



ASSUMPTION UNIVERSITY STUDENT'S TRUST IN AN INTERNET STORE
AMAZON.COM

By
NGUYEN NGUYEN DUNG

A Thesis Submitted in Partial Fulfillment
of the Requirements for the Degree of

Master of Business Administration

Graduate School of Business
Assumption University
Bangkok Thailand

October 2003

**ASSUMPTION UNIVERSITY STUDENT'S TRUST IN AN INTERNET STORE
AMAZON.COM**

By

NGUYEN NGUYEN DUNG

A Thesis submitted in partial fulfillment
of the requirements for the degree of

Master of Business Administration

Examination Committee :

- | | | | |
|----|--------------------------|----------------------|-------|
| 1. | Dr. Tang Zhimin | (Advisor) | |
| 2. | Prof. Navin Mathur | (Member) | |
| 3. | Dr. Michael Schemmann | (Member) | |
| 4. | Dr. Thongdee Kijboonchoo | (Member) | |
| 5. | Dr. Panarat Panmanee | (MUA Representative) | |
- [Signatures and dates are present next to the committee members' names. The date 27-10-2003 is written next to the first member, and the name Panarat P is written next to the fifth member.]*

Examined on : 27 October 2003

Approved for Graduation on :

Graduate School of Business
Assumption University
Bangkok Thailand
October
2003

ACKNOWLEDGEMENTS

This thesis could not be done without the contributions of many people. I would like to thank and express gratitude to all people who donated their valuable time to help me do this thesis.

I would like to give special thanks to my advisor, Dr. Tang Zhimin, for his consistent support, guidance, patience, encouragement and constructive advice.

I am also very indebted to my committee members: Dr. Navin Chandra Mathur, Dr. Thongdee Kijiboonchoo, Dr. Panarat Panmamee (MUA representative) and Dr. Micheal Schemmann, for their kind suggestions and recommendations.

I would like to thank Dr. Ioan Voicu and Dr. Jean Wolfe Walzer for their kind help in checking and correcting grammar for me.

I would like to thank over 200 respondents who spent time to fill in the questionnaire and returned it to me.

A special word of thanks goes to all of my friends who encouraged and supported me in the process of thesis writing.

Finally, it is important to acknowledge my father, Mr Nguyen Ngoc Khoa, and my family for encouragement, support, love, and understanding, which has helped me, persist to completion.

ABSTRACT

The objectives of this study were following: The first objective was to identify the factors that affect a consumers' trust in an internet store. Last objective was to recommend for internet stores how to gain and sustain consumer trust.

This study proposed conceptual framework that was about factors that affect a consumers' trust in an internet store. Independent variables in this conceptual framework are perceived size, perceived reputation, perceived security control, perceived privacy control, perceived competence, and familiarity of consumer toward website of the internet store; and dependent variable is consumers' trust in an internet store.

The respondents are 150 selected graduate students and 50 senior undergraduate students of Assumption University. Amazon.com is selected as an internet store. Data was analyzed by using descriptive statistics and Pearson correlation coefficient (two-tailed test).

The findings suggested that:

1. There is a low positive relationship between ABAC graduate and senior undergraduate student perception of size, perception of competence of Amazon.com and their trust in Amazon.com
2. There is a medium positive relationship between ABAC graduate and senior undergraduate student's perception of the reputation, perception of security control, perception of privacy control, and familiarity of Amazon.com and their trust in Amazon.com

The results showed that factors that affect a consumers' trust in an internet store are perceived size, perceived reputation, perceived security control, perceived privacy control, perceived competence, and familiarity. In this study, the most influential factor on trust in an internet store is perception of privacy control. The researcher can rank the strength of the relationship between factors that affect trust in an internet store in descending order as follows:

Perceived privacy control > Familiarity > Perceived reputation > Perceived security control > Perceived size > Perceived competence.

The researcher recommends that Amazon.com and other internet stores should focus on privacy control. Privacy terms should be clear and ensure that they are strictly followed. Amazon.com and other internet stores should make their websites consumer friendly by investing in advertising and by teaching people how to search for information about products. Security control and building a reputation should be considered. Amazon.com and other internet stores should let other famous software company such as Microsoft protect their websites and they should not be unfair, do something bad, or cheated consumer.



TABLE OF CONTENTS	Page no
Acknowledgement.....	i
Abstract.....	ii
Table of Contents.....	iv
List of Tables.....	ix
List of Figures.....	xi
Chapter 1- Generalities of the study	
1.1 Background of the study.....	01
1.1.1 Introduction of the study.....	01
1.1.2 History of Amazon.com.....	02
1.1.3 Overview of Online shopping in Thailand.....	05
1.1.4 Overview of Online shopping of Assumption University students.....	06
1.2 Statements of problem.....	06
1.3 Objectives of the study.....	08
1.4 Scopes of the study.....	08
1.5 Limitations of the Study.....	09
1.6 Significances of the study.....	09
1.7 Definition of terms.....	10

Chapter 2- Review of related literatures and studies

2.1 Overview of e-commerce.....	12
2.1.1 Definition of electronic commerce (e-commerce).....	12
2.1.2 Importance of electronic commerce.....	13
2.2 Importance of consumers' trust to e-commerce.....	14
2.2.1 Definition of Trust.....	14
2.2.2 Importance of Trust to Electronic commerce.....	15
2.3 Literature support for framework.....	16
2.3.1 Perceived size, perceived reputation and Trust.....	16
2.3.2 Privacy perception, security perception and Trust.....	17
2.3.3 Perception of Competence (Ability) and Trust.....	18
2.3.4 Familiarity and Trust.....	18
2.4 Literature support for the methodology used.....	19

Chapter 3- Research framework

3.1 Theoretical Framework.....	22
3.2 Conceptual Framework.....	27
3.2.1 Conceptual framework.....	27
3.2.2 Concepts of variables in conceptual framework.....	28
3.3 Research hypotheses.....	29
3.3.1 Research Hypotheses for Conceptual framework.....	29

3.3.2 Expected outcome of hypotheses.....	30
3.4 Operationalization of the Variables	31
 Chapter 4- Research Methodology	
4.1 Research methods used.....	37
4.2 Respondents and sampling procedures.....	39
4.2.1 Target population	39
4.2.2 Sampling procedures.....	40
4.2.2.1 Sampling method used.....	40
4.2.2.2 Sampling unit.....	41
4.2.3 Determining sample size.....	41
4.3 Research instruments / Questionnaire.....	42
4.3.1 Research instruments and questionnaire.....	42
4.4 Pilot study.....	44
4.5 Collection of data / Gathering procedures.....	45
4.5.1 Collection of data.....	45
4.5.2 Data gathering procedures.....	46
4.6 Statistical treatment of data.....	47
4.6.1 Descriptive analysis.....	47
4.6.2 Pearson's product moment correlation coefficient.....	48
4.6.3 Reliability Tests.....	51

Chapter 5: Presentation of Data and Critical Discussion of Results

5.1 Descriptive Statistic.....	53
5.1.1 Data collection.....	53
5.1.2 Demographic profile of respondents.....	54
5.1.2.1 Age.....	54
5.1.2.2 Education.....	54
5.1.3 General information on purchasing online of respondents.....	55
5.1.4 Reliability test.....	57
5.2 Test of hypotheses.....	59
5.2.1 Test of hypothesis 1.....	59
5.2.2 Test of hypothesis 2.....	60
5.2.3 Test of hypothesis 3.....	60
5.2.4 Test of hypothesis 4.....	61
5.2.5 Test of hypothesis 5.....	62
5.2.6 Test of hypothesis 6.....	63

Chapter 6: Summary, Conclusion and Recommendation*

6.1 Summary of findings.....	64
6.2 Conclusion.....	65
6.3 Recommendation for Internet stores.....	66
6.4 Recommendation for further research.....	68

Bibliography

Questionnaire

List of Tables

Table 1.1 Summary information of Amazon.com.....	4
Table 1.2 Some Online shops and cyber malls in Thailand.....	5
Table 2.1 Summary literature support for conceptual framework.....	19
Table 2.1 Summary methodology used of prior study.....	20
Table 3.1 Conceptual framework.....	27
Table 3.2 Expected outcome for hypotheses.....	30
Table 3.3 Operationalization of the Demographic variables.....	32
Table 3.4 Operationalization of the Independent and Dependent Variables	33
Table 4.1 Sample sizes used in marketing research studies	40
Table 4.2 Sample size of prior study.....	41
Table 4.3 Research Instrument Design.....	43
Table 4.4 <i>R</i> -value and measure the strength of association.....	48
Table 4.5 Summaries of Hypothesis and Statistical Analysis.....	49
Table 4.6 Reliability analysis –Scale (Alpha).....	50
Table 5-1 Questionnaire responsiveness.....	52
Table 5-2 Age of respondents.....	53
Table 5-3 Education of respondents.....	53
Table 5-4 Have you ever bought a product or service online.....	54
Table 5-5 If “Yes”, what is the frequency of your Internet purchase.....	54
Table 5-6 If "Yes", which of the following type(s) of products/services have you bought online? (You may choose more than 1).....	55

Table 5-7 Reliability of data –Scale (Alpha).....	56
Table 5-8 The analysis of relationship between perceived size and trust in an Internet store by using Bivariate Correlation Coefficient Test.....	58
Table 5-9 The analysis of relationship between perceived reputation and trust in an Internet store by using Bivariate Correlation Coefficient Test.....	59
Table 5-10 The analysis of relationship between perceived security control and trust in an Internet store by using Bivariate Correlation Coefficient Test.....	60
Table 5-11 The analysis of relationship between perceived privacy control and trust in an Internet store by using Bivariate Correlation Coefficient Test.....	60
Table 5-12 The analysis of relationship between perceived competence and trust in an Internet store by using Bivariate Correlation Coefficient Test.....	61
Table 5-13 The analysis of relationship between familiarity and trust in an Internet store by using Bivariate Correlation Coefficient Test.....	62
Table 5-14 Summary results of testing hypotheses.....	63
Table 6-1 Summary of hypotheses testing result.....	64
Table 6-2 Summary of Recommendation for Internet stores.....	67

List of Figures

Figure 1: Nomological trust model.....23

Figure 2: Model of consumers’ trust in Internet shopping (CTIS).....24

Figure 3: The Internet Consumer Trust Model.....25

Figure 4: Integrating trust in Electronic commerce and Technology acceptance model
.....26



CHAPTER 1

GENERALITIES OF THE STUDY

1.1 BACKGROUND OF THE STUDY

1.1.1 Introduction of the study

The internet is a fast growing network that links people from around the world. "By the end of the year 2002, the number of internet users around the world was 490 millions, that is 79.4 users per 1,000 people. And, the figure would be 118 per 1,000 people by the year 2005"¹. Not only is the number of internet users growing dramatically worldwide, but the rate of internet access has also increased.

With the growth of the internet, electronic commerce² has been growing, becoming more popular, and is a significant factor for world business. Electronic commerce can become a significant global economic element in the next century (Clinton & Gore, 1997). Many e-businesses have been emerging rapidly around the world, including e-retailing business. "The internet will also revolutionize retail and direct marketing. Consumers will be able to shop in their homes for a wide variety of products from manufactures and retailers all over the world. They will be able to view these products on their computers or television, access information about the products, visualize the way products may fit together and order and pay for their choice, all from their living room."³

¹ Wheenlen. Thmas L & Hunger. J.David (2002), Strategic management and Business policy, 8th edition, New Jersey, Prentice Hall, page 160

² E-commerce is the process of buying and selling or trading of goods or services entirely or partly through electronic means, including mainly but not limited to internet and computer networks

³ Clinton & Gore (1997), "A framework for Global E-commerce", White House.

“Retailers find it increasingly important to represent themselves on the internet to attract more customers, to increase public awareness of their companies and products, and last but not least to sell more of products. However, moving internet users to the "purchase click" is proving to be difficult. An important reason why online consumers are reluctant to shop online is because of the fundamental lack of faith or trust between most businesses and consumers on the web. "In essence, consumers simply do not trust most web providers enough to engage in relationship exchanges with them" (Hoffman, Novak and Peralta, 1998, 2). Trust is not only a short-term issue but also the most significant long-term barrier for realizing the potential of e-commerce to consumers.”⁴

Because of the essential role trust plays for the development of e-commerce, it is important to analyze the factors that are relevant to the emergence of trust problems in transactions between online-retailers and consumers. Buying on the internet presents numerous risks for consumers; the transaction process itself is perceived as risky.

From those reasons above, it is necessary to study what factors affect online consumers' trust toward an internet store, how online consumers' trust links to their online shopping intention or willingness to buy. Not only will this study benefit people who are concerned about doing business on the internet, it also gives useful information for people who intend to go shopping online.

