we go beyond previous research by constructing multidimensional composite indicators of consumer policy and market norms, examining cross-level interactions with vulnerability and knowledge, and controlling for various economic factors to exclude alternative, confounding explanations of the relationships. In that, we shed light on if, why, and for whom consumer policy and market norms connect to consumer trust.

Explaining Consumer Trust

The Trust Problem in Consumer Markets

Kenneth Arrow famously wrote that “virtually every commercial transaction has within itself an element of trust, certainly any transaction conducted over a period of time”

(Arrow, 1972). In doing so, Arrow effectively heralded a line of research that lay bare information problems inherent to many markets. A case in point is Akerlof's market for lemons (Akerlof, 1970), where information about the quality of a product is asymmetrically distributed leading to a lower quality of market supply. Adding to this, economic sociologists have argued that quality uncertainty might not only be an information problem. Instead, quality is not inherent to products and transactions, but "endogenous to the market processes" (Beckert, 2020) due to the lack of objective standards. Particularly in large-scale markets, problems of assessing quality are contingent upon judgments or devices that help stabilize expectations about product qualities.

Market transactions are characterized by risk and uncertainty inasmuch as one party possesses private information about the quality or the performance of goods and services that cannot be assessed by the other party until the transaction is completed, or not even thereafter. Even though formal contracts may hedge against this risk (Platteau, 1994b), uncertainty remains also if one party is unable to enforce or retaliate a breach of contract, or if retaliation is not credible due to excessive costs. Such uncertainties can impose vulnerability on the side of the weaker party, and in the case of consumer markets evoke concerns among buyers about the value and performance of the products, as well as the honesty and intentions of the sellers. In such situations, trust may enable economic transactions and stabilize market relations.

According to Granovetter (1985), trust in economic exchanges is primarily formed by social networks and personal ties. In dyadic relationships, failures to meet others' expectations and to behave untrustworthy may result in the dissolution of the exchange relation, and hence may turn out costly to the defecting party. Karpik (2010) instead was interested in how market intermediaries help consumers to reduce quality uncertainty of products. For Karpik, "trust devices" act as a central mechanism to explain why a consumer may follow the advice of intermediaries.

Much research in economic sociology, however, has underappreciated how macro-structures or institutions shape the capacity of actors to engage in trust-based strategies and establish the basic conditions necessary for trust (Nessel, 2022). This underappreciation has—perhaps by design—coincided with a focus on particularized trust. This form of trust is found in relationships with closer proximity and towards known persons. By contrast, generalized trust is independent of relationships and directed towards people in general, who remain unknown to the trustor (Uslaner, 2002).

Even though particularized and generalized trust positively relate to each other (Freitag & Traunmüller, 2009), they apply to separate realms of social life, and for our purposes: economic life. If economic domains are organized by principles of reciprocity, or if markets are suffused by network structures, forms of particularized trust may well keep economic activity intact. Yet, in anonymous mass markets with a higher number of participants, particularized trust between socially embedded buyers and sellers becomes less likely as an assurance mechanism in the trust problem. In fact, consumers in complex and differentiated market relations report only rarely that they rely on personal networks exclusively.

We know from historical analysis of market development that "private and public order institutions are required and recourse to coercive power cannot be escaped"

(Platteau, 1994a, p. 564). In modern societies, such institutions include laws and agencies for contract enforcement and the guarantee of property rights, courts for the resolution of disputes, bodies to regulate professions, consumer associations that carry out product testing, or guarantee rules or labeling schemes that reduce uncertainty. A similar argument can be pursued on the role of generalized morality, with moral norms being a precondition for two parties to engage in contract relations, and to take a favorable view towards the chance of contracts being fulfilled (Beckert, 2012; Platteau, 1994b).

From such an angle, market institutions and shared market norms embed markets, and structure the social situations in which trust between a buyer and a seller (Shapiro, 1997) as well as between firms (Bachmann, 2001) play a role. Even trust networks, intermediaries, and reputation systems that manage exchange depend on moral norms (Macanovic & Przepiorka, 2024), as well as on institutional backing and law to manage distrust or the breach of contracts. Given the importance of formal institutions and generalized morality for consumer trust, we derive hypotheses on their role in the next subsection.

The Role of Consumer Policy and Market Norms

Building on Polanyi's view of the economy as an "*instituted process* of interaction between man and his environment" (Polanyi, 1957, p. 248), one may regard the economy as a whole as well as the market as differently embedded across societies. Drawing on Koos and Sachweh (2019, p. 800), this macro embeddedness of the market can be seen as a functional interaction of historically evolved institutional arrangements on the one hand, and underlying "*Leitideen*" (Weber, 1980) on the other hand. While the former aspect refers to the hard "rules of the game" (North, 1990) that legal systems provide and public agencies enforce, the latter aspect refers to the normative social order that shapes citizens' views and values. Although an elective affinity exists between them, economies, and particularly markets, are embedded differently in institutional architectures (Hall & Soskice, 2001) and normative worldviews (Mau, 2004). It is as part of these social macrostructures that trust in markets is forged and cultivated.

Institutional arrangements in consumer markets take the form of legal systems that support and enforce consumer rights and facilitate fair and free jurisdiction. As coercive third parties, political (consumer) institutions may create trust in markets, as they act as third-party punishers of defecting parties, and signal norms of appropriateness to market actors (Herreros, 2023). The underlying effect is that with credible sanctions intact for opportunism and malfeasance from the side of sellers, the opportunity costs of untrustworthy behavior increase, the trust problem is mitigated, and consumers may expect more trustworthiness. In consumer markets, even if dishonesty from a seller continues, buyers may expect redress and compensation guaranteed by consumer rights ("right to redress"), eventually increasing the willingness to engage in economic transactions. In this vein, the role of consumer institutions as coercive third parties are closely tied to the concept of authority.

However, the role of these authorities is not limited to the definition of rights and their enforcement. In fact, public institutions may more broadly be conceived of as reducing the complexity of social situations and uncertainty, thus stabilizing the expectations of

market participants. From this angle, for example, the state, or other entities on its behalf, may provide social or ecological labels that reduce consumers' uncertainty about specific product qualities they cannot access themselves. In addition, national state agencies and EU institutions imposed information requirements on sellers to signal credible information to consumers, such as the energy use of products. In such instances, there is no need to "trust" the seller of ecologically labeled products. Instead, consumers trust in the author of such quality certification.

Similarly, private consumer institutions such as consumer associations run advice centers and carry out product tests to provide more reliable information on products and sellers. Consumer associations have been identified not only as important watchdogs of firm behavior, thus steering compliance with legal requirements (Rao, 1998), but also as important actors in diminishing product-related risk and misinformation (Trumbull, 2006). Such strategies, together with the provision of legal guarantees, help diminish asymmetrical information problems in market relations. This role of institutions, both public and private, falls under the umbrella term "regulatory system" (Six & Verhoest, 2017).

