CHAPTER TWO: LITERATURE REVIEW

Chapter 2 is an overview of online business and an exploration of trust as a foundation on which online business architecture is built. The literature review covers trust models and the corresponding conceptual framework. The literature presented trust from its social as well as relationship marketing perspective, to uncover the major drivers of trust. The issues explored are the different risks associated with Internet business activities, moving to online business activities and the risk factors that might influence online consumers' decisions to conduct online business transactions for a successful online e-tailing.

The scope of the literature review extends to the work of founding theorists of trust, empirical research, peer-reviewed articles, books, and journals. Investigation of existing literature reveals a significant gap of research related to the drivers of online consumer trust, especially in the last 5 years. The number of research studies examining trust and its corresponding effect on online business success is relatively low. Past research generated conceptual trust models for online business but lacked validation efforts for these models. Although references to literature show a gap of intensive research efforts around online business trust conducted over the last 5 years, the study was based on sufficient solid theories and concepts to bridge the gap and investigate the drivers of online business trust model and their impact on online brand success.

An extensive literature search was conducted through the use of Emerald and Science direct databases in an online library. A total of approximately 123 peerreviewed articles, 29 books, 8 dissertations, and 6 proceedings of scholar and academic

conferences were reviewed. The gap is the lack of empirical studies on online business trust building was identified. Extensive literature reviews were located that addressed issues of trust, customer loyalty, risk, and commerce. Most of the literature was considered from the organizational, social, and psychological perspectives, revealing a gap of empirical research for the target variables of the study in the electronic and Internet environment. Only 52% of the peer-reviewed articles, 35% of published books, 50% of scholar dissertations, and 50% of proceedings of scholar and academic conferences were published in the last 5 years in the identified publications. E. Kim and Tadisina (2007) identified the studies conducted around the main factors affecting customers' trust in online business. Only 13 studies were published since 2003. The findings are listed in Table 1 below.

Table 1

Author	Journal Reference
Gefen et al. (2003)	Trust and TAM in online shopping: An integrated model.MIS Quartely, 27(1).
Gefen & Straub (2003)	Managing user trust in B2C e-services. E- Service Journal,2(2).
Pavlou (2003)	Consumer acceptance of electronic commerce: Integrating trust and risk in the technology acceptance model. International Journal of Electronic Commerce, 7(3).
Pennington, Wilcox, & Grover (2003)	The role of systems trust in business-to- consumer transactions. Journal of Management Information Systems,20(3).

Contemporary Scholar Studies Around Trust in E-business

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Table 1 (Continued)

Pavlou & Gefen (2004)	Building effective marketplaces with institution
	based trust.Information Systems Research, 15(1).
Gefen & Straub (2004)	Consumer trust in B2C e-commerce and the
	importance of social presence: Experiments in e-
	products and e-services. Omega, 32.
H. Kim, Xu, & Koh	A comparison of online trust building factors between
(2004)	potential customers and repeat customers. Journal of
	Association for Information Systems, 5(10).
Koufaris & Hampton-	The development of an initial trust in an online
Sosa (2004)	company by new customers. Information
	Management, 41(3).
Liu et al. (2004)	Beyond concern: A privacy-trust-behavioral intention
	model of electronic commerce. Information and
	Management, 42.
Wakefield, Stocks, &	The role of web site characteristics in initial trust
Wilder (2004)	formation. Journal of Computer Information Systems,
	45(1).
McKnight, Kacmar, &	Dispositional trust and distrust distinctions in
Choudhury (2004)	predicting high and low-risk Internet expert advice
	site perceptions. Eservice Journal, 3(2).
Wang & Benbasat	Trust in and adoption of online recommendation
(2005)	agents. Journal of Association for Information
	Systems, 6(3).
S. M. Lee & Lee (2006)	Consumers' initial trust toward second hand
	products in the electronic market. Journal of
	Computer Information Systems, 46(2).

Overview of Online Business

According to Zwass (1996), "Internet business is defined as the process of sharing business information, maintaining business relationships, and conducting business transactions with the help of Internet-based technology". Savoie and Raisinghani (1999) posited that internet business represented the current manifestation of a wave to provide instant access to the products and services required by a consumer at any given time. Online business goes beyond selling goods and services over the Internet; it serves to provide information to customers and engage in marketing and support activities (as cited in Lin, 2003).

P. Smith and Chaffey (2002) introduced definitions of online business given by Deloitte & Touche Consulting Group and IBM. Deloitte & Touche defined online business as "the use of electronic networks for business (usually) with web technology" (p. 261), and IBM defined online business as "the transformation of key business processes through the use of internet technologies" (p. 261). P. Smith and Chaffey asserted that new technology was transforming the old and classical value chain into a new and dynamic value network in which reviewing business processes and re engineering of companies will be an ongoing process, even after online business integrates into the business architecture.

E-Business Architecture

The online business architecture is built upon the three foundations of processes, applications, and technological systems. P. Smith and Chaffey (2002) posited that these three foundations must connect across internal departments and external partners, and applications must be established carefully and systematically to

create a robust online business architecture that can deliver a fast, reliable, scalable, secure, and integrated service. P. Smith and Chaffey maintained,

Creating online business whether a brand new, pure-play dot-com, or mixedmode clicks and mortar (online and offline) business requires careful consideration, research, planning, testing, implementation- a lot of energy and effort. It requires a dedicated team fully supported by top management. Creating online business requires a clear vision of where business is supposed to be. It is after building a clear vision that technology and the team needed around it considered- not the other way around. (p. 277)

P. Smith and Chaffey further argued that online business should operate on a stage model comprising the following six steps that must occur sequentially: (a) messaging (internal and external e-mails), (b) marketing and stock availability checks, (c) online ordering, (d) online payment, (e) monitor order progress, and (f) e-business.