1.1.2 History of Amazon.com

Amazon.com, one of the first on-line websites, was created by Bezos in 1995. In partnership with a leading American bookshop, Barnes & Noble (today, this partnership lies in the past, “ the two groups are competitors now”), it offered

⁴ Grabner, “Building Consumer Trust in Online Markets”, http://www.ifl.uni-klu.ac.at/IWAS/HM/eBusiness/doc/crm_publicationen_economy.pdf, date 23/07/2003

an incredibly wide and varied range of books. And success was assured. As a result, it diversified and now sells everything from electronic equipments to beauty products, as well as toys, tools and pharmaceutical drugs, to mention only a few. And that's not all. It has entered into a series of partnerships with other e-commerce sites, such as Ashford.com (luxury products), CarsDirect.com (automobiles) and even Wine.com (wines and spirits). (<http://uk.biz.yahoo.com/p/a/amzn.html>, date: 27/05/2003)

“In May 1997, Amazon.com went public. The shares in the IPO, which were priced at \$18, jumped 31 percent the first day of trading, and had more than tripled to \$60 by the end of the year. Sales at Amazon.com increased rapidly every quarter. Net sales from the fourth quarter of 1997 soared to \$66.0 million, a 74 percents increase over net sales of \$37.9 million for the third quarter, and a 680 percent increase over net sales of \$8.5 million for the fourth quarter of 1996. Net sales for fiscal 1997 were \$147.8 million, a 938 percent increase over net sales of \$15.7 million for fiscal 1996. Sale continued to grow quickly from year to year”⁵ In 2000, net sale was \$2.76 billions and gross profit was \$656 millions. Sale in 2001 was \$3.122 billion and \$3.933 billion in 2002. The company served more than 20 million customers. (<http://uk.biz.yahoo.com/p/a/amzn.html>, date: 27/05/2003)

Today, with 7,800 employees, Amazon.com can boast of a well-established international presence. It distributes its products in a total of 220 countries on every continent. With Amazon.com you will get everything you need (<http://uk.biz.yahoo.com/p/a/amzn.html>, date: 27/05/2003). Table 1.1 below can provide more details about Amazon.com

⁵ Kerin. Roger A & Peterson. Robert (2001), Strategic marketing problems: cases and comments, 9th edition, New Jersey, Prentice Hall, pp 496-497

Identity card	
Address	1200 12th Avenue South, Suite 1200 WA 98144 Seattle, Washington
Internet site	www.amazon.com
Market place	Frankfurt London New York
Index	NASDAQ 100
Number of shares	388,242,957
Auditor	Ernst & Young LLP
Sector	Distribution
Industry	Mass market distribution
Sub-Industry	E-Commerce and Catalogue sales
Number of employees	7,800 (31/12/2001)
	7,500 (31/12/2002)

Executive Team	
Chairman & CEO	Jeffrey P. (Jeff) Bezos
Corporate Secretary	Michelle Wilson
Chief Financial Officer	Thomas J. Szkutak
Human Resources	Michelle Wilson
Communication	Richard L. Dalzell

Key figures					
Year	2002	2001	2000	1999	1998
Net Revenues*	3,933	3,122	2,762	1,640	610
Net Profit*	-149.1	-567.3	1,411.3	-720	-124.5
* in million(s) of US Dollar					

Sales per activity	
Books, music, DVD and video tapes	48.00%
International activities	30.00%
Electronic equipment, tools and kitchens	16.00%
Services	6.00%
Data as of 31/12/2002	

Sales per geographic area	
Core Market	
United States	70.00%
Geographic areas	
Rest of the World	30.00%
Data as of 31/12/2002	

(Source: <http://uk.biz.yahoo.com/p/a/amzn.html>, date: 27/05/2003)

(Source: <http://uk.biz.yahoo.com/p/a/amzn.html>, date: 27/05/2003)

1.1.3 Overview of Online shopping in Thailand

Among the fifteen ISPs ⁵ in Thailand, seven ISPs provide online shopping services. Some ISPs have started to provide service on web sites exclusively dedicated to online shopping malls, independent of their own web sites. However, most of the companies have opened a shopping mall or a shopping corner on their own web sites. These shopping malls are aimed at corporate customers that use their web-hosting service.

Table 1.2: Some Online shops and cyber malls in Thailand

Name	Supplier	URL	Outline
GoldSite	KSC	www.goldsite.com	<ul style="list-style-type: none">- A shopping mall with dozen of participating stores. They are categorized as follows: high-tech, entertainment, motor vehicles, publishers, trade fairs, hotels real estate, and golf course, etc.- Stores mainly are the mall to introduce their companies and products, and a few sites have online shopping.
Shopping Thailand	Loxinfo	www.shoppingthailand.com	<ul style="list-style-type: none">- A shopping mall with four product fields: computer equipment, gifts, health-related products, and entertainment. The mall has six stores.- Digitalsong, one of participants on this site, provides a facility for downloading music files in the MP3 format for a fee.
Hot Zone/ Shopping	Samart	www.samart.co.th	<ul style="list-style-type: none">- A site consists of links to the companies selling general consumer goods to which Samart provides its web-hosting service.

⁵ Internet Service Provider: private companies supplying local and regional connections to the Internet and providing individuals and businesses with Internet access for free.

It is difficult to describe that online shopping in Thailand is steadily diffusing. However, two advanced examples of electronic commerce in Thailand are Shopping Thai and Digital Songs. Shopping Thai brings diverse stores together and provides a payment facility. Research indicates that an increasing number of companies have started to provide online trading on a commercial basis, thus making it evident that online shopping is shifting from the experimental to the practical level. (<http://www.maxcyber.com/tiedc/e-com-asia.htm>, date: 20/04/2003)

1.1.4 Overview of Online shopping of Assumption University students

According to the Registrar office of Assumption University (ABAC), there are more than eighteen thousand students from more than fifty countries, who are studying at ABAC for the year 2003. The number of graduate students is 2,037 in which MBA students account for 730; and senior undergraduate student is approximately 3,650. Many of them can speak English well. They use internet regularly for their projects. They are provided with an internet account. Many of them know Amazon.com and some of them have even bought some products from this website. One survey, which was conducted by the researcher with twenty-five MBA students (13 male, 12 female) in the day program, shows that most of respondents use the internet daily, two to five hours per day. The survey result also pointed out that 88% of respondents know Amazon.com and 81.8% of them have even searched information about books and other product in this website. However, only 8% of respondents have ever bought products online and some of them went shopping online more than one time.

1.2 STATEMENTS OF PROBLEM

Trust in B2C (business to consumer) e-markets is defined as customers' willingness to be vulnerable to the e-business actions on the expectation that the e-

business will perform a particular action important to the customer, irrespective of the ability to monitor or control the e-business (Euijin, 2001). Trust has been one of most important issues in e-commerce. It plays a key role in explaining why consumers buy or do not buy online. Businesses, who are doing business or intend to do e-commerce, need to study the trust of customers or prospective customers. They need to know whether or not the customer trusts them. They also need to know what influences customer trust; and how trust links to a customer's perception of risk; and how risk links to the intention of purchase or willingness to buy. They also need to know the reason why customers do not trust them and know how to improve customer's trust. They also need to know what needs to be improved to gain and sustain customer trust.

Researchers know that e-commerce will be the future of business. Trust plays an important role for e-commerce. Therefore, studying trust in e-commerce becomes necessary.

There are a few studies about this issue in Thailand in the past period and because e-commerce has become popular in Thailand recently, so this researcher conducts the study for thesis.

This study will investigate graduate students and senior undergraduate students at Assumption University to find out the answers for some questions below:

1. What factors influence consumers' trust in an internet store?
2. How does an internet store gain and sustain its consumers' trust? What should they do?

1.3 OBJECTIVES OF THE STUDY

The purpose of this research is to gain more understanding about consumers' trust in an internet store generally, and ABAC graduate and senior undergraduate students' trust toward www.amazon.com specifically. The objectives of this research are:

1. To identify factors that affect ABAC graduate and senior undergraduate students' trust in www.amazon.com, which including perceived size, perceived reputation, perceived security control, perceived privacy control, perceived competence, perceived familiarity.
2. To recommend to e-business, internet store how to gain and sustain ABAC graduate and senior undergraduate students' trust privately and consumers' trust generally.

1.4 SCOPES OF THE STUDY

The scope of this study covers only B2C (business to consumer) e-commerce. In other words, this study focuses on electronic retail business. Hence, it may not be applied to business-to-business, or any other type of electronic commerce.

This study investigates **graduate and undergraduate students at ABAC only**. **The reason why the researcher chooses them rather than anyone else is:** **First of all**, many of them can speak English very well and many of them use the internet. They use the internet regularly because they are provided with an internet account. Moreover, many subjects require them to use the internet. That is very good, because Amazon.com is an English website so those who cannot speak English well cannot visit and understand the content in this website. We cannot go

shopping online without internet access. **A second reason** is that the researcher is an MBA student at ABAC, so it is convenient for him to meet them. **The third reason** can be that ABAC students generally, and graduate and senior undergraduate students specifically, come from rich families. Thus, they have more purchasing power. Some of them are or will be leaders of companies after finishing their course of study. Therefore, they are **important target customers** of many companies, including online firms such as Amazon.com.

Amazon.com is a selected internet store. The reason for choosing www.amazon.com is that it is the most famous internet store in the world.

1.5 LIMITATIONS OF THE STUDY

Due to time limitations, this data collection method is cross-sectional, in which the survey was conducted at once and represents a snapshot of one point in time. E-commerce changes so fast day by day and businesses improve their websites quickly and that can influence perception of trust of consumer. Hence, this study must be used with caution after a certain period of time.

This study focuses on electronic retail business. Hence, it may not be applied to business –to – business, or any other type of electronic commerce.

This study also focuses on graduate and senior undergraduate students at ABAC only, so findings of this research should be used with caution too when applying them to other target population such as employees, workers, managers.

1.6 SIGNIFICANCES OF THE STUDY

This research will provide more information about ABAC graduate students privately, and online consumers in Thailand generally about both trust and their willingness to buy online. Thus, not only will this study not only *benefit people who are concerned or doing business on the internet* but also *gives useful*

information for people who intend to go shopping online. For people, who are doing or concern about doing business on the internet, they will know what factors affect consumers' trust. This can help them know what to do to gain and sustain their customers' trust, or what should be adjusted to raise the trust of the customer. For people, who are concerned about going shopping online, they can have www.amazon.com in their mind as a good website. They can gain more knowledge about e-commerce, trust, etc.

Besides, this study can be reference for whom concern about this issue for their future study.

1.7 DEFINITION OF TERMS

These are literal and operational meanings of the terms used for uniformity and clarity of understanding of words used in this study:

Consumers' trust in B2C: Trust in B2C (business to consumer) e-markets is defined as customers' willingness to be vulnerable to the e-business' actions on the expectation that e-business will perform a particular action important to the customer, irrespective of the ability to monitor or control e-business (Euijin, 2001)

Electronic commerce: Electronic commerce is the process of buying and selling or trading of goods or services entirely or partly through electronic means, including mainly but not limited to internet and computer network (Turban, Lee, King & Chung, 2001).

Electronic retailing: Selling goods or services to the final consumer for their personal, non-business use entirely or partly through electronic means, including mainly but not limited to internet and computer network (Turban, Lee, King & Chung, 2001).

Internet store (Electronic retailer): Business organizations that do e-retailing business (Turban, Lee, King & Chung, 2001).

Internet: The physical network that links computers across the globe. It consists of the infrastructure of network servers and communication links between them. It enables transfer of messages and transaction between connected computers and other internet appliances, such as mobile phones, worldwide (Turban, Lee, King & Chung, 2001).

Online shopping: Process of purchase of products or services entirely or partly over electronic mediums, including internet (Turban, Lee, King & Chung, 2001).

Online consumer: Individual who buy goods or services through the internet (Turban, Lee, King & Chung, 2001).

Privacy: It is the claim of an individual to be left alone, free from surveillance or interference from other individuals, organizations, or the state (Laudon, 2002).

Risk: Risk is a consumers' perceptions of the uncertainty and adverse consequences of engaging in an activity (Dowling & Staelin, 1994).

Security: Policies, procedures, and technical measures used to prevent unauthorized access, alternation, theft, or physical damage to information system (Laudon, 2002).

Trust: is the belief or confidence in the honesty, integrity, reliability, and justice of another person or thing. (Whitney, 1994)

Website: The WWW page maintained by an organization or individual (Laudon, 2002).

CHAPTER 2

REVIEW OF RELATED LITERATURE AND STUDIES

This chapter will focus on some theories that support for independent variables and dependent variables. This chapter includes four sections.

2.1 OVERVIEW OF E-COMMERCE

This part includes literature about electronic commerce. The topic consists of general concept about electronic commerce.

2.11 Definition of electronic commerce (e-commerce)

In general, electronic commerce is known as the buying and selling of products and services over the internet, but there are more aspects.

According to Turban, Lee, King and Chung, *“Electronic commerce is an emerging concept that describes the process of buying and selling or exchange of products, services, and information via computer networks including the internet”*.

Kalakota and Whinston (1997) defined electronic commerce from some perspective below:

- * ***From a communication perspective***, Electronic commerce is the delivery of information, product/services, or payment over telephone line, computer networks, or any other electronic means.
- * ***From a business process perspective***, Electronic commerce is the application of technology toward the automation of business transaction and workflow.
- * ***From a service perspective***, Electronic commerce is a tool that addresses the desire of firms, consumers, and management to cut service costs while improving the quality of goods and increasing the speed of service delivery.

* *From an online perspective*, Electronic commerce provides the capability of buying and selling products and information on the internet and other online services.

From all the definitions above, the researcher can see the narrow definition of electronic commerce is *“Electronic commerce is the process of buying and selling or trading of goods and services entirely or partly through electronic means, including mainly but not limited to internet and computer networks”*. In this study, the narrow definition of electronic commerce is used.

2.1.2 Importance of electronic commerce

“Global electronic commerce, driven by the development of the internet, will be an important engine for growth in the world economy in the 21st century. Electronic commerce offers considerable new opportunities for business and citizens in all regions of the world. In particular, small companies will be able to obtain unprecedented access to worldwide markets at low costs and consumers will be able to choose from an even wider range of products and services. Electronic commerce will enhance productivity across all sectors of our economies, further encourage both trade in goods and services and investment, create new sectors of activities, new forms of marketing and selling, new revenue streams and, most importantly, new jobs. Services liberalization, particularly of the basic telecom services, plays a key role in underpinning the growth of electronic commerce.”⁶

From the statement above, the researcher can see that e-commerce benefit society. With many advantages such as lower cost, quick, convenient, not limited

⁶ Joint E.U. -U.S. Statement on electronic commerce, 5 December 1997, <http://www.glinks.net/comdocs/eu-us.htm>, 28/04/2003

by time and geography, and with a huge range of products and services, e-commerce has become a significant part of the world economy.

2.2 IMPORTANCE OF CONSUMERS' TRUST TO E-COMMERCE

In this part, the definition of consumers' trust and the role of this trust in electronic commerce will be discussed. There are many authors that have defined trust so far, and several scholars thought that trust is essential for developing electronic commerce. This section will show you some point of views of some famous scholars in this field.

2.2.1 Definition of Trust.

There are many definitions of trust by scholars. Below are some of them:

John O. Whitney, who wrote the book, entitled "The Trust Factors" (Mc GrawHill Inc, 1994), defined trust as below: *"Trust is the belief or confidence in the honesty, integrity, reliability, and justice of another person or thing"*.

Mayer, Davis and Schoorman (1995) defined trust as *"the willingness of a party to be vulnerable to the actions of another party based on the expectation that the other will perform a particular action important to the trustor, irrespective of the ability to monitor or control that other party"*. This definition emphasized personal vulnerability in dyad and is particularly appropriate for studying business-to-consumer online auctions because of the dyadic nature of the seller/buyer relationship.

Euijin Kim, who wrote an article, entitled "A model of sustainable trust in B2C E-Market" published in 2001-Seventh Americas Conference on Information Systems, defined trust in e-commerce as follows *"Trust in B2C (business to consumer) e-markets is defined as customers' willingness to be vulnerable to the e-business' actions on the expectation that the e-business will perform a particular*

action important to the customer, irrespective of the ability to monitor or control the e-business”.