Key to the trust-generating effects of legal systems is not only the authority of consumer authorities such as enforcement bodies but also their legitimacy, which builds on procedural fairness, incorruptibility, and impartiality (Dinesen, 2013). This not only means that sanctions need to be perceived as effective. Institutions also need to be perceived as trustworthy to facilitate trust in other economic actors (Freitag & Bühlmann, 2009). That is, inherently trustworthy institutions keep check on retailers and manufacturers and, in doing so, take the role of critical and powerful consumers who, in modern markets, stay alert and informed about potential malfeasance. The more powerful, effective, and legitimate these institutions are, the more likely it is that unlawful actors are punished and that market products are perceived as safe and of high-quality. Considering the effectiveness and legitimacy of public agencies as central indicators of institutional embeddedness, we expect that public agencies in charge of consumer policy play an important role for trust in consumer markets.

H1 (Consumer Policy): The stronger a country's consumer policy, the more likely it is that consumers trust in markets.

These institutional arrangements are backed, enforced, and undergirded by cultural orientations such as a generalized morality, that is citizens' shared values and norms regarding the market process. Paraphrasing Platteau (1994b), norms of generalized morality help to lower the enforcement costs of state sanctioning and transform the trust problem in economic transactions into one with a positive outcome. From such an angle, "cooperation, as a form of reciprocity, must involve some degree of commitment to norms and moral values" (Misztal, 1992, p. 6).

In economic transactions, moral values translate into normative role expectations, which steer the decisions of trustees in cooperation problems. The more likely that opportunistic behavior from sellers is normatively shunned, the more likely it is that buyers may expect honest behavior. In societies where generalized morality creates "the right

kind of preferences,” a normative framework may steer trust between buyers and sellers in large-scale markets and cause consumers to estimate the chances of trust betrayal differently.

Thus, shared norms and values are both constitutive and regulative for trust, as they not only limit opportunistic behavior but also what actors interpret as legitimate behavior. While formal enforcement works through legal institutions, moral norms may work through intrinsic compliance with shared expectations and thus foster a general threshold of trustworthiness.

Adding to this, the concept of “cognitive embeddedness” (DiMaggio & Zukin, 1990) suggests that shared normative expectations function as cognitive templates that help actors reduce uncertainty about other actors’ behavior and intentions, and thus steer cooperation and coordination. These cognitive templates structure mental processes and provide orientation for actors. Specifically, scripts can function as templates that actors can use in situations of uncertainty. From this vantage point, actors are not only “pushed” towards certain economic behaviors through authority but also “pulled” towards certain cognitive templates through legitimacy. While this conception has been introduced to describe the social relations of actors within organizational fields, it can also inform a macroscopic perspective entailing both “normative” and “cultural–cognitive” elements that provide a framework of shared meaning at a societal level—a kind of meta-embeddedness of the economy (Frerichs, 2023).

Even though normative orientations are neither uncontested nor uniformly distributed in a population, they vary considerably among countries according to the role of markets in economic organizations (Schilpzand & de Jong, 2023). Normative orientations may vary with regard to how strongly actors support the market sphere, endorse free markets, propagate economic self-sufficiency, call for state intervention, and more generally cast the intentions of firms in a positive light (Sachweh, 2016). The idea that this normative basis of societies changes with the expansion of markets, not just historically but also across countries, currently receives again considerable currency (Fourcade & Healy, 2007; Kanitsar, 2023).

Here, we investigate how these market norms are associated with consumer trust, building on recent research on the relationship between markets and trust more generally. This literature finds mixed results, echoing age-old debates (Hirschman, 1982). Those favoring the civilizing markets thesis claim that a pro-market stance comes with beliefs that economic actors face strong incentives to be trustworthy, as defection would drive them from the market. Thus, commerce and market exchange require and reproduce moral norms that support trust in others. Those who regard markets as destructive, contend that they further individualistic rather than collectivist values, and thereby stimulate self-regarding behavior at the cost of reciprocity and cooperation, ultimately eroding trust in markets.

Despite this lack of empirical consensus, it can be claimed that markets are comparatively more beneficent for generalized trust towards strangers than for particularized trust towards neighbors or acquaintances. Extrapolating from this trend, we expect that for consumer trust, which is not only towards anonymous others but also located specifically in the market sphere, the association with pro-market norms will be positive.

H2 (Market Norms): The stronger a society's pro-market norms, the more likely it is that consumers trust in markets.

Heterogeneity Across Social Groups

Consumer policy and market norms may affect social groups differently according to their vulnerability and knowledge. Although vulnerability is inherent to any market transaction involving elements of trust, vulnerability may not be evenly distributed across a population, as structurally disadvantaged social groups face more vulnerability in economic relations than others. In this vein, a European Commission's study examining drivers of vulnerability across European countries found that people high in trust feel less vulnerable due to the complexity of offers (European Commission, 2016). In line, Kevins (2019) found that persons exposed to higher labor market risks showed less generalized (social) trust. This finding is consistent with research on the role of individual economic success on trust more generally (Hamamura, 2011). Similarly, Berg (2022) found that perceived financial capabilities also affect generalized consumer trust, albeit such a positive association between both factors depends on the country in question.

Another individual-level factor linked to consumer trust is individual knowledge about consumer rights and protections. Knowledge may help individuals to evaluate the range of permissible actions by sellers, to understand and judge the trustworthiness of certificates, and it provides them with potential strategies for redress and compensation. In short, knowledge may strengthen the perception of how uncertain and risky the situation is, making people with more knowledge less exploitable and more likely to engage in trusting behavior. This dovetails with empirical results about positive associations between trust and education in stable and rich democracies (Wu, 2021).

While the main effects of these individual-level factors are theoretically straight-forward (Alecú, 2024), we expect that consumer policy and market norms strengthen consumer trust, specifically among those who are least vulnerable and have high knowledge.

H3 (Consumer Vulnerability): The association of strong consumer policy and pro-market norms with consumer trust is weaker for more vulnerable individuals.

H4 (Consumer Knowledge): The association of strong consumer policy and pro-market norms with consumer trust is stronger for individuals with higher knowledge about consumer rights.

Data and Methods

The empirical analysis draws on a pooled dataset of three consecutive waves of the survey *Consumers' Attitudes towards Cross-Border Trade and Consumer Protection* fielded biannually from 2016 to 2020. Commissioned by the European Commission to monitor the Single Market, the survey captures citizens' retail experiences, exposure to unfair practices, and awareness of rights, making it highly suitable to examine drivers of consumer trust.

The data were collected by professional survey agencies in 30 European countries (27 EU countries, plus United Kingdom, Norway, and Iceland). In each country, random samples representative of the population aged 18 or above were drawn and took part in computer-assisted telephone interviews. After exclusion of missing cases for the main variables (13.2 percent), the pooled dataset offers a final sample of 73,120 respondents. Online Appendix Table A1 offers an overview of respondents per wave and country.

Dependent Variable: The main variable of interest—consumer trust—is composed of two items measuring distinct but interrelated dimensions of trust in markets: trust in retailers and trust in products (Berg, 2022; Nessel, 2022). Trust in retailers captures the relational expectation of actors and is measured by agreement to the statement: “In general, retailers and service providers respect your rights as a consumer” (strongly agree, agree, disagree, strongly disagree). Trust in products captures risk perceptions regarding artifacts (product defects) and is assessed using the following question: “Thinking about all non-food products currently on the market in [country], do you think that...” with answer categories “essentially all non-food products are safe,” “a small number of non-food products are unsafe,” and “a significant number of non-food products are unsafe.” To create a composite measure, we rescaled responses on both items to a 0–100 interval (0, 33.3, 66.6, and 100 for trust in retailers; 0, 50, and 100 for trust in markets). We take the average of these rescaled items as the primary dependent variable with higher values corresponding to higher consumer trust. Furthermore, we disaggregate the two variables in Online Appendix Table A7, following distinctions between interpersonal trust and confidence in artifacts.

Micro-Level Variables: We test for the effects of two theoretically meaningful individual-level variables: economic vulnerability and consumer knowledge. Economic vulnerability is constructed from an item battery eliciting respondents’ perceived disadvantage when buying goods or services from retailers due to poor financial circumstances or their current employment situation. For both reasons, respondents indicate if they feel disadvantaged to a great extent, to some extent, hardly at all, or not at all. We summarize responses in a vulnerability index, rescaled to an interval from 0 to 1. Consumer knowledge about consumer rights is measured by three quiz questions on cooling-off periods, faulty product guarantees, and unsolicited products. Depending on the number of correctly answered questions, we code consumer knowledge as high (3), medium-high (2), medium-low (1), and low (0). In addition to gender and age, individual-level control variables include education, the area of residence, and the household’s financial situation. Online Appendix Table A2 shows the descriptive statistics of micro-level variables.

Macro-Level Variables: To measure the association of *consumer policy* and *market norms*, we constructed two country-level indices.

The *consumer policy* index consists of three dimensions—a legal, an effectiveness, and a legitimacy dimension—measuring the strength of consumer policy from the perspectives of law, retailers, and consumers. For the legal dimension, we classify countries according to the degree to which they have enacted laws that protect consumers’ legal rights against sellers and oblige sellers to abide by certain rules of market exchange. To do so, we rely on Nessel’s work (Nessel, 2019, 2022), who has evaluated countries’ progress in implementing European directives at pre-contractual, contractual, and post-contractual stages of consumer-producer relations.

The effectiveness dimension indicates to what degree consumer law is actively monitored and enforced by public authorities. Here, we draw on the perspective of firms and use more than 10,000 retailer responses from the 2016 Consumer Condition Scoreboard on Retailers' Attitudes towards Cross-Border Trade and Consumer Protection (European Commission, 2017). Specifically, we take the percentages of responses in each country agreeing or strongly agreeing with two statements on whether the public authorities actively monitor and ensure compliance with (a) product safety legislation and (b) consumer legislation in the firm's sector.

The legitimacy dimension takes the perspective of consumers and assesses in how far the population regards public authorities as trustworthy in the enforcement of consumer rights. To this purpose, we take responses from the three waves of the Consumers' Attitudes towards Cross-Border Trade and Consumer Protection (European Commission, 2019). Specifically, we calculate the percentage of total agreement per country with an item asking consumers if they trust public authorities to protect your rights as a consumer. We standardize the three dimensions of the *consumer policy* index, which are strongly correlated at the country level (Cronbach alpha = 0.703), before building an additive index. We have also considered whether the severe changes in market interaction caused by the COVID-19 pandemic have affected the results of the 2020 wave. However, while consumer confidence in online shopping declined across Europe as a result of the COVID-19 pandemic, trust in both private consumer associations as well as enforcement agencies increased, which points to the important role of (consumer) institutions in stabilizing consumer markets by defining a threshold of trust.

To construct the *market norms* index, we use three items of the integrated European Value Study from waves 2008 and 2017 (European Value Study, 2022). We calculate the average response per country across three questions asking respondents to place themselves between two opposed statements (on a scale from 1 to 10): (a) "[private/government] ownership of business and industry should be increased"; (b) "[individuals/the state] should take more responsibility [for providing for themselves/to ensure that everyone is provided for]"; and (c) "the state should [give more freedom to firms/control firms more effectively]." As cross-national differences in these values remain highly stable over short time periods, we use the country-level averages from these European Value Study-waves for our 2016–2020 individual-level survey data.

The three items represent a trade-off between economic freedom for market actors and increased state intervention and are strongly correlated at the individual level (Cronbach alpha = 0.766). Weighted averages are calculated and recoded such that high values correspond to pro-market values, advocating higher economic freedom.

Additionally, we control for four macro-economic variables retrieved from the World Development Indicators of the World Bank: gross domestic product per capita (GDP p.c.); the Gini coefficient; imports of goods and services as percentage of GDP; and the Herfindahl–Hirschman Index. The Herfindahl–Hirschman Index of the World Bank indicates in how far the trade portfolio of a country is diversified across markets. For each control variable, we calculated the average across three biannual measures (2016–2020). Online Appendix Table A3 reports the values of the macro variables, with standardized scores for consumer policy and market norms.

Analytical Strategy

Considering the hierarchical structure of the data and the number of countries under consideration (Bryan & Jenkins, 2016), we use multilevel models that account for the non-independence of individuals in countries. In hypotheses 1 and 2, we measure the effects of macro-level variables on a micro-level outcome and include random country-level intercepts. In line with standard notation, our model is described by:

$$\begin{aligned} Y_{ic} &= \beta_{0c} + \beta_{1c}X_{ic} + e_{ic} \\ \beta_{0c} &= \gamma_{00} + \gamma_{01}W_c + u_{0c} \end{aligned} \quad (1.1)$$

In (1.1), consumer trust Y_{ic} of an individual i embedded into country c is a function of the grand mean γ_{00} , individual-level control variables X , country-level variables W , as well as a random part consisting of country-specific random effects $u_{0c} \sim N(0, \sigma_{u0}^2)$ and the residuals $e_{ic} \sim N(0, \sigma_e^2)$. To test hypotheses 3 and 4, we extend the model with cross-level interaction effects and random country-level slopes:

$$\begin{aligned} Y_{ic} &= \beta_{0c} + \beta_{1c}X_{ic} + \beta_{2c}M_{ic} + e_{ic} \\ \beta_{0c} &= \gamma_{00} + \gamma_{01}W_c + u_{0c} \\ \beta_{2c} &= \gamma_{20} + \gamma_{21}W_c + u_{2c} \end{aligned} \quad (1.2)$$

Here, consumer trust is additionally a function of the main effects of the two individual moderators M_{ic} , vulnerability and knowledge, and interaction effects with the country-level variables. Additionally, the random part is extended by a residual error term for β_{2c} , $u_{2c} \sim N(0, \sigma_{u2}^2)$.

The intraclass correlation coefficient of the null model is 0.105, meaning that slightly more than 10 percent of the variation in consumer trust can be explained by the clustering of respondents into higher-level units (countries) and rendering the use of multilevel modeling appropriate. All analyses apply post-stratification weights based on gender and age as well as country-clustered standard errors.

Results

Individual Determinants of Consumer Trust

Table 1 reports the statistical association of sociodemographic variables in model (1.1) and the main individual characteristics in model (1.2) with consumer trust. Model (1.1) suggests that women tend to exhibit lower consumer trust (Dittrich, 2015). Similarly, older consumers show less trust (Berg, 2022). Lower consumer trust among the elderly might arise because they are more likely to have accumulated negative experiences, or because they are more likely to be discriminated against in markets compared to younger consumers. There is also strong social stratification in consumer trust, with lower trust observed in rural areas, among lower educated respondents and consumers in financially difficult situations. These respondents are less likely to trust firms and retailers, most likely because they suffer more from trust betrayal and are more likely to have experienced exclusion in markets

Table 1. Effect of Individual-Level Variables on Consumer Trust.