Because the purpose of this study is investigating consumers’ trust in an internet store for graduate and senior undergraduate students at ABAC, so the definitions of Euijin Kim, and Mayer, Davis and Schoorman (1995) may be applied.

2.2.2 Importance of Trust to Electronic commerce

Trust is essential in many commercial activities, especially those spanning time and those where the merchandise or service cannot be verified immediately. The reason for this is that other people and organizations with whom one interacts are essentially free agents whose behavior cannot be entirely controlled or even predicted.

“Trust is an important component of online exchange relationships characterized by uncertainty, anonymity, lack of control, and potential opportunism” {Hoffman, 1999}. Online transactions often require sharing of sensitive personal information (such as mailing address, telephone number), corporate information (such as inventory data), and financial information (such as credit card number) among the transacting parties. Trust helps assure that one party will not take advantage of the vulnerability of the other during or after the transaction. Trust acts as an informal control mechanism that reduces friction, limits opportunistic behaviors, minimizes the need for bureaucratic structures, encourages future transactions, and helps build long-term relationships. In contrast, lack of trust may require full disclosure of otherwise commonly accepted transaction rules in the form of extensive legal contracts, leading to greater transaction costs and lower business efficiencies. Hence, initiating, building, and

maintaining trust between buyers, sellers and partners are widely believed to be the key drivers of success for most online firm. And we can say that there is no trust of consumer we cannot doing business online. Or in the other words, lack of trust may eventually pose a substantial threat to the successful conduct of electronic commerce.

2.3 LITERATURE SUPPORT FOR FRAMEWORK

This part informs the reader about point of view of relationship between independents and dependents in conceptual framework of the researcher of some famous scholars.

2.3.1 Perceived size, perceived reputation and Trust

Javenpaa, who conducted research about consumer trust in an internet Store in 1999, proposed a model which includes relationship between perceived size, perceived reputation of an internet Store by consumers and their trust in that store (for more details about this model please see chapter 3). According to Javenpaa, reputation is the extent to which buyers believe that the selling organization is honest and concerned about its customers. Reputation is a value asset and sellers usually try to avoid getting a bad reputation. The larger company is the more consumers trust them; and the better the seller's reputation the more trustworthy the seller is perceived to be. The author sets two hypotheses are:

* H1: The store's perceived reputation is positively associated with a consumers' trust in an internet store.

* H2: The store's perceived size is positively associated with a consumers' trust in an internet store.

The result of testing two hypotheses above shows us the relationship between perceived size, perceived reputation and trust in an internet store. The author

concludes that perceived size and perceived reputation have positive link with trust in an internet store.

2.3.2 Privacy perception, security perception and Trust

Pavlop, who wrote the article entitled “Integrating trust in electronic commerce with the technology acceptance model: Model development and validation”, defined privacy perception as the subjective probability with which consumers believe that the collection and subsequence access, use, and disclosure of their private information by web retailers is consistent with their expectations. The author also defined security perception as the subjective probability with which consumers believe that their private information will not be viewed, stored, and manipulated during transit and storage by inappropriate parties in a manner consistent with their confident expectation. The author proposed a model that expresses the relationship between security perception, privacy perception of consumer and their trust in a web retailer (For more detail, see chapter 3). The author tested two hypotheses:

- * H3: Privacy perceptions are positively related to trust toward transaction with a web retailer.
- * H4: Security perceptions are positively related to trust toward transactions with a web retailer.

Finally, the author found that perceptions of security and perception of privacy positively influence consumer trust toward a transaction with a web-retailer.

With the conclusions of Pavlop, the researcher confirms that privacy perceptions and security perceptions have a positive link with trust in an internet store.

2.3.3 Perception of Competence (Ability) and Trust

Bhattacharjee, who is an Associate Professor of Information Systems at the University of South Florida, defined ability or competence of an internet store as *skills, competencies and characteristics of an e-business and its website that enables the e-business to have influence on its customers within some specific domain*. The author saw that customer's trust was based on the analysis or evaluation of cost and benefit outcome. The competences of a company are the main basis of a customer's evaluation.

Therefore, the researcher can conclude that perception of ability (competence) of an internet store will affect consumers' trust

2.3.4 Familiarity and Trust

Bhattacharjee, who conducted a research about individual trust in online firm, proposed a model that shows out the relationship between familiarity and trust (more details see chapter 3). The author defined familiarity as one's understanding of another's behavior based on prior interactions or experiences. Familiarity deals with past behaviors, trust refers to expectations about future behaviors. Past behaviors helps trustors estimate the likelihood of desired future behaviors. Therefore, familiarity of online consumer links to trust in an online firm. To confirm the assumption, Bhattacharjee tested hypothesis below:

* H5: An individual's familiarity with an online firm is directly related to their level of trust in that firm.

The result of testing this hypothesis informs the assumption above is true. So, trust and familiarity have a relationship.

The researcher can summarize literature supports for conceptual framework in the table 2.1 below:

Table 2-1: Summary literature support for conceptual framework

Variables	Content	Author
Perceived size & Trust	The larger company is, the more customer trust them	Jarvenpaa (1999)
Perceived reputation & Trust	The better the seller’s reputation, the more trustworthy the seller is perceived to be.	Jarvenpaa (1999)
Perceived security control & Trust	Perceptions of security positively influence consumer trust toward a transaction with a web-retailer.	Pavlou (2001)
Perceived privacy control & Trust	Perceptions of privacy are likely to positively influence consumer trust toward a transaction with a web-retailer.	Pavlou (2001)
Perceived competence & Trust	Customers trust based on the analysis or evaluation of cost and benefit outcome. The ability of a company is the main basis of a customer’s evaluation.	Bhattacharjee (2002)
Familiarity & Trust	Familiarity deals with past behaviors, trust refers to expectations about future behaviors. Past behaviors helps trustors estimate the likelihood of desired future behaviors	Bhattacharjee (2002)

2.4 LITERATURE SUPPORT FOR THE METHODOLOGY USED

This part informs the reader about methodology used by some authors who researched the same topic. This includes methodology used by Bhattacharjee (Associate Professor of Information Systems at the University of South Florida), methodology used by Brorchers (Lawrence Technological University), methodology used by Jarvenpaa (Department of Management Science and

Information Systems at the University of Texas) and methodology used by Pavlou (University of Southern California).

Researcher can summarize methodology used by four researchers above by the table 2-2 below:

Author Title	Anol Bhattacharjee (2002)	Andrew Brorchers (2001)	Pau A. Pavlou (2001)	Sirkka L. Jarvenpaa (2001)
<i>Research topic</i>	Individual trust in online firms: Scale development and Initial test	Trust in internet shopping: A test of a measurement instrument	Integrating trust in electronic commerce with the technology acceptance model: Model development and validation	Consumers' trust in an internet store: A cross-cultural validation
<i>Method of collecting data</i>	Self-administrative questionnaire (questionnaire is created by author)	Self-administrative questionnaire (questionnaire is adopted from questionnaire of Christy Cheung and Matthew Lee)	Self-administrative questionnaire (questionnaire is created by author)	Web survey by using questionnaire (questionnaire is created by author)
<i>Statistics Used</i>	Chi-square test, Descriptive statistic	Descriptive statistic, Pearson correlation coefficient	Descriptive statistic, Regression model	Descriptive statistic, Regression model
<i>Pilot study</i>	Yes	Yes	Yes	No

<i>Some findings</i>	Familiarity with online firm has close relationship with trust in that firm, and trust in that firm links closely with willingness to buy from that firm	Perceived security control, perceived integrity, perceived competence of an internet store link with trust in that store. Perceived privacy control has no link with trust. Trust in an internet store relates to perceived risk in transaction with that store	Privacy perception has no link with trust, but security perceptions have positive link with trust. Trust has a negative relationship with perceived risk in transaction with an internet store and perceived risk in transaction with an internet store related to intention to transact with that store negatively.	Perceived size and perceived reputation of internet store have a positive relationship with trust in that store. Trust in store has a negative link with perception of risk and risk perception has a negative relationship with willingness to buy from that store.
-----------------------------	--	--	--	--

From the summary table above, the researcher sees that it is good to use the same method of collecting data. The method is the self-administered questionnaire. The researcher also finds it necessary to use descriptive statistics to describe demographic profile of respondents, and Pearson correlation coefficient to test hypotheses because all of the above authors studied the same topic with the researcher. Pilot study is important too and it will be used for this study. The findings of those authors are expected to be similar to the findings of this research. However, different people will perceive similar issues in different ways. Thus, findings of this research can differ from findings of those scholars above.

CHAPTER 3

RESEARCH FRAMEWORK

This chapter consists of four sections, which are theoretical framework, conceptual framework, research hypothesis and operationalization of related variables. **The first part**, Theoretical Framework, is a logically developed, described, and elaborated network of associations among studied variables. **The second part**, Conceptual Framework, is the researcher's own model explaining the independent and dependent variables and concepts of variables in the model. **The third part**, Research hypothesis, is the statements specifying the relationship between variables. **The last part**, operationalization of variables, translates all variables and sub-variables into action.

3.1 THEORETICAL FRAMEWORK

Literature and studies from several sources are reviewed in order to draw a theoretical framework representing a big conception related to researchers study.

In the study, theoretical framework is from four models. One is from Bhattacharjee (Associate Professor of Information systems at the University of South Florida), named "Nomological Trust Model". One was named "Model of consumers' Trust in internet shopping (CTIS)", designed by Cheung and Lee. This model is tested by Brorchers (Lawrence Technological University) in 2001. The third model is model of Jarvenpaa (1999), named "The Internet Consumer Trust". The model was tested by Jarvenpaa (Department of Management science and Information systems of University of Texas), and Tractinsky (Industrial Engineering and Management Ben-Gurion University). The last model is

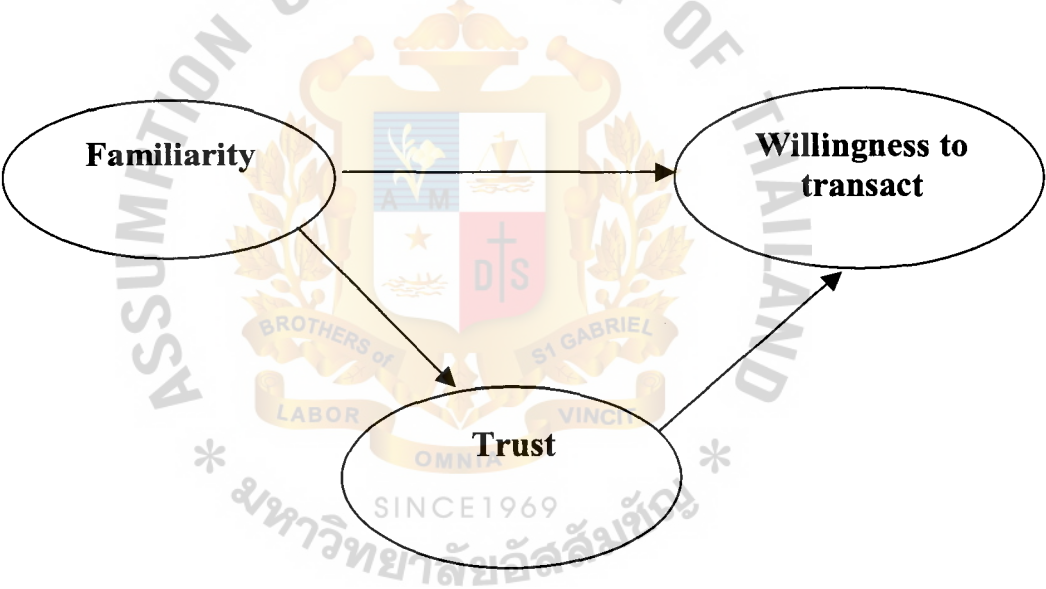
“Integrating Trust in Electronic Commerce and Technology Acceptance Model”, proposed by Pavlou (University of Southern California) in 2001.

Model 1: Nomological trust model of Anol Bhattacharjee

This model of theoretical framework (figure 1) explains the relationship between familiarity and trust, the relationship between trust and willingness to transact, and the relationship between familiarity and willingness to transact.

According to Bhattacharjee, author of model, familiarity with an internet store will affect a consumers’ trust in that store, and consumers’ trust in the store will impact on their willingness to buy from the store.

Figure 1: Nomological trust model



(Source: Bhattacharjee (2002), “Individual Trust in Online firms: Scale development and Initial test”, *Journal of Management Information Systems*, Vol. 19, No.1, pages 211-241.)

Model 2: Model of consumers' trust in internet shopping (CTIS)

This model explains factors that affect trust in internet shopping and relationships between trust and perceived risk. The model shows what factors influence trust, and includes two sources:

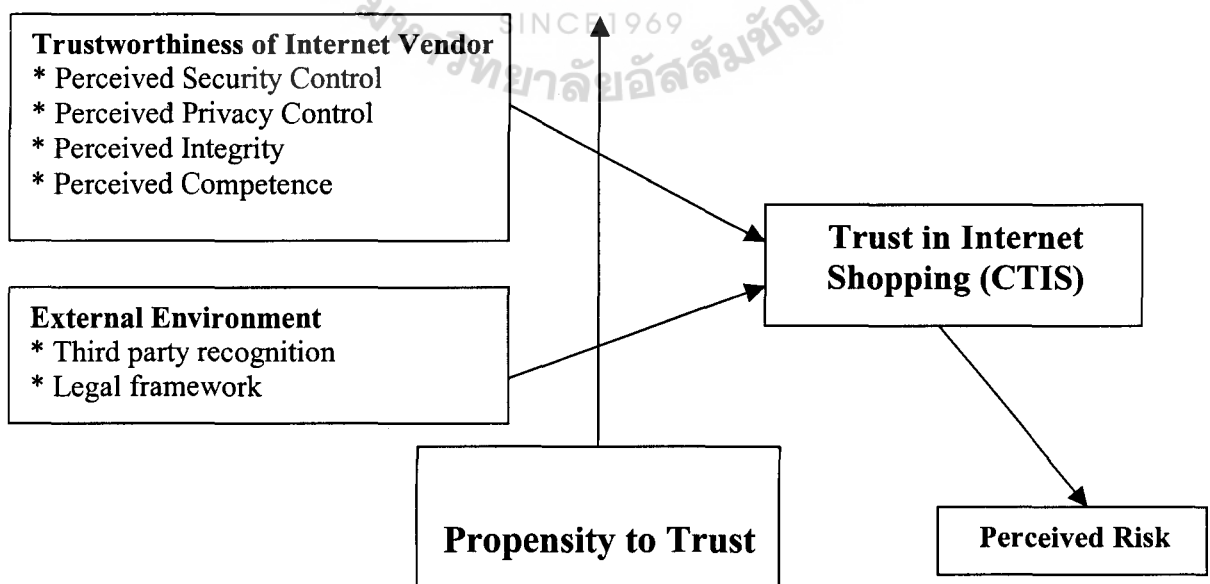
* Trustworthiness of internet vendor includes: perceived security control, perceived privacy control, perceived integrity, perceived competence.