	(1.1)	(1.2)
Gender (Ref.: Male)		
Female	-1.449*** (0.269)	-1.373*** (0.295)
Age (In Decades)	-1.239*** (0.120)	-1.281*** (0.146)
Degr. Urba. (Ref: Rural Area)		
Small Town	0.692*** (0.243)	0.372 (0.258)
Large Town	0.676** (0.319)	0.489 (0.328)
Education (Ref: Low)		
Medium	1.711*** (0.405)	1.175*** (0.419)
High	2.047*** (0.412)	1.556*** (0.521)
Financial Situation (Ref: Very Difficult)		
Fairly Difficult	4.094*** (0.367)	3.101*** (0.414)
Fairly Easy	6.942*** (0.461)	5.158*** (0.467)
Very Easy	7.856*** (0.485)	5.898*** (0.536)
Knowledge (Ref: Low (0))		
Medium-Low (1)		1.150*** (0.344)
Medium-High (2)		1.388*** (0.273)
High (3)		1.379*** (0.421)
Vulnerability		-6.27*** (0.934)
Var (Country)	42.88	51.58
Var (Residual)	406.06	400.89
Observations	73,120	47,559
Countries	30	30
Akaike Information Criterion	646,961.05	420,350.52
χ^2	805.2***	670.3***

Multilevel models. Dependent Variable: Consumer Trust. Country-clustered standard errors reported in parentheses. Observations from 2020 wave are excluded from model (1.2) due to the unavailability of the Vulnerability variable. Not reported: Constant, and Survey-year. Post-stratification weights specified at the first level.

*** $p < 0.01$, ** $p < 0.05$, * $p < 0.1$.

and society at large (Delhey & Newton, 2003). Reversely, those who have been treated kindly and generously by economic life are more likely to trust than those who suffer from poverty, unemployment, and social exclusion.

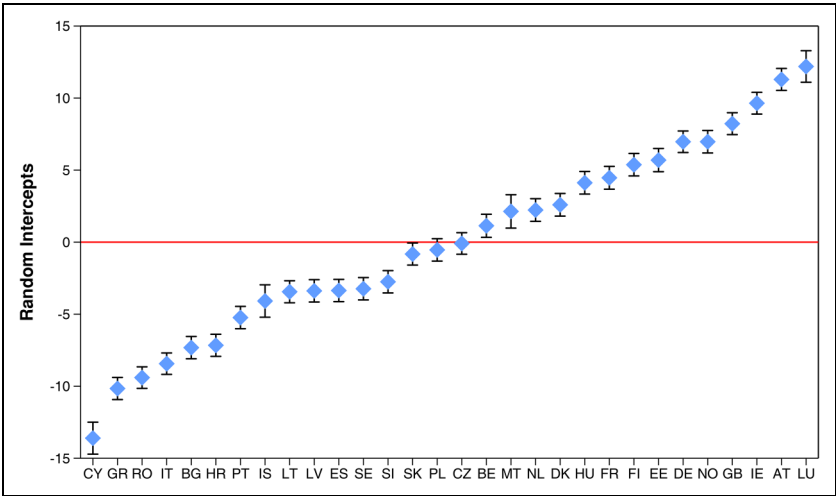


Figure 1. Cross-Country Variation in Consumer Trust.

Regarding our two main individual characteristics—knowledge and vulnerability—the findings are in line with theoretical expectations (Alecu, 2024). Higher knowledge is associated with more trust. However, only the difference between those with low knowledge, who answered none of the knowledge questions correctly, and the other knowledge levels is statistically significant. This result suggests that already a minimum level of knowledge about consumer rights is sufficient to establish trust in retailers and products. Moreover, the association of consumer trust and economic vulnerability is strong and significantly negative. This implies that people who feel economically disadvantaged struggle to build up trust, not only in their fellow citizens (Kevins, 2019), but also in the market domain, towards retailers and their supplied products. Moreover, there is good reason to believe that people with less economic stress may purchase higher-quality products, which may be less likely to fail, thus diminishing the chance of negative consumer experiences (Nessel, 2022).

Cross-Country Variation in Consumer Trust

To provide first insights into cross-country differences in consumer trust, Figure 1 plots the random effects of a multilevel model controlling for the country’s composition in terms of sociodemographic characteristics as well as the survey year.

Many Southern and Eastern European countries are clustered among the low-trust countries, with Estonia, Hungary, and to some degree Malta forming notable exceptions. Reversely, the Western European countries—both the conservative as well as the liberal ones—and the Northern European countries are found on the right side of Figure 1 displaying higher levels of consumer trust. Unlike for social trust, there is no evidence for Nordic exceptionalism, as their consumer trust does not exceed the one in the Western European countries. Specifically, Sweden, which is known for its extraordinary high

Table 2. Effect of Consumer Policy and Market Norms on Consumer Trust.

	(2.1)	(2.2)	(2.3)	(2.4)
Consumer Policy	5.743*** (0.899)		3.712*** (0.869)	
Pro-Market Norms		3.570*** (1.097)		1.289 (1.143)
Gross Domestic Product Per Capita			6.858*** (2.374)	8.836*** (2.517)
Gini Coefficient			-0.156 (0.147)	-0.0771 (0.176)
Share of Imports			0.000546 (0.0218)	0.0126 (0.0216)
Herfindahl–Hirschman Index			61.05 (41.09)	52.63 (45.89)
Var (Country)	22.05	30.56	14.14	20.57
Var (Residual)	407.20	406.06	407.20	406.06
Observations	69,324	73,120	69,324	73,120
Countries	28	30	28	30
Akaike Information Criterion	613,470.56	646,952.94	613,466.24	646,949.16
χ^2	821.1	823.0	1,087	1,413

Multilevel models. Dependent Variable: Consumer Trust. Country-clustered standard errors reported in parentheses. Not reported: Constant, Gender, Age, Degree of Urbanization, Education, Financial Situation, and Survey-year. Post-stratification weights specified at the first level.

*** $p < 0.01$, ** $p < 0.05$, * $p < 0.1$.

levels of social and institutional trust, ranks substantially lower in terms of consumer trust. Online Appendix Table A4 shows average levels of trust in products and retailers across the three survey years and all 30 countries. Across countries average trust in products and in retailers is highly correlated ($r = 0.80$; $p < 0.001$; $n = 30$). Furthermore, the ranking of countries does not vary considerably across years, suggesting stability in the country differences in trust.

The Role of the Consumer Policy and Market Norms for Consumer Trust

Table 2 assesses the statistical relationship between the two main macro-variables—consumer policy and market norms—and consumer trust.

Consumer policy has a strong effect on consumer trust, which decreases slightly but stays statistically significant when controlling for GDP p.c. and other economic macro-variables. Specifically, according to model (2.3), an increase of one standard deviation in the consumer policy index is associated with a 3.7 higher trust score, measured on an interval from 0 to 100. Similarly, the pro-market norms score, for which higher values indicate pro-market values and support for economic freedom, has a positive and significant impact in model (2.2), which is however annihilated when controlling for the economic macro-variables in model (2.4). Thus, even though we find that trust in markets is higher if countries are more in favor of market provision, this association can be fully attributed to differences in economic development between countries.

To assess the robustness of these findings, we have conducted a series of sensitivity analyses. Online Appendix Figure A1 shows that the findings remain statistically significant when consecutively dropping one of the three indicators from the index. Online Appendix Figure A2 reports the sensitivity to using different combinations of control variables on the macro-level, following concerns that with a higher number of level two variables, even multilevel models with more than 25 countries might lead to unreliable country effects (Bryan & Jenkins, 2016).

Cross-Level Interactions

In a final step, we assess if the associations of the consumer policy and market norms are the same for people differing in their vulnerability and knowledge. To do so, Figure 2 plots cross-level interaction effects from separate multilevel models reported in Online Appendix Table A5.

In theory, consumer policy and market norms should increase trust more strongly for people who are not vulnerable and have high knowledge about consumer rights. The upper panels of Figure 2, in line with the statistically significant interaction effects in models A6.1 and A6.2, indeed show patterns according to this prediction for vulnerability. Specifically, the association of consumer policy is strongest for those not vulnerable, whereas it decreases and is even nullified for economically vulnerable consumers. Thus, even though market institutions support and foster consumer trust, they may also increase social inequality in as far as they are tailored to the “average consumer” rather than to the weakest market participants. Similarly, we find statistically significant evidence for an interaction effect of market norms and economic vulnerability. The more vulnerable consumers are, the less their trust benefits from pro-market norms. However, as indicated by the confidence intervals in the upper right panel of Figure 2, the effect of market norms on consumer trust remains statistically insignificant even for those not feeling vulnerable. For knowledge about consumer rights, the lower panels of Figure 2 show essentially flat lines implying the absence of statistically significant interactions with the macro-variables. In contradiction to hypothesis 4, consumer policy is associated with higher trust regardless of consumers’ knowledge.

Discussion and Conclusion

In this paper, we examined the structural conditions of consumer trust in markets. Past research on the role of trust in markets has mainly looked at the role of personal relations or networks (Granovetter, 1985; Uzzi, 1996), or has cast light on organizations or trust devices (Karpik, 2010). Research beyond economic sociology has investigated the institutional and cultural determinants of social trust in general (Dinesen, 2013). Our contribution is located at the intersection of these efforts, as we emphasize that personal relations and market intermediaries, as well as their contributions to consumer trust, are embedded in cultural and institutional structures. This approach chimes with current institutional approaches in economic sociology (Nee & Swedberg, 2005) and adds to such approaches the dimension of trust, specifically consumer trust in markets.

We support our case by analyzing pooled data from three waves of the Consumers’ Attitudes towards Cross-Border Trade and Consumer Protection survey (2016–2020). We

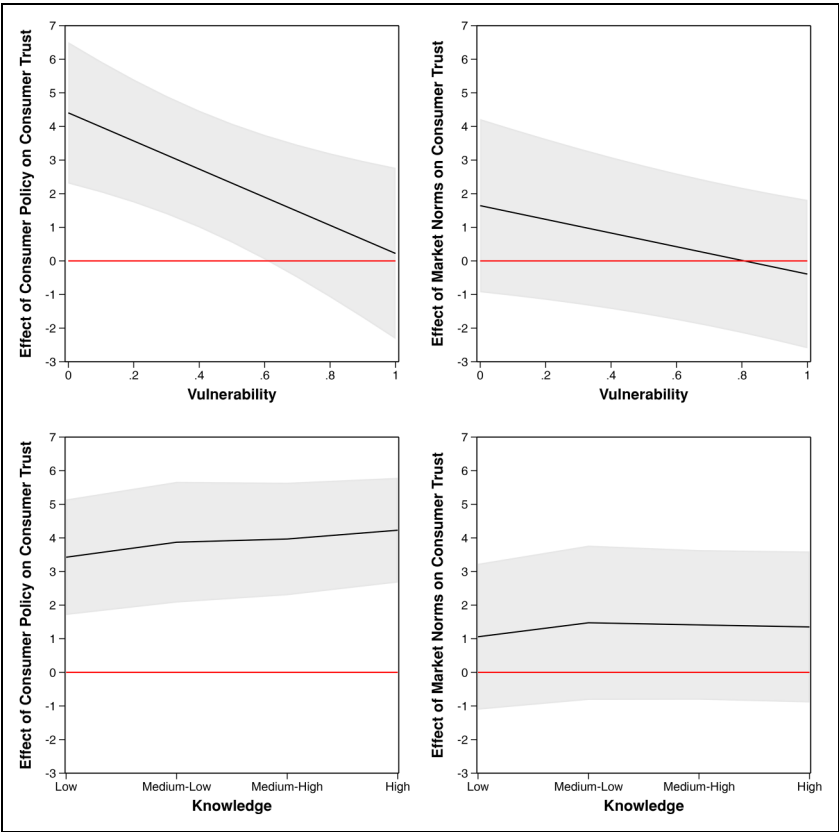


Figure 2. Cross-Level Interactions.

create multidimensional indicators of institutional embeddedness, operationalized as consumer policy, and cultural embeddedness, operationalized as market norms. Our approach significantly goes beyond past work on consumer trust (Berg, 2022; Nessel, 2022) as we control for various economic factors to exclude alternative explanations of the relationships, and as we examine cross-level interactions with economic vulnerability and consumer knowledge.

Our main result underscores the role of institutional structures for consumer trust. Effective and legitimate consumer policy is strongly and robustly associated with higher levels of consumer trust across countries. This result adds to previous findings by Nessel (2022), whose empirical strategy remained confined to analyzing correlations between average levels of consumer trust and consumer policy at the macro level, and (Berg, 2022), who uses trust in public authorities to proxy institutional effectiveness, an indicator that likely picks up differences in overall trust across countries rather than the strength of institutions *per se*.

Likewise, the finding parallels existing research on social trust in non-market spheres, which highlights a strong dependency on macro-level institutions such as the welfare

state. However, while social and consumer trust share a fundamental reliance on the expected trustworthiness of others, consumer institutions do not foster trust by building interpersonal bonds or familiarity; rather, they exert a calculative effect by reducing informational asymmetry and mitigating beliefs about seller opportunism. A key limitation of our approach, however, is that we look only at the total association with institutions, but do not distinguish and identify different pathways underlying the relationship, such as individual risk assessments of fraud, the efficacy of dispute resolution, or beliefs regarding seller opportunism. It represents a promising avenue for future research to identify the relative importance of these mechanisms for the relationship between consumer policy and consumer trust.

Importantly, while our main analysis relies on a composite index of consumer trust in markets, Online Appendix Table A7 shows that the findings remain robust to splitting up the holistic trust measure into trust in products and retailers. This suggests that the association of consumer policy is comprehensive: it not only acts as a deterrent against seller opportunism, but also enhances confidence in market artifacts.

We have argued that potential mechanisms underlying this association are that state agencies act as punishers in case of commercial misbehavior, reducing opportunistic behavior in markets. Moreover, these, often state-run, consumer institutions, act as a third-party regulator that diminish actors' uncertainty about other actors' intentions—and in large-scale mass markets uncertainty about quality, health, and safety of products. We suggest that in such markets, trust is often mediated by a regulatory third party, which supervises and monitors sellers, and diminishes the vulnerability of the trustor owing to informational or power asymmetries.