* External environment consists of: third party recognition and legal framework.

The model also suggests that a customer's trust in internet shopping is positively related to the trustworthiness of internet vendors and external environment, moderated by one's propensity to trust. One's perceived risk in shopping is negatively related to trust in internet shopping. The managerial importance of this topic is clear. Customers that do not trust in internet shopping are not likely to make on-line purchases. Researcher can see this model in figure 2 below.

Figure 2: Model of consumers' trust in internet shopping (CTIS)

{Source: Borchers (2001), "Trust in internet Shopping: A Test of a Measurement Instrument",
http://aisel.isworld.org/article.asp?Subject_ID=156&Publication_ID=14, date: 21/03/2003}



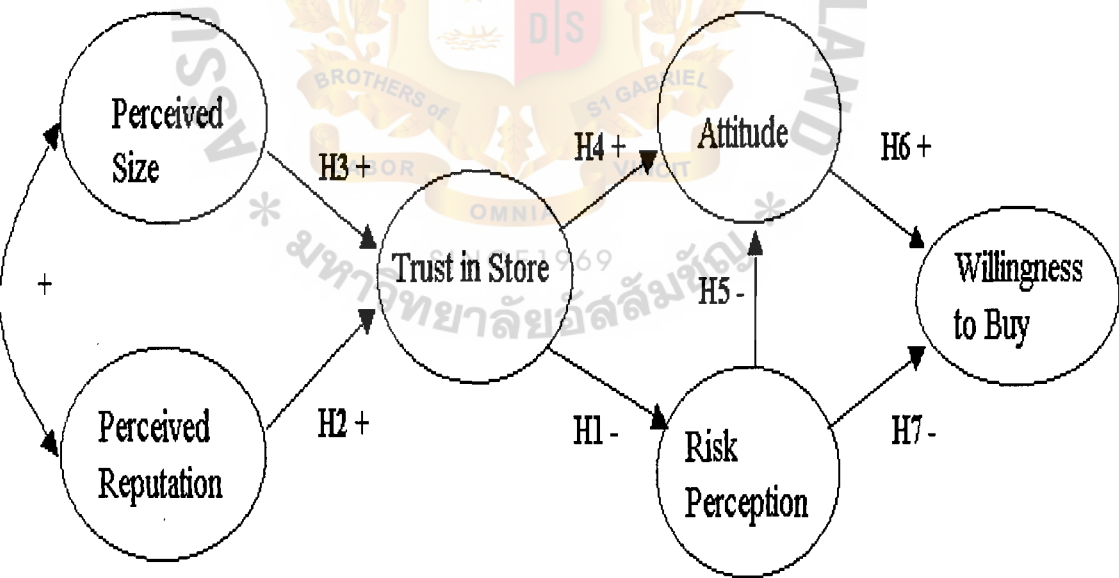
Model 3: The Internet Consumer Trust Model

The model was tested by Jarvenpaa (Department of Management science and Information systems of University of Texas) and Tractinsky (Industrial Engineering and Management Ben-Gurion University).

Those authors above thought that trust in an internet store is affected by perceived size and reputation of that company. They also showed us that trust in an internet store has a relationship with risk perception and attitude; and risk perception and attitude link with willingness to buy. The researcher can see this model in more detail in figure 3 below.

Figure 3: The internet Consumer Trust Model

(Hypothesized relations between variables are denoted according to this study's hypotheses. (+) denotes positive relation; (-) denotes negative relation between variables.)

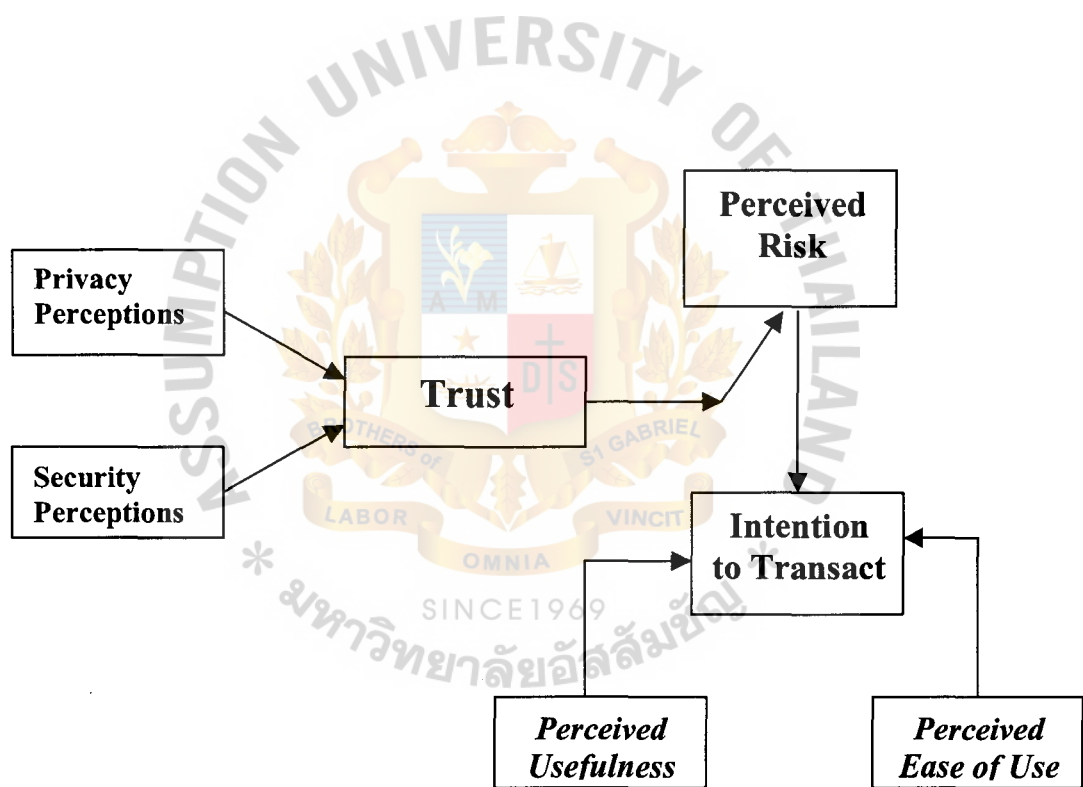


(Source: Jarvenpaa (1999), "Consumer Trust in an internet Store: A Cross-Cultural Validation", www.ascusc.org/jcmc/vol5/issue2/jarvenpaa.html, date: 20/03/2003)

Model 4: Integrating trust in Electronic commerce and Technology acceptance model

This model is the model of Pavlou (University of Southern California) in 2001, in which trust in an internet store is affected by privacy perceptions and security perceptions. Trust has a relationship with perceived risk. Perceived risk links to intention to transact. Perceived usefulness and perceived ease of use both have a relationship with the intention to transact. Researcher can see more detail in figure 4 below.

Figure 4: Integrating trust in Electronic commerce and Technology acceptance model



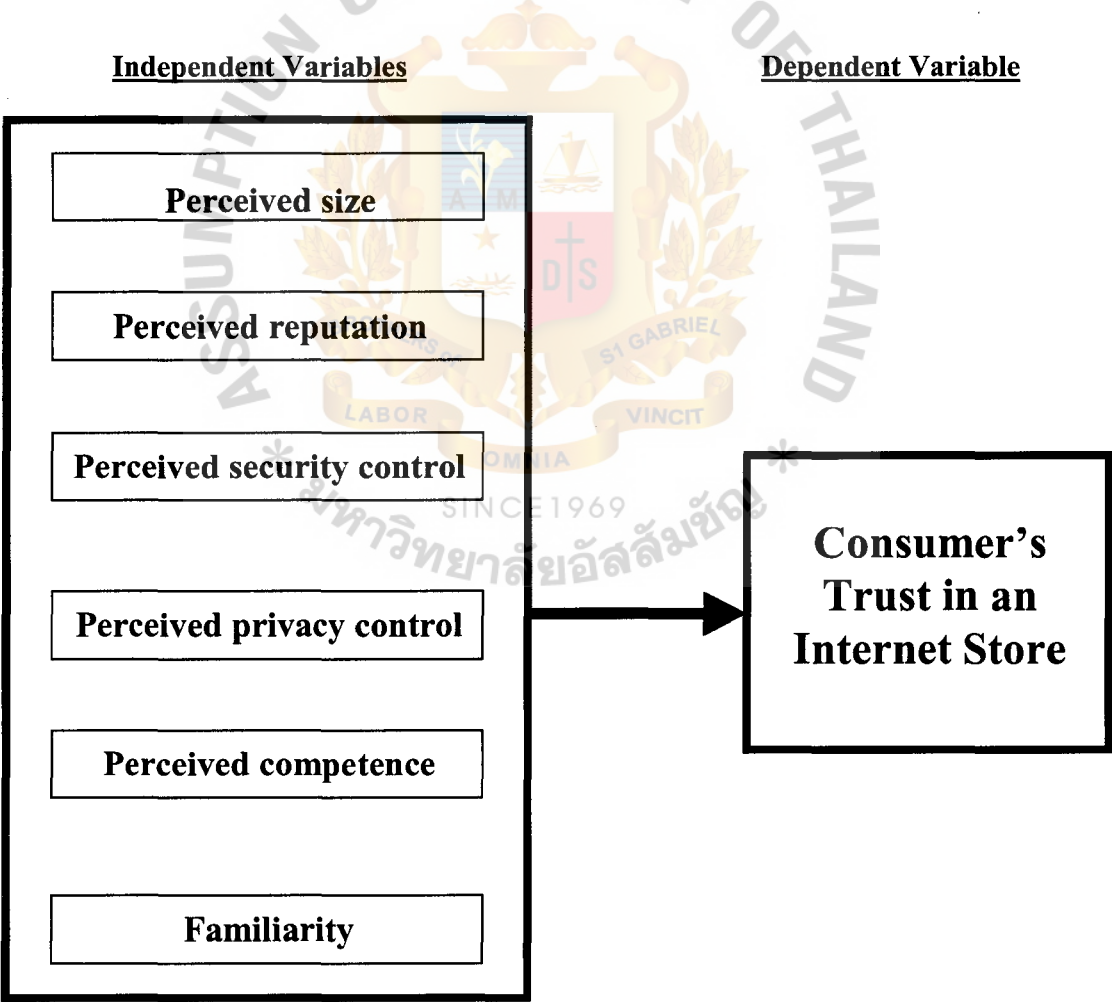
(Source: Pavlou (2001), "Integrating trust in Electronic commerce with Technology acceptance model: Model development and validation, http://aisel.isworld.org/article.asp?Subject_ID=156&Publication_ID=14, date: 21/03/2003)

3.2 CONCEPTUAL FRAMEWORK

3.2.1 Conceptual framework

This conceptual framework is an integration model, which is drawn from the four models of theoretical framework, mentioned above. With an attempt to explain the relationships between independent variables and dependent variables, this conceptual framework shows the effect of perceived size, perceived reputation, perceived security control, perceived privacy control, perceived competence and familiarity of an online consumer on their trust in an internet store. Table 3.1 below shows the conceptual framework of this study:

Table 3.1: Conceptual framework



3.2.2 Concepts of variables in conceptual framework

Perceived size: perception of how large or small an internet store is. In this study perception of size can be understood is opinion of respondents about how large Amazon.com is.

Perceived reputation: Reputation is the extent to which buyers believe that the selling organization is honest and concerned about its customers. In this study, perceived reputation means that respondents believe that Amazon.com is well-known, honest, fair and concerned about them.

Perceived security control: In this study, perceived security control can be understood if the belief of respondents is that Amazon.com will protect their private information and inappropriate parties cannot take and use it.

Perceived privacy control: In this study, perceived privacy control can be defined as the belief of respondents that their private information will not be collected, used, disclosed and accessed by inappropriate parties.

Perceived competence: In the B2C e-market, ability (competence) can be defined as skills, competencies and characteristics of an e-business and its website that enables the e-business to have influence on its customers within some specific domain. In this study, perceived competence can be understood as the perception of respondents about the skills, abilities, and characteristics of Amazon.com.

Familiarity: Familiarity refers to one's understanding of another's behavior based on prior interactions or experiences. In this study, familiarity of respondents with Amazon.com means that is their knowing about Amazon.com.

Consumers' trust in an internet store: Trust in B2C (business to consumer) e-markets is defined as customers' willingness to be vulnerable to the e-

business' actions on the expectation that the e-business will perform a particular action important to the customer, irrespective of the ability to monitor or control the e-business. In this case, trust can be understood as the willingness of respondents to be vulnerable to Amazon.com's actions on the expectation that Amazon.com will perform a particular action important to them.

3.3 RESEARCH HYPOTHESES

3.3.1 Research hypotheses for conceptual framework

This study consists of hypotheses to prove all variables as below:

Hypothesis 1

Ho 1: There is no relationship between consumers' perception of size of an internet store and consumers' trust in that internet store

Ha 1: There is a relationship between consumers' perception of size of an internet store and consumers' trust in that internet store

Hypothesis 2

Ho 2: There is no relationship between consumers' perception of the reputation of an internet store and consumers' trust in that internet store.

Ha 2: There is a relationship between consumers' perception of the reputation of an internet store and consumers' trust in that internet store.

Hypothesis 3

Ho 3: There is no relationship between consumers' perception of security control of an internet store and consumers' trust in that internet store.

Ha 3: There is a relationship between consumers' perception of security control of an internet store and consumers' trust in that internet store.

Hypothesis 4

Ho 4: There is no relationship between consumers’ perception of privacy control of an internet store and consumers’ trust in that internet store.

Ha 4: There is a relationship between consumers’ perception of privacy control of an internet store and consumers’ trust in that internet store.

Hypothesis 5

Ho 5: There is no relationship between consumers’ perception of the competence of an internet store and consumers’ trust in that internet store

Ha 5: There is a relationship between consumers’ perception of the competence of an internet store and consumers’ trust in that internet store.