Here, we further examined the role of cultural embeddedness, operationalized as pro-market norms, for trust in products and suppliers. In doing so, we follow ideas from the literature on cultural norms and social trust, as well as economic sociological insights into the cultural underpinnings of economic life (Koos & Sachweh, 2019). Specifically, we have argued that market societies require a cognitive anchor to maintain their social order. This anchor consists of mental scripts or market norms, and stabilizes the expectations of market participants. We find that pro-market attitudes are connected to higher consumer trust, but this link, however, is not robust to the inclusion of macro-economic variables, such as GDP p.c. A *desideratum* for future research therefore is to further investigate the interdependence between political structures, economic factors, and market norms.

In the literature concerned with demand-side capitalism, there exist different views on institutional heterogeneity, and the relationship between institutions and cultural norms or values. Trumbull, for example, highlights that different consumer policy approaches have their roots in varying ideas about the consumer, such as the French protection or the German informational approach (Trumbull, 2006; similarly, Austgulen, 2020). Nessel instead presented a framework that distinguishes four dimensions of consumer policy (legal, enforcement, associational, and welfare dimensions). Importantly, national differences in consumer protection (policy) seem to prevail across Europe, notwithstanding trends in harmonization of European consumer law, out of court settlement of consumer disputes, or European labeling schemes (Austgulen, 2020; Berg, 2022). We suggest that this is because institutions follow

historical pathways and are therefore “sticky,” both in terms of their dominant mode of economic integration (Koos & Sachweh, 2019) as well as their organization of consumer policy (Trumbull, 2006). However, while initial research proposes different approaches and levels of consumer protection, the performance of different approaches to consumer policy in general, as well as their contribution to trust generation, is yet far from being illuminated. This could be a further next step in the analysis of consumer trust. Our proposed multilevel indicators of consumer policy and market norms may be a basis for such analysis.

Another crucial finding of this study is that institutional and cultural structures have heterogeneous effects on consumer trust across social groups. This is particularly observable for consumer policy. While effective consumer institutions on average positively relate to trust, this does not apply to the whole population. Instead, legitimate and effective consumer institutions primarily benefit the “average consumer,” but fail to make an impact on the most vulnerable ones. Even if consumer policy may increase overall consumer trust as it makes those who do not feel vulnerable more trusting and increases the overall share of people who do not feel vulnerable, it may overlook the fate of those who still remain vulnerable.

One reason why this might be the case may relate to the experience of the economically vulnerable with products of low quality and rogue traders. Consumer protection measures seek to ensure the safety of products, forbid aggressive or misleading sales techniques, limit hazardous materials in consumer goods by means of laws and regulations and associated enforcement agencies to ensure these measures (Nessel, 2019). In doing that, they might overlook market segments with specifically low-quality products, which are more frequented by the lower social strata than by the middle classes. Therefore, consumer policy institutions may not necessarily reduce social inequality but could also reinforce social inequality to the advantage of the better off. With this finding, our paper goes critically beyond past research on vulnerability and consumer trust (Alecú, 2024), as we stress that vulnerability moderates the efforts of consumer institutions for building and nurturing trust in suppliers and products. Consequently, consumer policy institutions and relevant measures to protect consumers must consider the specific problems that weaker consumers face in their interactions with traders (e.g., power asymmetries and aggressive marketing practices) and products (e.g., lower product quality and “poverty premiums” for services).

Interestingly, we do not find such an interaction effect for consumer knowledge. Thus, our results show that the more consumers know about their rights in consumer markets, for instance that rights exist to safeguard the promised quality after the purchase by means of legal guarantees or cooling-off periods, the more they trust sellers and products. However, the effects of institutions on consumer trust does not vary across social groups. Or phrased differently, knowledge about consumer rights does not seem to be a prerequisite to the beneficial effects of consumer institutions.

Finally, we want to stress that because of the cross-sectional nature of our data, our analytical strategy does not allow us to infer causal relationships between the observed variables. This applies, on the one hand, to the relationships on the societal level, where we cannot exclude that strong consumer policy institutions are specifically created in societies with high consumer trust, rather than the other way around. However, this caveat equally concerns the micro-variables, where we emphasize the need for future studies to determine how exactly vulnerability relates to trust. In summary, we are convinced that our research findings provide

a crucial step forward in the understanding of the structural correlates of consumer trust. Yet, more work is still required to discern how consumer policy, normative attitudes, vulnerability, and knowledge interact to foster trust in modern mass markets.

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Declaration of Conflicting Interests

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Supplemental Material

Supplemental material for this article is available online.

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Appendix

Table A1. Observations per Country and Year.

	2016	2018	2020	Total
Austria	955	875	851	2,681
Belgium	823	815	790	2,428
Bulgaria	862	831	913	2,606
Croatia	891	914	841	2,646
Cyprus	401	431	430	1,262
Czech Republic	920	942	935	2,797
Denmark	855	860	812	2,527
Estonia	764	785	854	2,403
Finland	830	859	882	2,571
France	943	774	776	2,493
Germany	952	899	945	2,796
Greece	856	927	869	2,652
Hungary	839	858	838	2,535
Iceland	422	411	396	1,229
Ireland	928	883	923	2,734
Italy	907	951	957	2,815
Latvia	913	880	796	2,589
Lithuania	842	958	864	2,664
Luxembourg	453	406	436	1,295
Malta	374	355	429	1,158
Netherlands	848	879	806	2,533
Norway	865	830	872	2,567
Poland	881	868	833	2,582
Portugal	845	818	928	2,591
Romania	970	890	921	2,781
Slovakia	852	895	915	2,662
Slovenia	888	862	857	2,607
Spain	761	918	938	2,617
Sweden	808	847	937	2,592
United Kingdom	960	852	895	2,707
Total	24,408	24,273	24,439	73,120

Table A2. Descriptive Statistics of the Sample.

	Proportion/ Mean	Observations
Gender		
Male	48.38	35,374
Female	51.62	37,746
Age	49.09	73,120
Degree of Urbanization		
Rural Area	29.69	21,706
Small Town	36.62	26,779
Large Town	33.69	24,635
Education		
Low (International Standard Classification of Education (ISCED) 0–2)	10.29	7526
Medium (ISCED 3–4)	46.00	33,633
High (ISCED 5–8)	43.71	31,961
Financial Situation		
Very Difficult	7.42	5,425
Fairly Difficult	26.87	19,649
Fairly Easy	47.99	35,090
Very Easy	17.72	12,956
Knowledge about Consumer Rights		
Low (0)	18.80	13,744
Medium–Low (1)	38.54	28,181
Medium–High (2)	32.48	23,751
High (3)	10.18	7,444
Vulnerability (0–1)	0.21	47,559
Consumer Trust (0–100)	57.07	73,120

Table A3. Overview of Macro-Variables.

	Consumer Policy	Pro-Market Norms	Gross Domestic Product Per Capita	Gini Coefficient	Share of Imports	Herfindahl–Hirschman Index
Austria	0.18	1.29	54,072.09	30.26	50.44	0.10
Belgium	−0.10	0.08	50,478.77	27.08	80.44	0.07
Bulgaria	−0.98	−0.93	22,021.67	40.62	59.97	0.05
Croatia	−1.63	−1.30	27,605.32	29.88	48.70	0.06
Cyprus	−0.54	−0.85	39,277.72	31.98	74.91	0.04
Czech Republic	−0.37	0.17	39,082.17	25.36	69.02	0.11
Denmark	0.31	1.14	55,561.90	28.06	49.05	0.06
Estonia	0.37	−0.47	34,569.48	30.68	71.16	0.06
Finland	0.72	0.19	47,556.02	27.32	37.75	0.05
France	1.37	0.17	44,359.18	31.56	31.52	0.05
Germany	0.00	0.83	52,809.38	31.70	39.77	0.04
Greece	−1.25	−1.37	28,543.07	33.80	38.40	0.03
Hungary	1.29	−1.77	30,540.76	30.04	78.56	0.09
Iceland	*	−0.05	55,084.11	26.65	39.72	0.09
Ireland	0.72	1.55	82,596.95	30.96	107.53	0.12
Italy	−0.29	−0.88	41,259.47	35.22	27.39	0.04
Latvia	−0.26	−1.54	29,249.59	35.04	60.78	0.06
Lithuania	−0.95	0.04	35,102.61	36.54	69.46	0.04
Luxembourg	0.82	0.34	114,583.69	33.84	165.68	0.09
Malta	0.80	1.36	43,424.25	29.88	146.20	0.05
Netherlands	0.89	0.17	55,211.28	28.00	71.41	0.08
Norway	*	0.96	64,318.65	27.70	32.95	0.09
Poland	−1.06	−0.64	31,180.21	29.98	48.81	0.09
Portugal	0.53	1.00	33,177.99	34.00	41.20	0.08
Romania	−0.64	0.05	27,899.40	35.12	43.74	0.07
Slovakia	−0.57	−0.80	30,760.29	24.15	90.51	0.07
Slovenia	−0.72	0.27	37,114.52	24.40	72.68	0.07

(continued)

Table A3. Continued.

	Consumer Policy	Pro-Market Norms	Gross Domestic Product Per Capita	Gini Coefficient	Share of Imports	Herfindahl–Hirschman Index
Spain	−0.29	−1.63	39,031.65	34.88	31.03	0.06
Sweden	0.08	1.44	51,962.71	29.32	41.45	0.04
United Kingdom	1.29	1.19	45,285.73	32.96	31.62	0.05

*Data for the legal dimension of the institutional policy index for Norway and Iceland are lacking, since the respective European Union directives do not apply to these countries. Appendix Figure A1 presents robustness checks dropping this dimension and including the two omitted countries. Appendix Table A3 shows that more liberal countries—such as Ireland and United Kingdom—as well as the Nordic countries—such as Sweden and Denmark—are more supportive of allocating goods by markets, whereas the Eastern countries—such as Croatia, Hungary, and Bulgaria—and Southern countries—such as Spain, and Greece—tend to favor state provision. A similar pattern is observable for the consumer policy index, even though some countries stand out, as Hungary's consumer policy score is among the highest observed and also Malta—a Southern country—has remarkably strong consumer policy.

Table A4. Trust in Products and Retails per Country and Year.

	Trust in Products			Trust in Retailers		
	2016	2018	2020	2016	2018	2020
Austria	76.07	55.77	64.45	71.24	71.39	74.11
Belgium	53.46	48.47	55.82	61.44	60.9	69.07
Bulgaria	34.51	36.04	40.09	56.65	63.46	67.25
Croatia	39.51	39.06	42.75	55.14	55.69	62.15
Cyprus	37.28	30.39	42.21	46.88	48.26	53.02
Czech Republic	46.74	48.2	51.76	62.32	62.81	67.59
Denmark	54.33	54.13	56.59	66.71	65.43	64.74
Estonia	53.01	55.86	63.58	64.75	66.2	71.9
Finland	56.93	60.24	64.91	63.82	65.46	64.74
France	79.16	41.54	48.71	70.98	57.49	67.4
Germany	76.73	49.83	55.29	71.01	65.18	69.49
Greece	36.68	32.31	38.61	53.27	52.93	57.92
Hungary	47.68	54.02	55.73	64.08	67.25	70.49
Iceland	43.01	44.65	58.46	54.9	56.61	63.64
Ireland	77.32	59	63	70.11	65.8	68.58
Italy	35.34	38.49	45.56	53.88	54.54	58.13
Latvia	37.13	42.33	50.44	62.8	60.57	67.34
Lithuania	40.44	46.61	53.41	56.73	61	65.55
Luxembourg	76.38	68.35	63.76	70.42	70.53	72.71
Malta	54.68	48.03	57.69	55.97	62.82	69.93
Netherlands	55.37	52.79	62.34	61.36	63.03	65.43
Norway	67.75	71.14	59.92	65.78	63.37	65.6
Poland	48.64	50.06	52.82	60.2	62.17	66.07
Portugal	45.44	46.58	45.69	52.78	55.01	59.05
Romania	31.8	31.46	41.64	58.35	59.4	63.34
Slovakia	44.6	45.75	53.17	60.76	64.17	67.43
Slovenia	38.23	46.75	53.68	57.88	59.2	68.38
Spain	45.34	45.37	46.32	56.59	58.97	66.7
Sweden	44.86	43.51	49.36	61.8	62.46	64.18
United Kingdom	76.88	53.87	62.96	71.49	63.42	64.51

Table A5. Pairwise Correlations.

Individual-Level Variables.									
	Trust	Age	Gender	Urban	Education	Financial Situation	Vulnerability	Knowledge	
Consumer Trust	1								
Age	-0.090	1							
Gender	-0.057	0.053	1						
Degree of Urbanization	0.001	-0.074	0.001	1					
Education	0.063	-0.100	0.006	0.177	1				
Financial Situation	0.178	0.017	-0.097	0.043	0.216	1			
Vulnerability	-0.195	-0.033	0.062	-0.026	-0.104	-0.381	1		
Knowledge	0.059	0.007	-0.061	0.002	0.043	0.043	-0.080	1	
Macro-Level Variables.									
	Policy	Norms	Gross Domestic Product Per Capita		Gini Coefficient	Imports	Herfindahl–Hirschman Index		
Consumer Policy	1								
Market Norms	0.465	1							
Gross Domestic Product Per Capita	0.564	0.624	1						
Gini Coefficient	-0.145	-0.257	-0.279		1				
Share of Imports	0.217	0.138	0.3556		-0.101	1			
Herfindahl–Hirschman Index	0.159	0.177	0.311		-0.380	0.304	1		

Table A6. Cross-Level Interactions.

	(A6.1)	(A6.2)	(A6.3)	(A6.4)
Main Effects				
Consumer Policy				
Pro-Market Norms				
Vulnerability				
Knowledge (Ref: Low (0))				
Medium-Low (1)	4.405*** (1.073)	1.644 (1.314)	3.425*** (0.876)	1.059 (1.107)
Medium-High (2)	-7.407*** (0.996)	-7.229*** (1.068)		
High (3)			1.181*** (0.319)	1.325*** (0.320)
Interaction Effects				
Consumer Policy×Vulnerability				
Pro-Market Norms×Vulnerability				
Consumer Policy×Knowledge (Ref. Low (0))				
Medium-Low (1)	-4.183*** (1.554)	-2.036** (0.951)		
Medium-High (2)			0.447 (0.328)	
High (3)			0.542 (0.365)	
Pro-Market Norms×Knowledge (Ref. Low (0))				
Medium-Low (1)			0.803 (0.500)	0.416

(continued)

Table A6. Continued.