Hypothesis 6

Ho 6: There is no relationship between consumers’ familiarity with an internet store and consumers’ trust in that internet store

Ha 6: There is a relationship between consumers’ familiarity with an internet store and consumers’ trust in that internet store

(Consumer here is ABAC graduate and senior undergraduate and internet store is Amazon.com)

3.3.2 Expected outcome of hypotheses

From the literature of the methodology used in chapter 2, researcher expects result for testing each hypothesis as table 3.2 below:

Hypotheses	Expected outcome
1	Accept Ha1, reject Ho1
2	Accept Ha2, reject Ho2
3	Accept Ha3, reject Ho3
4	Accept Ho4, reject Ha4

5	Accept Ha5, reject Ho5
6	Accept Ha6, reject Ho6
7	Accept Ha7, reject Ho7
8	Accept Ha8, reject Ho8

Expected outcome of hypothesis 1 and 2 comes from findings of Jarvenpaa (1999). Expected outcome of hypothesis 3&4 comes from findings of Pavlou (2001) and Brorchers (2001). Expected outcome of hypothesis 5 comes from findings of Brorchers. Findings of Bhattacharjee (2002) will be expected outcome of hypothesis 6. Hypothesis 7 has expected outcome from findings of Jarvenpaa, Pavlou and Brorchers. And finally, findings of Jarvenpaa and Pavlou is based on expected outcome for hypothesis 8. (For more details about the findings of four scholars above please see literature support for methodology used in chapter 2)

3.4 OPERATIONALIZATION OF THE VARIABLES

Davis and Cosenza (1988) stated that “Before operationalization takes place, concepts must be defined first. Concepts are abstract ideas generalized from particular facts. Without concept, there can be no theory”⁷.

Zikmund (1997) mentioned that “An operational definition gives meaning to a concept by specifying the activities or operations necessary to measure it. The operational definition specifies what must be done to measure the concept under investigation. Operational definitions help the researcher specify the rules for assigning numbers. The values assigned in the measuring process can be manipulated according to certain mathematical rules. Once the variables of interest have been identified and defined conceptually, a specific type of scale must be selected”⁸.

In this research, the study applies to three types of scale: nominal scale, ordinal scale and interval scales. First of all the concepts of independent variables and dependent variables must be defined.

⁷ Cosenza.Robert M & Davis.Duane (1988); Business research for decision making, 2sd edition, Boston, PWS Kent publisher, Wadsworth Inc, pp 142-145

⁸ Zikmund. William G (1997), Business research methods, 5th edition, Fort Worth, Dryden Press, pp 333-335

Table 3.3, 3.4 below will summarize operationalization of the independent and dependent variable

Table 3.3: Operationalization of the Demographic variables

Variables	Conceptual Definition	Operational components	Measurement Scale
Age	The period of time a person has lived. That is the duration of life specific to one person.	1. 18-27 2. 28-37 3. 38 and above	Ordinal
Education	The knowledge or skill level one obtained or developed by a learning process through formal instruction at a school or college. That is the individual's highest education level.	1. Senior undergraduate student 2. Master student	Ordinal

Table 3.4: Operationalization of the Independent and Dependent Variables

Variables	Conceptual Definition	Operational components	Measurement Scale
<i>Perceived size</i>	<p>Perception of how large or small one internet store is.</p> <p>Perception of size can be understood is ideas of respondents about how large Amazon.com is</p>	<p>1. <i>Amazon.com is a very large company.</i></p> <p>2. <i>Amazon.com is the industry's biggest supplier on the web.</i></p> <p>3. <i>Amazon.com is a small player in the market.</i></p> <p>4. <i>Amazon.com has regional presence.</i></p> <p>5. <i>Amazon.com has global presence.</i></p>	Interval
<i>Perceived reputation</i>	<p>Perceived reputation means that respondents believe that Amazon.com is well-known, honest, fair and concerned about them.</p>	<p>1. <i>Amazon.com is well-known.</i></p> <p>2. <i>Amazon.com has a good reputation in the market.</i></p> <p>3. <i>Amazon.com has a reputation for being honest.</i></p> <p>4. <i>Amazon.com has a reputation for being fair.</i></p> <p>5. <i>Amazon.com has a reputation for being consumer-oriented.</i></p>	Interval

Table 3.4(continue)

Variables	Conceptual Definition	Operational components	Measurement Scale
<i>Perceived security control</i>	Perceived security control can be understood as the belief of respondents that their private information will be protected by Amazon and inappropriate parties cannot take and use it.	<p>1. <i>Amazon.com implement security measures to protect internet shoppers.</i></p> <p>2. <i>You believe inappropriate parties cannot deliberately observe the information you provide during your transaction with Amazon.com.</i></p> <p>3. <i>In your opinion, inappropriate parties will not collect and store the information you provide during your transaction with Amazon.com.</i></p> <p>4. <i>Overall, you have confidence in the security of your transaction with Amazon.com.</i></p>	Interval
<i>Perceived privacy control</i>	Perceived privacy control can be defined as the belief of respondents that their private information will not be collected, used, disclosed and accessed by Amazon.com.	<p>1. <i>You are confident that Amazon.com does not disclose consumer private information to unauthorized parties.</i></p> <p>2. <i>You believe that Amazon.com will not share your private information without your consent in the future.</i></p> <p>3. <i>Amazon.com concern about consumers' privacy.</i></p> <p>4. <i>Overall, you feel confident that your privacy will not be compromised during a transaction with Amazon.com.</i></p>	Interval

Table 3.4 (continue)

Variables	Conceptual Definition	Operational components	Measurement Scale
<i>Perceived competence</i>	Perceived competence can be understood that is perception of respondents about skills, abilities, and characteristics of Amazon.com.	<ol style="list-style-type: none"> 1. <i>Amazon.com has the ability to handle sales transactions on the internet.</i> 2. <i>Amazon.com has sufficient expertise and resources to do business on the internet.</i> 3. <i>Amazon.com has adequate knowledge to manage their business on the internet.</i> 4. <i>Amazon.com has the ability to meet most customer needs.</i> 	Interval
<i>Familiarity</i>	Familiarity of respondents with Amazon.com means their understanding of Amazon.com.	<ol style="list-style-type: none"> 1. <i>You are familiar with the process of searching for products and services on Amazon.com.</i> 2. <i>You are familiar with buying products and services (paying bills online) at Amazon.com.</i> 3. <i>You are familiar with inquiring about products and services ratings (account information) on Amazon.com.</i> 4. <i>Overall, you are familiar with Amazon.com.</i> 	Interval

Table 3.4 (continue)

Variables	Conceptual Definition	Operational components	Measurement Scale
Consumers' Trust in an internet store	Trust can be understood as the willingness to be vulnerable to the Amazon.com's actions of respondents on the expectation that Amzon.com will perform a particular action important to them.	1. Amazon.com is trustworthy. 2. You trust Amazon.com keeps your best interests in mind. 3. Amazon.com wants to be known as one who keeps promises and commitments. 4. Amazon.com has more to lose than to gain by not delivering on their promises. 5. Behavior of Amazon.com meets your expectations.	Interval



CHAPTER 4

RESEARCH METHODOLOGY

This chapter provides an overview of methodology that will be used in this research. In order to achieve research objectives, an appropriate research design is used as a guide in collecting data. This chapter consists of six sections. **The first section** is the research methods used that the researcher thought to be appropriate. **The second section** is the details of respondents and sampling procedures, including criteria in selecting samples. **The third section** is the pilot study that the researcher conducted. **The fourth section** contains the instruments and questionnaire of the research which have many questions asked to the respondents and the methods to measure. **The fifth section** is the collection of data and gathering procedures, including action plan how to collect data. **Last section** is the statistical tools to answer all statement of problems and the criteria used in selecting the appropriate statistics.

4.1 RESEARCH METHODS USED

To accomplish the research objectives, a survey is used in order to collect primary data for this study. Zikmund (1997) stated that “Survey is the research technique in which information is gathered from sample of people by use of questionnaire; a method of data collection based on communication with a representative sample of individuals”⁹. Throughout this research, it is to be advised that the term survey means sample survey, which is a survey obtaining a representative sample of the target population. “Survey can provide quickly,

⁹ Zikmund. William G (1997), Business research methods, 5th edition, Fort Worth, Dryden Press, pp 202

inexpensively, efficiently, and accurate means of assessing information about the population.”¹⁰

In this research, primary data is collected from questioning respondents to secure the desired information with the use of questionnaires. The researcher conducted the research by face-to-face interview. The advantages of this method are getting feedback immediately, and collection of all the completed responses within a short period.

In this research, descriptive statistics will be used. “The descriptive analysis is transformation of raw data into a form that will make them easy to understand and interpret.”¹¹ It is used to describe the characteristics of certain groups and to estimate the proportion of people in a specified population who behave in a certain way. Moreover, tests of the hypotheses are presented, as they are best fit for providing optimal results that can meet the research problem and objectives. Descriptive statistic will be used in describing parameters of the respondents’ demographic profiles.

After the data were collected from respondents, the data will be coded into the symbolic form that was used in SPSS software.

4.2 RESPONDENTS AND SAMPLING PROCEDURES

4.2.1 Target population

According to Zikmund (1997), “*Target population* is the complete group of specific population elements relevant to the research project”¹². Because, this research investigates factors that affect consumers’ trust in an internet store generally and ABAC student’s trust toward www.amazon.com privately, therefore,

¹⁰ Zikmund. William G (1997), Business research methods, 5th edition, Fort Worth, Dryden Press, pp 203

¹¹ Zikmund. William G (1997), Business research methods, 5th edition, Fort Worth, Dryden Press, pp 533

¹² Zikmund. William G (1997), Business research methods, 5th edition, Fort Worth, Dryden Press, pp 417

our target population here is: *graduate students and senior undergraduate students in Assumption University*. We all know that we cannot go shopping online without internet access so our target population here is *graduate students and senior undergraduate students in Assumption University* who are internet users.

4.2.2 Sampling procedures

4.2.2.1 Sampling method used

Zikmund (1997) explained that “Non-probability sampling is the sampling technique in which units of the sample are selected on the basis of personal judgment or convenience. The selection of sampling units in non-probability sampling is quite arbitrary, as researchers rely heavily on personal judgment. It should be noted that there are no appropriate statistical techniques for measuring random sampling error from a non-probability sample. Thus, projecting the data beyond the sample is statistically inappropriate ”¹³. In this research, because the researcher would choose sample elements not “at random” (meaning as at wish or whenever the researcher finds them), therefore, ***non-probability sampling method was used***. The researcher would select samples based on the convenience or the chance to meet target respondents. Thus, researcher will use convenient sampling. The reason why is: this method can help researcher obtain information quickly and it is economical. Before asking respondents to go further, the researcher will ask whether or not they are graduate students and senior undergraduate students, etc to check whether or not they are our target population.

¹³ Zikmund. William G (1997), Business research methods, 5th edition, Fort Worth, Dryden Press, pp 427

4.2.2.2 Sampling unit

Zikmund (1997) stated that “The sampling unit is a single element or group of elements subject to selection in the sample”¹⁴. The sampling unit is *graduate students and senior undergraduate students in Assumption University*.

4.2.3 Determining sample size

Sample size refers to the number of elements to be included in this study. Prior studies can be guidelines for determining sample size.

In marketing research studies, the minimum sizes are used as show in table 4.1. These sample sizes have been determined based on experience and can serve as rough guidelines, particularly when non-probability sampling techniques are used, but they should apply with caution.

Table 4.1: Sample sizes used in marketing research studies

Type of study	Minimum size	Typical range
Problem identification research (eg: market potetial)	500	1,000-2,500
Problem solving research (eg: pricing)	200	300-500
Product tests	200	300-500
Test marketing studies	200	300-500

(Source: Naresh K. Malhotra (2002): *Basic Marketing Research*, pp 350-351)

Some scholars who study the same topic with researcher determined sample size for their research as table 4.2 follow:

¹⁴ Zikmund. William G (1997), *Business research methods*, 5th edition, Fort Worth, Dryden Press, pp 423

Table 4.2: Sample size of prior studies

Author	Anol Bhattacharjee (2002)	Andrew Brorchers (2001)	Pau A. Pavlou (2001)	Sirkka L. Jarvenpaa (1999)
Title				
Research topic	Individual trust in online firms: Scale development and Initial test	Trust in internet shopping: A test of a measurement instrument	Integrating trust in electronic commerce with the technology acceptance model: Model development and validation	Consumers' trust in an internet store: A cross-cultural validation
Sample size	147 (MBA students at a University in United States)	118 (graduate students at Midwestern University)	52 (undergraduate students in a supervised lab at University of Southern California)	198 (Israeli first year undergraduate students)

According to the theory of Malhotra and the sample size of four scholars above, the researcher decides to determine the sample size for this research as 200 respondents in which 150 graduate students and 50 senior undergraduate students will be selected to fill in the questionnaire.

4.3 RESEARCH INSTRUMENTS / QUESTIONNAIRE

4.3.1 Research instruments and questionnaire

The instrument that is used for this survey research is the questionnaire. The questionnaire has been developed on the basis of the proposed conceptual framework of this study. This questionnaire will be used to get data from the target group of respondents. Because most of the respondents are able to read and understand English, so the translation of this questionnaire into Thai is not

necessary. The questionnaire will be prepared in English and distributed to respondents.

The questionnaire is designed based on questionnaire of Brorchers (Lawrence Technological University), Jarvenpaa (Department of Management Science and Information Systems), Pavlou (University of Southern California), Bhattacharjee (University of South Florida), and Assoc. Prof. Thompson Teo (Faculty of Business Administration at the National University of Singapore). The formation of the questionnaire was conducted based on the conceptual framework in chapter 3. All questions were presented in four parts as follows:

Part I: General information of respondents on purchasing online.

Part II: Consumers' perceived size, Consumers' perceived reputation, Consumers' perceived security control, Consumers' perceived privacy control, consumers' perceived competence and familiarity toward www.amazon.com.

Part III: Consumers' Trust, Consumers' perceived risk and Consumers' willingness to buy with www.amazon.com

Part IV: Demographic profile of respondents

The Five Point Likert-scale is used to indicate the grade respondents assign to each statement in part II and part III as shown below:

Strongly Disagree	1
Disagree	2
Neutral	3
Agree	4
Strongly Agree	5

The reason why this research used the five point Likert-scale is because Hussey (1997) wrote that a further advantage of the Five Point Likert-scale is that a

number of different statements can be provided in a list, which does not take up much space, is simple for the respondent to complete and simple for the researcher to code and analyze. Below is the research instrument design.