	(A6.1)	(A6.2)	(A6.3)	(A6.4)
Medium-High (2)				(0.343) 0.352 (0.415) 0.292 (0.374) 19.81
High (3)				
Var (Country, Constant)	19.13	29.48	13.50	
Var (Country, Vulnerability)	23.94	30.56		
Var (Country, Knowledge (Medium-Low))			0.74	0.69
Var (Country, Knowledge (Medium-High))			0.65	0.64
Var (Country, Knowledge (High))			0.21	0.22
Var (Residual)	400.75	399.23	406.48	405.38
Observations	45,119	47,559	69,324	73,120
Countries	28	30	28	30
Akaike Information Criterion	398.811.23	420,209.83	613,398.63	646,883.51
χ^2	1,307***	1,040***	1,858***	2,815***

Multilevel models. Dependent Variable: Consumer Trust. Country-clustered standard errors reported in parentheses. Not reported: Constant, Gender, Age, Degree of Urbanization, Education, Financial Situation, Survey-year, gross domestic product per capita, Gini coefficient, Share of Imports, and Herfindahl-Hirschman Index. Post-stratification weights specified at the first level.

*** $p < 0.01$, ** $p < 0.05$, * $p < 0.1$.

Table A7. Effect of Consumer Policy and Market Norms on Trust in Products and Trust in Retailers.

	Trust in Products		Trust in Retailers	
	(A7.1)	(A7.2)	(A7.3)	(A7.4)
Consumer Policy	5.187*** (1.163)		2.134** (0.792)	
Pro-Market Norms		1.674 (1.433)		0.857 (1.034)
Gross Domestic Product Per Capita	11.492*** (2.953)	15.168*** (3.181)	1.963 (2.257)	2.244 (2.385)
Gini Coefficient	-0.244 (0.181)	-0.162 (0.235)	-0.025 (0.153)	0.048 (0.157)
Share of Imports	-0.001 (0.026)	0.006 (0.028)	0.004 (0.020)	0.020 (0.019)
Herfindahl–Hirschman Index	61.709 (48.638)	56.936 (56.645)	65.376 (38.710)	53.844 (41.284)
Var (Country)	21.72	33.85	11.81	14.33
Var (Residual)	966.93	967.37	473.04	470.08
Observations	71,140	75,151	75,060	79,166
Countries	28	30	28	30
Akaike Information Criterion	690,828.77	729,882.08	675,837.16	712,324.44
χ^2	1,359.19	1,348.08	848.43	1,024.31

Linear multilevel models. Dependent Variables: Trust in Products (A7.1) and Trust in Retailers (A7.2). Country-clustered standard errors reported in parentheses. Not reported: Constant, Gender, Age, Degree of Urbanization, Education, Financial Situation, Survey-year. Post-stratification weights specified at the first level. *** $p < 0.01$, ** $p < 0.05$, * $p < 0.1$.

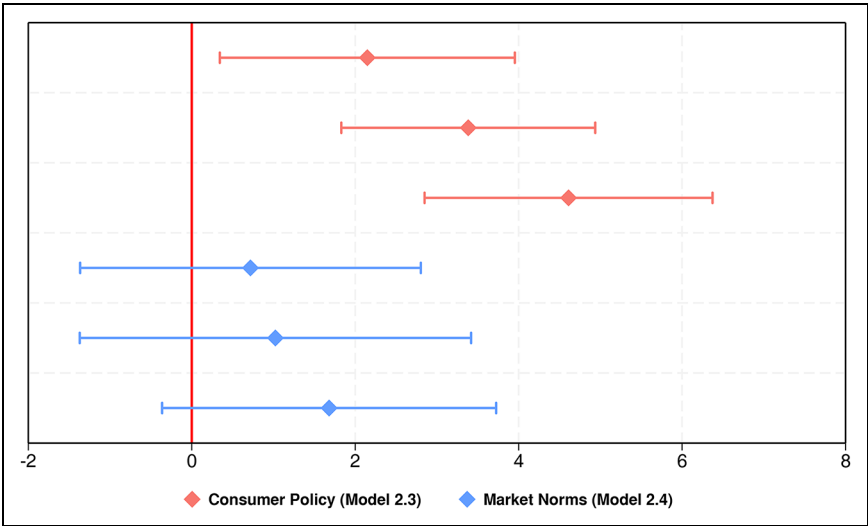


Figure A1. Robustness Check Excluding Indicators.

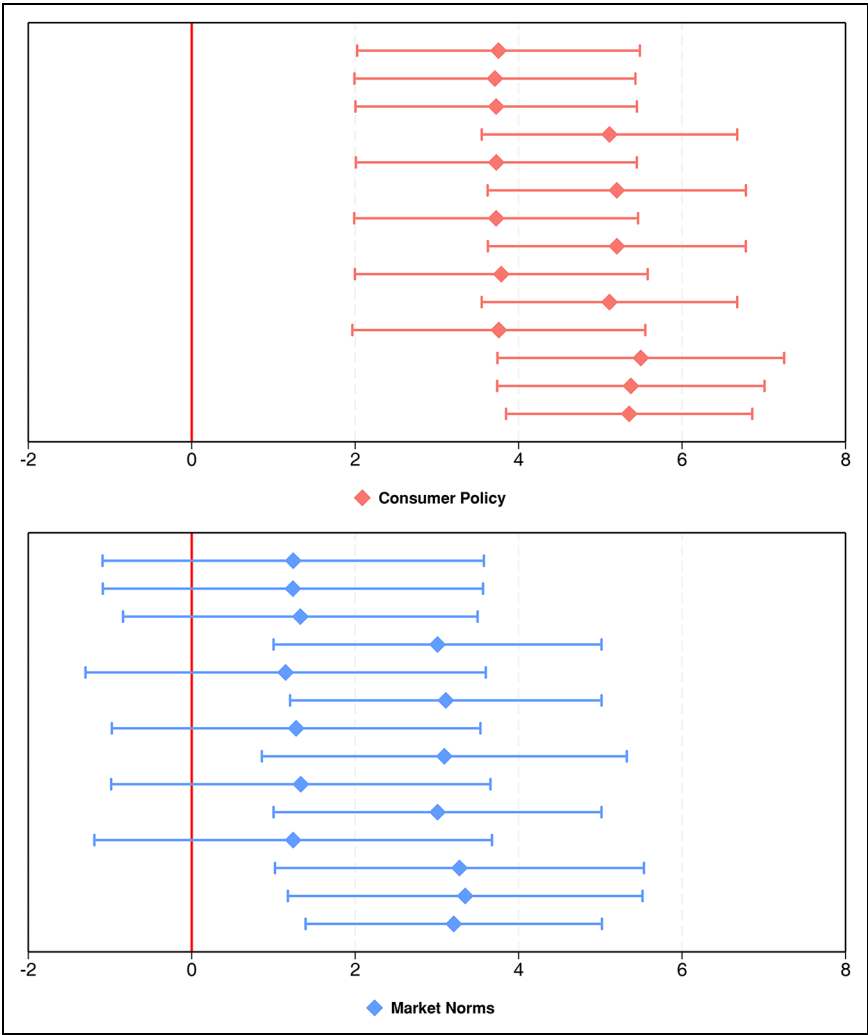


Figure A2. Robustness Check Excluding Country-Level Controls.