Table 4.3: Research Instrument Design

Part	Title	Variable	Question number.
Part I	General information on purchasing online of respondents		1-3
Part II	Factors affect consumers' trust toward www.amazon.com .	<ul style="list-style-type: none"> • Perceive size • Perceived reputation • Perceived security control • Perceived privacy control • Perceived competence • Perceived familiarity 	4-6 7-11 12-15 16-19 20-23 24-27
Part III	Consumers' trust, consumers' perceived risk and consumers' willingness to buy internet services from www.amazon.com .	* Consumers' Trust *Consumers' perceived risk *Willingness to buy	28-32 33-36 37-42
Part IV	Demographic profile		43-46

(For more details about variables and questions to measure them, please see questionnaire at the back of this proposal)

4.4 PILOT STUDY

Churchill (1991) stated that “Each question in the questionnaire should be reviewed carefully to ensure that it is not confusing or ambiguous, potentially offensive to the respondents, leading or bias inducing and also is easy to answer. It claims that a questionnaire pretest is vital. It is the use of questionnaire on a trial basis in a small pilot study to determine how reliable and valid the questionnaire is. In the pretest, the interviewer can see whether some questions, seem confusing or produce resistance or hesitancy among respondents for one reason or another. In order to detect the weakness and error in the instruments (Questionnaire), pre-

testing is required before any actual testing is conducted. Pretests are considered essential to detect the problems of the questionnaire when obtaining information from the respondents”¹⁵.

In this research, the questionnaire has been pre-tested with twenty-five respondents who are graduate students at Assumption University. Each respondent was asked to (1) measure the convenience and ease of answering questionnaire and collecting data from the two alternatives of method used, based on the feedback of respondents; (2) ascertain the time spent for answering the full questionnaire; and (3) find out which terminology or part of the questionnaire was difficult or any category needed to be modified prior to the conduct of the final survey.

The result of the pilot study is below:

+ The researcher selected 25 respondents to record the time they spent to finish filling in the questionnaires and calculated the average time one respondent sacrificed for filling in the questionnaire. The average time to finish filling in the questionnaire is seven minutes.

+ There is no need to modify any part of the questionnaire because test of reliability showed that all of variables had the alpha coefficient greater than 0.6 with implication of reliable data.

4.5 COLLECTION OF DATA / GATHERING PROCEDURES

4.5.1 Collection of data

In this study, the data will be collected from primary as well as secondary sources.

¹⁵ Churchill, Gilbert A. (1991), Marketing research: Methodological foundations, 5th edition, Orlando, The Dryden Press, pp 396-398.

Secondary data

Malhotra (2000) stated that secondary information is any data originally generated for some purpose other than the present research objectives. A search for secondary information generally follows the statement of objectives. This data can be quickly and inexpensively obtained. Most of the secondary data used in this research is obtained from past empirical studies, textbooks relating to the study, newspaper, articles, journals and internet.

Primary Data

Malhotra (2000) mentioned the data originated by the researcher for the specific purpose of addressing the research problem. Obtaining primary data can be expensive and time-consuming. Data is collected and assembled specifically for the purpose of investigation at hand. In order to achieve this study, survey by self-administered questionnaire is conducted to gather information.

4.5.2 Data gathering procedures

After designing questionnaire, primary data should be collected. The researcher will ask target respondents to fill in the questionnaire in a random day. The researcher will ask Graduate Business School of Assumption University for the timetable of graduate and senior undergraduate students class. And, the researcher will come to the class of graduate students and senior undergraduate students and ask them to spend about 15 minutes in break-time to fill in the questionnaire. The time to come to the class of the graduate students will be 10.30' am for morning class, 3.30'pm for afternoon class and 8.30' pm for evening class. Those times are break times of relative class for day program and evening program. The time for collecting data is from the beginning of July to the beginning of August. The researcher hopes that in each class of the graduate and

senior undergraduate students, at least 90 percent of the number of questionnaires delivered will be filled in fully and returned to the researcher. The researcher also comes to computer lab in A building fourth floor and MBA lounge room at A building sixth floor to meet graduate students and ask them to answer the questionnaire.

4.6 STATISTICAL TREATMENT OF DATA

The data is coded into the symbolic form that is used in Statistical Package for Social Science (SPSS) program. This program is utilized to summarize and interpret the data especially when time is limited and it used for descriptive analysis. All statistical manipulations of the data follow commonly accepted research practices. The form of data presentation from these procedures would also be presented in an easily interpretable format using descriptive along with tabular form.

The detail and concepts of each statistical method used are shown as follows:

4.6.1 Descriptive Analysis

Zikmund (1997) stated that in order to interpret the data gathered, descriptive analysis is applied to transform the raw data into a form that will make it easy to understand and interpret; rearranging, ordering, and manipulating data to provide descriptive information.

The researcher used Descriptive statistics of Frequency Distribution such as means, standard deviation, range etc., describing on demographic profile of the customers such as gender, age, education level, and income level (monthly).

4.6.2 Pearson's product moment correlation coefficient

“Pearson's product moment correlation coefficient (r) is a parametric technique, which gives a measure of the strength of association between two variables. Pearson correlation (r) is so frequently used that it is often assumed that the word 'correlation' by itself refers to it. The data must be *interval* or *ratio* status and normally distributed. The data must be *bivariate* and the two sets must have similar variances”¹⁶.

Zikmund (2000) claimed that the formula for calculating the correlation coefficient (r) for two variables X and Y is

$$r_{xy} = r_{yx} = \frac{\sum_{i=1}^n (X_i - \bar{X})(Y_i - \bar{Y})}{\sqrt{(\sum_{i=1}^n (X_i - \bar{X})^2)(\sum_{i=1}^n (Y_i - \bar{Y})^2)}}$$

Where the symbols \bar{X} and \bar{Y} represents the sample means of X and Y, respectively.

The correlation coefficient (r) ranges from +1.0 to -1.0. If the value of r is 1.0, there is a perfect positive linear relationship. If the value of r is -1.0, there is a perfect negative linear relationship, or perfect inverse relationship. The table 4.4 below will show r -value and measure the strength of association. It can help you interpret your results:

¹⁶ Hussey. Jill & Roger (1997), Business research: a practical guide for undergraduate and postgraduate students, 1st edition, Houndmills, Macmillan Press, pp 227.

Table 4.4: *r*-value and measure the strength of association

Correlation (<i>r</i>)	Interpret
1	Perfect positive linear association
0	No linear association
-1	Perfect negative linear association
0.90 to 0.99	Very high positive correlation
0.70 to 0.89	High positive correlation
0.4 to 0.69	Medium positive correlation
0 to 0.39	Low positive correlation
0 to -0.39	Low negative correlation
-0.40 to -0.69	Medium negative correlation
-0.70 to -0.89	High negative correlation
-.90 to -0.99	Very high negative correlation

(Source: Hussey (1997), *Business research: a practical guide for undergraduate and postgraduate students*, page 227)

For this study, we focus on Pearson’s product moment correlation coefficient (*r*) because all variable is measured by *interval scale*. Table 4.5 below summarizes the hypothesis and statistical analysis

Table 4.5 Summaries of Hypothesis and Statistical Analysis

No	Hypothesis	Statistical used
1	<p>Ho 1: There is no relationship between consumers' perception of size of internet store and consumers' trust in that internet store.</p> <p>Ha 1: There is a relationship between consumers' perception of size of internet store and consumers' trust in that internet store.</p>	Pearson correlation (r)
2	<p>Ho 2: There is no relationship between consumers' perception of reputation of internet store and consumers' trust in that internet store.</p> <p>Ha 2: There is a relationship between consumers' perception of the reputation of internet store and consumers' trust in that internet store.</p>	Pearson correlation (r)
3	<p>Ho 3: There is no relationship between consumers' perception of security control of internet store and consumers' trust in that internet store.</p> <p>Ha 3: There is a relationship between consumers' perception of security control of internet store and consumers' trust in that internet store.</p>	Pearson correlation (r)
4	<p>Ho 4: There is no relationship between consumers' perception of privacy control of internet store and consumers' trust in that internet store.</p> <p>Ha 4: There is a relationship between consumers' perception of privacy control of internet store and consumers' trust in that internet store.</p>	Pearson correlation (r)
5	<p>Ho 5: There is no relationship between consumers' perception of competency of internet store and consumers' trust in that internet store.</p> <p>Ha 5: There is a relationship between consumers' perception of the competence of internet store and consumers' trust in that internet store.</p>	Pearson correlation (r)
6	<p>Ho 6: There is no relationship between consumers' familiarity of an internet store and consumers' trust in that internet store.</p> <p>Ha 6: There is a relationship between consumers' familiarity of an internet store and consumers' trust in that internet store.</p>	Pearson correlation (r)

4.6.3 Reliability Tests

Reliability refers to the accuracy and precision of procedure. It is concerned with estimates of the degree to which a measurement is free of random or unstable error. Reliability testing is of significance and will be required solely in case the independent variables are interdependent and contain linkages in the operational process.

Since the concepts of the independent variables are composite measures, an index measure technique is used. Reliability test of such concepts by “Cronbach alpha” value indicates the certain acceptance of whether such particular concepts are statistically applicable for further test with the dependent variables. Cronbach alpha is utilized the internal consistency of the measurement. Each scale is tested by SPSS to compute alpha value. If alpha is greater than or equal to 0.6, it indicates a strong measure of reliability. Reliability of sub variables of dependent variables is assessed by the internal consistency method (Cronbach’s alpha).

At the end of the pre-test process, the researcher also tested the reliability of the instrument for Part II and Part III. The 5-point Likert scale ranging from 1-Strongly disagree to 5-Strongly agree used.

After our respondents fill in the questionnaire, researcher put data in to SPSS and tested the reliability by using Alpha model. The result will be shown in table 4.6 below:

Table 4.6: RELIABILITY ANALYSIS - SCALE (ALPHA)
(The higher the value of the alpha, the more the reliability they have)

Variable	No of case	No of items	Alpha
Perceived size	25	3	0.7091
Perceived reputation	25	5	0.8622

Perceived security control	25	4	0.9209
Perceived privacy control	25	4	0.9518
Perceived competence	25	4	0.9128
Perceived familiarity	25	4	0.9310
Consumers' trust in an internet store	25	5	0.8030

From result above, the researcher sees that all of the variables have alpha greater than 0.6. The researcher can conclude that the data is quite reliable.



CHAPTER 5

PRESENTATION OF DATA AND CRITICAL DISCUSSION OF RESULTS

This chapter consists of two parts of data analysis including descriptive statistic and tests of the hypothesis. Data is collected from 200 copies completed questionnaires from the target respondents.

5.1 DESCRIPTIVE STATISTIC

The researcher uses descriptive statistic to describe demographic profile and general information on purchasing online of respondents. The reason why the researcher uses descriptive statistic is that: Zikmund (2002) stated that descriptive analysis is the transformation of the raw data into a form that will make them easy to understand and interpret. It comprises of frequency and percentage in each category.

5.1.1 Data collection

In this research, total 230 questionnaires were distributed. The distributed and responses of the questionnaires are shown in Table 5.1

Table 5-1: Questionnaire responsiveness

Number of questionnaires distributed	Number of questionnaires responded	Percentage (%) of responses
230	<u>200</u>	86.95%

From table above, there were 230 questionnaires distributed to the target respondents and there were 200 respondents responded account for 86.95%. With the sample size is 200 determined before so the researcher collected enough data for analysis.

5.1.2 Demographic profile of respondents

5.1.2.1 Age

Table 5-2: Age of respondents.

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	18-27	100	50.0	50.0	50.0
	28-37	78	39.0	39.0	89.0
	38 and above	22	11.0	11.0	100.0
	Total	200	100.0	100.0	

There are 100 respondents at the age from 18 to 27 that account for 50 percents of the total, and 78 respondents belong to the range of 28 to 37 years old account for 39 percents of the total. There are only 22 respondents are 38 years that account for 11 percent. From this, the researcher sees that most of respondents are young and adult.

5.1.2.2 Education

Table 5-3: The respondent's highest education level.

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Senior undergraduate student	50	25.0	25.0	25.0
	Master student and up	150	75.0	75.0	100.0
	Total	200	100.0	100.0	

There are 150 master students had been chosen to fill in the questionnaires that account for 75 percents of the total, and the rest is 50 senior undergraduate students.

5.1.3 General information on purchasing online of Respondents

Table 5-4: Have you ever bought a product or service online?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Yes (please, go to question 2, 3 and go ahead)	94	47.0	47.0	47.0
	No (Skip question 2,3 and go ahead)	106	53.0	53.0	100.0
	Total	200	100.0	100.0	

There are 94 respondents chose "Yes" for the question above that accounts for 47% and 106 respondents said "No" that accounts for 53%. From this fact, the researcher finds out that ABAC graduate and senior undergraduate students have experienced in online shopping.

Table 5-5: If "Yes", what is the frequency of your internet purchase?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Once	49	24.5	52.1	52.1
	A few times	31	15.5	33.0	85.1
	A few times a week	6	3.0	6.4	91.5
	About once a month	2	1.0	2.1	93.6
	A few times a month	6	3.0	6.4	100.0
	Total	94	47.0	100.0	
Missing	System	106	53.0		
Total		200	100.0		

Table above informed information of frequency of online shopping of respondents. According to the table, there are 49 respondents said that they have ever shopped online one time that account for 24.5% of the total respondents said

“Yes” for the first question, and 31 respondents, account for 15.5%, suited with shopping online a few times.

Table 5-6: If "Yes", which of the following type(s) of products/services have you bought online? (You may choose more than 1)

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Books	47	23.5	50.0	50.0
	Clothing & Accessories	5	2.5	5.3	55.3
	Computer Software & Hardware	8	4.0	8.5	63.8
	Finance/Insurance	1	.5	1.1	64.9
	Flowers & Gifts	5	2.5	5.3	70.2
	Food & Beverage	1	.5	1.1	71.3
	Health & Beauty	3	1.5	3.2	74.5
	Music (e.g., CDs) & Entertainment	5	2.5	5.3	79.8
	Travel	7	3.5	7.4	87.2
	Computer Software, Hardware, web host and Net phone	3	1.5	3.2	90.4
	Computer Software & Hardware and Travel	2	1.0	2.1	92.6
	Books, Health & Beauty, and Music (e.g., CDs) & Entertainmen	1	.5	1.1	93.6
	Clothing & Accessories, Flowers & Gifts, and Food & Beverage	1	.5	1.1	94.7
	Computer software and hardware, travel, and Music	1	.5	1.1	95.7
	Books, Flower and gift	1	.5	1.1	96.8
	Computer Software & Hardware, Music (e.g., CDs) & Entertainm	1	.5	1.1	97.9
	Books, Finance/Insurance, Flowers & Gifts, Computer Software	1	.5	1.1	98.9
	Books, Computer Software & Hardware, and Music (e.g., CDs) &	1	.5	1.1	100.0
	Total	94	47.0	100.0	
Missing	System	106	53.0		
Total		200	100.0		

Most of respondents, who said “Yes” for the question “Have you ever bought a product or service online”, chose books as the product they bought online with 23.5 percent of the total of respondents and 50 percent of respondents who chose “Yes”.

5.1.4 Reliability test

Data is reliable or not? The researcher tests reliability of the data to find out the answer for the question. The researcher uses Cronbach's Alpha model to test.

Table 5.2 below shows the result of reliability test.

Table 5-7: Reliability of the data

Scale and Items	Cronbach's Anphal
Customer's perception of size of Amazon.com	0.7411
Amazon.com is very large company	
Amazon.com is the industry's biggest supplier on the web	
Amazon.com has global presence	
consumers' perception of reputation of Amazon.com	0.8464
Amazon.com is well-known	
Amazon.com has a good reputation in the market	
Amazon.com has a reputation for being honest	
Amazon.com has a reputation for being fair	
Amazon.com has a reputation for being consumer-oriented	
Consumer's perception of security control of Amazon.com	0.8649
Amazon.com implements security measures to protect internet shoppers.	
You believe that inappropriate parties cannot deliberately observe the information you provide during your transaction with Amazon.com	
In your opinion, inappropriate parties cannot collect and store the information that you provide during your transaction with Amazon.com	
Overall, you have confidence in the security of your transaction with Amazon.com	
Consumer's perception of privacy control of Amazon.com	0.9288
You are confident that Amazon.com does not disclose consumer private information to unauthorized parties	
You believe that Amazon.com will not share your private information without your consent in the future.	
Amazon.com concerns about consumers' privacy	
Overall, you feel confident that your privacy will not be compromised during a transaction with Amazon.com	
Consumer's perception of competence of Amazon.com	0.3858
Amazon.com has the ability to handle sales transactions on the internet.	
Amazon.com has sufficient expertise and resources to do business on the internet.	
Amazon.com has adequate knowledge to manage their business on the internet	
Amazon.com has the ability to meet most customer needs.	

Customer's familiarity with Amazon.com		
You are familiar with the process of searching for products and services on Amazon.com		0.8987
You are familiar with buying products and services (paying bills online) at Amazon.com		
You are familiar with inquiring about products and services ratings (account information) on Amazon.com		
Overall, you are familiar with Amazon.com		
Consumer's Trust toward Amazon.com		
Amazon.com is trustworthy		0.8661
You trust Amazon.com keeps your best interests in mind		
Amazon.com wants to be known as one who keeps promises and commitments.		
Amazon.com has more to lose than to gain by not delivering on their promises.		
Behavior of Amazon.com meets your expectations.		
Consumer's perception of risk toward transaction with Amazon.com		
You believe that the risk of purchasing online from Amazon.com is very high		0.9583
There is a high probability of losing a great deal by purchasing online from this e-commerce vendor.		
There is great uncertainty associated with purchasing online from this e-commerce vendor.		
Overall, you would label the option of purchasing online from this e-commerce vendor as something negative.		
Consumer's willingness to buy with Amazon.com		
The likelihood that you would return to this vendor's website is very high		0.9407
The likelihood that you would purchase online from this e-commerce vendor is high		
The likelihood that you would purchase online from this e-commerce vendor in the next 3 months is high		
The likelihood that you would purchase online from this e-commerce vendor in the next year is high		
Your willingness to buy product(s)/service(s) online from this vendor is very high		
Overall, you are willing to transact with Amazon.com		

From table 5-7, the researcher sees that data is very reliable because most of variable has the Cronbach's alpha coefficient greater than 0.6. For perceived competence, Cronbach's alpha coefficient is lower than 0.6. It indicates that data for this category is not quite reliable. However, the researcher accepts it because in the pilot study the Cronbach's alpha coefficient for this variable is 0.9128.

5.2 TEST OF HYPOTHESES

The researcher uses Pearson’s product moment correlation coefficient to test hypotheses in chapter 3.

5.2.1 Test of Hypothesis 1

Hypothesis 1

Ho 1: There is no relationship between consumers’ perception of size of an internet store and consumers’ trust in that internet store

Ha 1: There is a relationship between consumers’ perception of size of an internet store and consumers’ trust in that internet store

Table 5-8: The analysis of relationship between Perceived size and Trust in an internet store by using Bivariate Correlation Coefficient Test

		Mean of size1 to size3	Mean of trust1 to trust5
Mean of size1 to size3	Pearson Correlation	1	.282(**)
	Sig. (2-tailed)	.	.000
	N	200	200
Mean of trust1 to trust5	Pearson Correlation	.282(**)	1
	Sig. (2-tailed)	.000	.
	N	200	200

** Correlation is significant at the 0.01 level (2-tailed).

The Pearson’s product moment correlation coefficient between Perceived size and Trust in the table 5.2 equals to 0.282 with a 2-tailed significance of 0.000 which is less than 0.05 ($0.000 < 0.05$). This indicates that there is enough evident to reject the null hypotheses. It means that there is a positive relationship between Perceived size and Trust in an internet store of Assumption University students. However, this relationship is low positive correlation because Pearson Correlation is 0.282 in which belongs to the interval of 0 to 0.39.

5.2.2 Test of Hypothesis 2

Hypothesis 2

Ho 2: There is no relationship between consumers' perception of the reputation of an internet store and consumers' trust in that internet store.

Ha 2: There is a relationship between consumers' perception of the reputation of an internet store and consumers' trust in that internet store.

Table 5-9: The analysis of relationship between Perceived reputation and Trust in an internet store by using Bivariate Correlation Coefficient Test

		Mean of repu1 to repu5	Mean of trust1 to trust5
Mean of repu1 to repu5	Pearson Correlation	1	.434(**)
	Sig. (2-tailed)	.	.000
	N	200	200
Mean of trust1 to trust5	Pearson Correlation	.434(**)	1
	Sig. (2-tailed)	.000	.
	N	200	200

** Correlation is significant at the 0.01 level (2-tailed).

Pearson Correlation equals to 0.434 and significant (2-tailed) is 0.000, which is less than 0.05. Therefore, the researcher rejects Ho2 and accepts Ha2. It means that there is relationship between Perceived reputation and Trust in an internet store of ABAC students and this is medium positive correlation because Correlation is 0.434 belongs to the interval of 0.4 to 0.69.

5.2.3 Test of Hypothesis 3

Hypothesis 3

Ho 3: There is no relationship between consumers' perception of security control of an internet store and consumers' trust in that internet store.

Ha 3: There is a relationship between consumers' perception of security control of an internet store and consumers' trust in that internet store.

Table 5-10: The analysis of relationship between Perceived security control and Trust in an internet store by using Bivariate Correlation Coefficient Test

		Mean of secu1 to secu4	Mean of trust1 to trust5
Mean of secu1 to secu4	Pearson Correlation	1	.410(**)
	Sig. (2-tailed)	.	.000
	N	200	200
Mean of trust1 to trust5	Pearson Correlation	.410(**)	1
	Sig. (2-tailed)	.000	.
	N	200	200

** Correlation is significant at the 0.01 level (2-tailed).

The researcher finds out that there is medium positive correlation between Perceived security control and Trust in Amazon.com of ABAC students. The reason why is that significance (2-tailed) equals to 0.000 in which is less than 0.05 and Pearson correlation is 0.41 belongs to interval of 0.4 to 0.69. Or in other words, the researcher rejects Ho3 and accepts Ha3.

5.2.4 Test of Hypothesis 4

Hypothesis 4

Ho 4: There is no relationship between consumers' perception of privacy control of an internet store and consumers' trust in that internet store.

Ha 4: There is a relationship between consumers' perception of privacy control of an internet store and consumers' trust in that internet store.

Table 5-11: The analysis of relationship between Perceived privacy control and Trust in an internet store by using Bivariate Correlation Coefficient Test

		Mean of priva1 to priva4	Mean of trust1 to trust5
Mean of priva1 to priva4	Pearson Correlation	1	.462(**)
	Sig. (2-tailed)	.	.000
	N	200	200
Mean of trust1 to trust5	Pearson Correlation	.462(**)	1
	Sig. (2-tailed)	.000	.
	N	200	200

** Correlation is significant at the 0.01 level (2-tailed).

It is evident to say that the null hypothesis is rejected. The evidence here is that significance (2-tailed) is 0.000 less than 0.05. It means that the researcher accepts alternative hypothesis or there is a relationship between Perceived privacy control and Trust in internet store of respondents. This is medium positive correlation because Pearson correlation is 0.462 places in the middle of the interval of 0.4 to 0.69.

5.2.5 Test of Hypothesis 5

Hypothesis 5

Ho 5: There is no relationship between consumers’ perception of the competence of an internet store and consumers’ trust in that internet store

Ha 5: There is a relationship between consumers’ perception of the competence of an internet store and consumers’ trust in that internet store.

Table 5-12: The analysis of relationship between Perceived competence and Trust in an internet store by using Bivariate Correlation Coefficient Test

		Mean of compete1 to compete4	Mean of trust1 to trust5
Mean of compete1 to compete4	Pearson Correlation	1	.226(**)
	Sig. (2-tailed)	.	.001
	N	200	200
Mean of trust1 to trust5	Pearson Correlation	.226(**)	1
	Sig. (2-tailed)	.001	.
	N	200	200

** Correlation is significant at the 0.01 level (2-tailed).

Table 5.5 shows the value of Pearson correlation is 0.226 and value of significance (2-tailed) is 0.001. The value of significance (2-tailed) is less than

0.05 so the researcher rejects null hypothesis and accepts alternative hypothesis. It means that there is a relationship between Perceived competence of internet store and Trust in that store of ABAC students. However, this is a low positive correlation because Pearson correlation is 0.226 in which belongs to 0 to 0.39.

5.2.6 Test of Hypothesis 6

Hypothesis 6

Ho 6: There is no relationship between consumers’ familiarity with an internet store and consumers’ trust in that internet store

Ha 6: There is a relationship between consumers’ familiarity with an internet store and consumers’ trust in that internet store

Table 5-13: The analysis of relationship between Familiarity and Trust in an internet store by using Bivariate Correlation Coefficient Test

		Mean of familiar1 to familiar4	Mean of trust1 to trust5
Mean of familiar1 to familiar4	Pearson Correlation	1	.448(**)
	Sig. (2-tailed)	.	.000
	N	200	200
Mean of trust1 to trust5	Pearson Correlation	.448(**)	1
	Sig. (2-tailed)	.000	.
	N	200	200

** Correlation is significant at the 0.01 level (2-tailed).

With the standard significance of 0.05 (two tailed), the researcher rejects Ho6 and accepts Ha6; and concludes that there is a medium positive correlation between consumers’ familiarity with an internet store and consumers’ trust in that internet store. Consumer here is ABAC student and internet store is Amazon.com. The reasons for the researcher’s rejection and the researcher’s conclusion are that

significance (2-tailed) is 0.000 in which is less than standard significance of 0.05 (2-tailed), and Pearson correlation equals to 0.448 that is a point of the range of 0.4 to 0.69.

From testing all hypotheses above, the researcher summarizes the results of test in the table below:

Table 5-14:Summary the results of testing hypotheses.

Hypothesis No	Significance (2-tailed)	Pearson correlation	Results of Testing
1	0.000 (<0.05)	0.282	Rejects Ho1, accepts Ha1
2	0.000 (<0.05)	0.434	Rejects Ho2, accepts Ha2
3	0.000 (<0.05)	0.410	Rejects Ho3, accepts Ha3
4	0.000 (<0.05)	0.462	Rejects Ho4, accepts Ha4
5	0.001 (<0.05)	0.226	Rejects Ho5, accepts Ha5
6	0.000 (<0.05)	0.448	Rejects Ho6, accepts Ha6

Comparing the results of testing with the expected outcome in chapter 3, the researcher sees that most of results meets the expected outcome except for hypothesis 4. In chapter 3, base on the literature in chapter 2 the researcher expected that the testing of hypothesis 4 will show the result of rejecting Ha4 and accepts Ho4. The variance between the actual results of testing hypothesis 4 with expected outcome can be explained that different people perceive the same issues differently because of their culture and their life environments.

CHAPTER 6

SUMMARY, CONCLUSION AND RECOMMENDATION

This chapter includes four parts. First part is summary of findings in which demographic profile; general information on purchasing online of respondents and results of hypotheses testing will be summarized. Second part is conclusions. The third part is recommendations for internet stores. The last part is recommendations for further research.

6.1 SUMMARY OF FINDINGS

This part informs the summary of hypotheses testing. Using Pearson correlation coefficient has tested all hypotheses. The summary of hypotheses testing is presented in the table 6-1 below.

Table 6-1: Summary of Hypotheses Testing Result

Hypothesis	Results
Hypothesis 1	There is a relationship between consumers' perception of size of an internet store and consumers' trust in that internet store (The significant value of .000, Pearson correlation at the 0.282, low positive relationship)
Hypothesis 2	There is a relationship between consumers' perception of the reputation of an internet store and consumers' trust in that internet store. (The significant value of .000, Pearson correlation at the 0.434, medium positive relationship)
Hypothesis 3	There is a relationship between consumers' perception of security control of an internet store and consumers' trust in that internet store. (The significant value of .000, Pearson correlation at the 0.410, medium positive relationship)

Hypothesis 4	There is a relationship between consumers' perception of privacy control of an internet store and consumers' trust in that internet store. (The significant value of .000, Pearson correlation at the 0.462, medium positive relationship)
Hypothesis 5	There is a relationship between consumers' perception of the competence of an internet store and consumers' trust in that internet store. (The significant value of .000, Pearson correlation at the 0.226, low positive relationship)
Hypothesis 6	There is a relationship between consumers' familiarity with an internet store and consumers' trust in that internet store. (The significant value of .000, Pearson correlation at the 0.448, medium positive relationship)

From summary table 6-1, the researcher sees that factors that affect consumers' trust in an internet store are perceived size, perceived reputation, perceived security control, perceived privacy control, perceived competence, and familiarity of consumer toward internet store. Pearson correlation coefficient of those factors above is 0.282, 0.434, 0.410, 0.462, 0.226, and 0.448 respectively. Thus, the researcher can conclude that the most influenced factor on trust in an internet store is perceived privacy control. The researcher can rank the strength of the relationship between factors that affect trust in an internet store in descending order as following: Perceived privacy control > Familiarity > Perceived reputation > Perceived security control > Perceived size > Perceived competence.

6.2 CONCLUSIONS

The purpose of this research is to study the factors influencing consumers' trust in an internet store. The specific purpose of this research is to investigate the factors affecting trust in an internet store of graduate and senior undergraduate students in Assumption University.

The researcher has enough evidence to conclude that factors influencing consumers' trust are perceived size, perceived reputation, perceived security control, perceived privacy control, perceived competence, and familiarity of consumer toward an internet store. Moreover, perceived privacy control is the most relevant to consumers' trust, followed by perceived privacy control, familiarity, perceived reputation, perceived security control, perceived size and perceived competence, respectively.

6.3 RECOMMENDATIONS FOR INTERNET STORES.

From summary of findings above, the researcher suggests for internet stores do focus on privacy terms that make consumer trust them the most. Privacy terms need to be confirmed and strictly followed.

Internet store also should build good reputation by not do some bad things like not honest, not fair, etc. Building reputation will take a long time and cost internet stores a lots so new internet stores can create their reputation by investing in advertising for short period when they launch their website and sell products and services of famous company in the world.

Security control also should be focused on. Internet store needs to ensure consumer that no one can take or use their private information that they provided during the transaction process. Internet stores also should ensure that their websites are safe and that there is no fault or opportunity for hacker entrance. Internet firms can create confidence for the consumer in terms of security control by contracting with famous software firms for security issues and showing these to the consumer.

Internet stores should make their websites familiar for consumers by advertising their websites with engine searching websites such as www.google.com, www.yahoo.com, www.lycos.com, etc. They should decorate their websites attractively and make them easy to use. They should introduce

consumer how to search information about products and services that they sell. They should summarize information of products and services and display them in their websites. They should recommend some ways for payment and advice for consumers how to pay. Internet stores can mail to consumers regularly to inform them what is new in the websites; and remind them about their websites. They should give consumer promotions or awards if consumers visit their website a given times or they should make a test with awards for consumer about their knowledge of their business or their websites.

Recommendation for internet stores can be summarized in the table 6-2 below:

Table 6-2: Summary of Recommendation for internet stores

No	Findings	Recommendations
1	There is a medium positive relationship between consumers’ perception of the reputation of an internet store and consumers’ trust in that internet store (Pearson correlation coefficient is 0.434).	* Building reputation by investing in advertising and selling products and services of famous company. * To be honest, fair and customer oriented
2	There is a medium positive relationship between consumers’ perception of security control of an internet store and consumers’ trust in that internet store (Pearson correlation coefficient is 0.410).	*Focus on safety of website with ensure of no hacker and fault. *Contracting with famous software firm for security issues
3	There is a medium positive relationship between consumers’ perception of privacy control of an internet store and consumers’ trust in that internet store (Pearson correlation coefficient is 0.462).	Does focus on privacy term. Privacy term should be clear and strictly followed.

4	<p>There is a medium positive relationship between consumers' familiarity with an internet store and consumers' trust in that internet store (Pearson correlation coefficient is 0.448).</p>	<ul style="list-style-type: none"> * Advertising website in engine searching website such as www.google.com, etc. * Introducing consumer how to search information about products and services * Recommending some ways for payment and advice for consumer how to pay. * Mailing to customer regularly to inform them about what new in website.
---	--	---

6.4 RECOMMENDATIONS FOR FURTHER RESEARCH

This research investigates graduate and senior undergraduate students in Assumption University toward Amazon.com only so further research can have target population is managers, employees, teachers, etc in Thailand. Moreover, further research should investigate the rest students in ABAC and the internet store can be an internet store in Thailand such as www.samart.co.th, etc.

This research confirms factors that affect consumers' trust in an internet store are perceived size, perceived reputation, perceived security control, perceived privacy control, perceived competence, familiarity of consumer toward the website of an internet store. Further research can study other factors in the model proposed by Javenpaa (1999), Brocher (2001), Pavlop (2001) and Bhattacharjee (2002). Other factors can be perceived integrity, legal framework, third party recognition, etc.

BIBLIOGRAPHY

- Bhattacharjee, Anol (2002). 'Individual Trust in Online firms: Scale development and Initial test', Journal of Management Information Systems, Vol. 19, No.1, pages 211-241
- Borchers, Andrew S (2001). 'Trust in Internet Shopping: A Test of a Measurement Instrument', http://aisel.isworld.org/article.asp?Subject_ID=156&Publication_ID=14, 21/03/2003
- Churchill, Gilbert A. (1991). *Marketing research: Methodological foundations*, 5th edition, Orlando, The Dryden Press
- Clinton & Gore (1997). 'A framework for Global Electronic Commerce', White House, <http://www.w3.org/TR/NOTE-framework-970706.html>, 25/05/2003
- Cosenza, Robert M & Davis, Duane (1988). *Business research for decision making*, 2nd edition, Boston, PWS Kent publisher, Wadsworth Inc
- Dowling, G.R & Staelin, R (1994). 'A model of perceived risk and intended risk handling activity', Journal of consumer research, volume 21, pages 119-134
- Eujiin, Kim (2001). 'A model of sustainable trust in B2C E-Market', http://aisel.isworld.org/article.asp?Subject_ID=156&Publication_ID=14, 21/03/2003
- Grabner, "Building Consumer Trust in Online Markets", www.ifi.uni-klu.ac.at/IWAS/HM/eBusiness/doc/crm_publicationen_economy.pdf, 23/07/2003
- Harold, Pardue. 'A trust-based model of consumer-to-consumer online auctions', <http://www.umdced.com/pubs/ajbweb/atrust.pdf>, 22/04/2003

- Hussey, Jill & Roger (1997). *Business research: a practical guide for undergraduate and postgraduate students*, 1st edition, Houndmills, Macmillan Press
- Jarvenpaa, Sirkka L et al (1999). 'Consumer Trust in an Internet Store: A Cross-Cultural Validation', www.ascusc.org/jcmc/vol15/issue2/jarvenpaa.html, 26/03/2003
- Joint E.U. -U.S. Statement on electronic commerce, 5 December 1997, <http://www.qlinks.net/comdocs/eu-us.htm>, 28/04/2003
- Kerin, Roger A & Peterson, Robert (2001). *Strategic marketing problems: cases and comments*, 9th edition, New Jersey, Prentice Hall
- Laudon, Kenneth. C & Laudon, Jane. P (2002). *Management information systems: managing the digital firm*, 7th edition, New Jersey, Prentice Hall
- Malhotra, Naresh K (2000). *Marketing research: an applied approach*, 1st edition, New Jersey, Prentice Hall
- Malhotra, Naresh K (2002). *Basic marketing research: applications to contemporary issues*, 1st edition, New Jersey, Prentice Hall
- Mayer, Davis and Schoorman (1995). 'An integrative model of organizational trust', *The Academy of Management Review*, Vol: 20, No: 3, pages 709-734
- Pavlou, Pau A (2001). 'Integrating Trust in Electronic Commerce with The Technology Acceptance Model: Model Development and Validation', http://aisel.isworld.org/article.asp?Subject_ID=156&Publication_ID=14, 21/03/2003
- Thompson, Teo & Liu, Jing. 'Survey on Consumer Trust in E-Commerce', <http://www2.fba.nus.edu.sg/survey/fbap0264/us.htm>, 25/05/2003

Turban, Efraim, et al (2000). *Electronic commerce: A managerial perspective*, 1st edition, New Jersey, Prentice Hall

Wheenlen, Thmas L & Hunger, J. David (2002). *Strategic management and Business policy*, 8th edition, New Jersey, Prentice Hall

Whitney, John O (1994), *The Trust Factor*. 1st edition, New York, Mc GrawHill Inc

Zikmund, William G (1997). *Business research methods*, 5th edition, Fort Worth, Dryden Press

Zikmund, William G (2000), *Business research methods*, 7th edition, Fort Worth, Dryden Press



QUESTIONNAIRE

Dear sir/madam.

I am a student of the MBA day program studying in Assumption University. For my thesis, I designed this questionnaire to interview you to collect necessary data for my analysis. Your kind cooperation will be very appreciated.

Thank you

There are four parts in this questionnaire, as follows:

Part I: *General information of respondents on purchasing online.*

Part II: *Factors that affect consumers' trust toward Amazon.com including: Consumer's perceived size, Consumer's perceived reputation, Consumer's perceived security control, Consumer's perceived privacy control, Consumer's perceived competence and familiarity toward www.amazon.com.*

Part III: *Consumer's Trust, Consumer's perceived risk and Consumer's willingness to transact with www.amazon.com.*

Part IV: *Demographic Profiles*

Each section in Part II and Part III asks you to read the statement and rate whether you consider these statements to be of relevant importance to you. Read each statement carefully and **indicate how strongly you agree or disagree with the importance** of these statements.

5 = Strongly agree

4 = Agree

3 = Neutral

2 = Disagree

1 = Strongly Disagree

PART I: GENERAL INFORMATION ON PURCHASING ONLINE

1. Have you ever bought a product or service online? (please, select one)

_____ Yes (please, go to question 2, 3 and go ahead)

_____ No (Skip question 2,3 and go ahead)

2. If "Yes", what is the frequency of your Internet purchase? (please, select one)

_____ Once _____ A few times _____ A few times a week

_____ About once a month _____ A few times a month

3. If "Yes", which of the following type(s) of products/services have you bought online? (You may choose more than 1)

<input type="checkbox"/>	Books	<input type="checkbox"/>	Clothing & Accessories	<input type="checkbox"/>	Computer Software & Hardware
<input type="checkbox"/>	Finance/Insurance	<input type="checkbox"/>	Flowers & Gifts	<input type="checkbox"/>	Food & Beverage
<input type="checkbox"/>	Health & Beauty	<input type="checkbox"/>	Home & Garden	<input type="checkbox"/>	Music (e.g., CDs) & Entertainment
<input type="checkbox"/>	Travel	<input type="checkbox"/>	Others - please specify: _____		

PART II: FACTORS AFFECT CONSUMERS' TRUST TOWARD

WWW.AMAZON.COM.

5 = Strongly agree, 4 = Agree, 3 = Neutral, 2 = Disagree, 1 = Strongly Disagree

No	Customers' perception of size of Amazon.com	5	4	3	2	1
4	Amazon.com is very large company					
5	Amazon.com is the industry's biggest supplier on the web					
6	Amazon.com has global presence					
	Consumers' perception of reputation of Amazon.com	5	4	3	2	1
7	Amazon.com is well-known					
8	Amazon.com has a good reputation in the market					
9	Amazon.com has a reputation for being honest					
10	Amazon.com has a reputation for being fair					
11	Amazon.com has a reputation for being consumer-oriented					
	Consumers' perception of security control of Amazon.com	5	4	3	2	1
12	Amazon.com implements security measures to protect Internet shoppers.					
13	You believe that inappropriate parties cannot deliberately observe the information you provide during your transaction with Amazon.com					
14	In your opinion, inappropriate parties cannot collect and store the information that you provide during your transaction with Amazon.com					
15	Overall, you have confidence in the security of your transaction with Amazon.com					
	Consumers' perception of privacy control of Amazon.com	5	4	3	2	1
16	You are confident that Amazon.com does not disclose consumer private information to unauthorized parties					
17	You believe that Amazon.com will not share your private information without your consent in the future.					
18	Amazon.com concerns about consumers' privacy					
19	Overall, you feel confident that your privacy will not be compromised during a transaction with Amazon.com					
	Consumers' perception of competence of Amazon.com	5	4	3	2	1
20	Amazon.com has the ability to handle sales transactions on the Internet.					
21	Amazon.com has sufficient expertise and resources to do business on the Internet.					
22	Amazon.com has adequate knowledge to manage their business on the Internet					
23	Amazon.com has the ability to meet most customer needs.					
	Customers' familiarity with Amazon.com	5	4	3	2	1
24	You are familiar with the process of searching for products and services on Amazon.com					
25	You are familiar with buying products and services (paying bills online) at Amazon.com					
26	You are familiar with inquiring about products and services ratings (account information) on Amazon.com					
27	Overall, you are familiar with Amazon.com					

**PART III: CONSUMERS' TRUST, CONSUMERS' PERCEIVED RISK AND
CONSUMERS' WILLINGNESS TO BUY FROM WWW.AMAZON.COM.**

5 = Strongly agree, 4 = Agree, 3 = Neutral, 2 = Disagree, 1 = Strongly Disagree

No	Consumers' Trust toward Amazon.com	5	4	3	2	1
28	Amazon.com is trustworthy					
29	You trust Amazon.com keeps your best interests in mind					
30	Amazon.com wants to be known as one who keeps promises and commitments.					
31	Amazon.com has more to lose than to gain by not delivering on their promises.					
32	Behavior of Amazon.com meets your expectations.					
	Consumers' perception of risk toward transaction with Amazon.com	5	4	3	2	1
33	You believe that the risk of purchasing online from Amazon.com is very high					
34	There is a high probability of losing a great deal by purchasing online from this e-commerce vendor.					
35	There is great uncertainty associated with purchasing online from this e-commerce vendor.					
36	Overall, you would label the option of purchasing online from this e-commerce vendor as something negative.					
	Consumers' willingness to buy from Amazon.com	5	4	3	2	1
37	The likelihood that you would return to this vendor's Website is very high					
38	The likelihood that you would purchase online from this e-commerce vendor is high					
39	The likelihood that you would purchase online from this e-commerce vendor in the next 3 months is high					
40	The likelihood that you would purchase online from this e-commerce vendor in the next year is high					
41	Your willingness to buy product(s)/service(s) online from this vendor is very high					
42	Overall, you are willing to transact with Amazon.com					

PART IV: DEMOGRAPHIC PROFILE OF RESPONDENTS

In the space below, please check the correct information that applies to you:

43.Age:

☐ 18-27

☐ 28-37

☐ 38 and above

44.Educational Level: You are

☐ Senior undergraduate student

☐ Master student and up