E-Business Security

According to P. Smith and Chaffey (2002), building dynamic e-business solutions and maintaining pace with the fast evolving global business world exposes online merchants to significant risks and threats. P. Smith and Chaffey listed the following seven types of security breaches around which a company's security policies needed to be built:

1. Credit card fraud: Half of visa's card disputes are Internet-related. People other than the owner of the card can use the credit card details, and consumers can deny receipt of goods delivered.

2. Distributed denial of service: Hackers flooding network routers with overwhelming traffic can shut down a website.

3. Cyber graffiti: Hackers inserting false information, images, on a website, or directing visitors to other websites.

4. Alien computer control: Network scanning tools can give hackers access to shoppers' personal computers making aliens are in control of the buyer's PC.5. Chat room undesirables: Uninvited or unwanted chat rooms can be easily invaded by hackers, making personal information vulnerable at all times.

6. Intellectual property theft.

7. Competitive information: Sensitive company information and customers' databases might be stolen.

For any business, security policies should be procedural as well as physical. P. Smith and Chaffey (2002) encouraged building security policies early into the design of e-businesses because it is difficult to retrofit security to an operational system that is under attack. Security and convenience do not always coincide, especially when systems repetitively prompt for passwords. P. Smith and Chaffey urged security policy makers to ask consumers to register before making a purchase or clearing a payment as a strategy to reduce security risks. P. Smith and Chaffey further recommended the following set of technological, physical, and process control security measures that help in building a better online business security model:

1. Incorporate clauses that define security processes into contracts.

2. Trend and exception monitoring: Contact card holders if any suspicious transactions trigger certain preset thresholds.

3. Public key technology and cryptography: Web servers and browsers to be set up to encrypt and seal communications, using standard techniques like SSL or SET.

4. Intrusion detection routines: Set up gateway firewalls to scan attacks such as denial of service or access to a site via a competitor.

5. Virus scanners: To be set up and updated at all times.

6. Audit trails: Online businesses should record audit trails of key events, which they could retain at any time to resolve disputes of electronic transactions.

7. Backup: Backup and disaster recovery plans are essential for any online business.

These measures and policies must be aligned with internal practice policies to ensure tight privacy and security outcomes. According to James Hansen, Vice President of Dyntek Inc. Security Services (as cited in Smith, 2004),

"The essence of information security is all about people, processes, and controls: the heart of successful security is not pure technology, but a team of well-trained employees who are prepared to use technology as a tool to implement and manage effective IT controls". (p. 233)

Reuvid (2005) posited that risk to e-business comes in the form of fraud, espionage, viruses, spamming, or denial of service, yet information security is not confined to the IT department but is also a function critical to all operational functions and departments within organizations.

Trust: Conceptual Framework

Consumers are usually reluctant to utilize the web to interact with web-based vendors because they have no perception of the merchant's business behavior or of the risk associated with having personal or financial information intercepted by hackers. According to Fasli (2007), it is fundamental in online business to have the "ability to

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perform transactions over the Internet involving exchange of private and sensitive information". "There are inherent risks in transmission of information over the Internet which need to be managed, and guarantees need to be provided that transactions and exchanges are secure" (Fasli, 2007, p. 4).

Trust is essential to overcome consumers' hesitation. According to McKnight et al. (2002), trust enables a consumer to share personal information and make purchases online with comfort. Most other definitions and research about trust are incomplete, inconsistent, or diverse. Trust must be analyzed under a model with new constructs. "The lack of trust in the technical and institutional environments surrounding the web can hinder e-commerce adoption" (McKnight et al., 2002, p. 335). McKnight et al. argued that "understanding the nature and antecedents of trust was a major issue for Internet researchers and practitioners because web merchants must take the necessary measures to overcome consumer perceptions of uncertainty and risk". Web merchants can do this on their own websites and in the broader Internet environment.

Trust Models

A critical form of trust in online business consists in consumers' initial trust in web suppliers or merchants. According to McKnight et al. (2002), it is only with trust that "consumers can overcome perceptions of uncertainty and risk". He added, "With trust, consumers engage in trust-related behaviors with web-based merchants such as sharing personal information and making purchases". Bigley and Pearce (1998) referred to "initial trust being trust in an unfamiliar trustee, a relationship in which actors do not have credible, meaningful information about or affective bonds with each other". Credibility emerges after an online experience in which the consumer successfully

discloses personal information and assesses the trustworthiness of the online merchant.

Trust beliefs form in the early stages of engagement between consumers and online merchants. Trust starts during the period when consumers visit a vendor's website for the first time. At that time, merchants must be proactive and take the necessary measures to earn customers' trust.

"The cognitive-based trust literature posits that trusting beliefs may form quickly (before parties have meaningful information about each other) because of social categorization, reputation, illusions (irrational thinking), disposition, institutional roles and structures, or out of the need to immediately cooperate on a task".

(McKnight et al., 2002, p. 336)

Conversely, knowledge-based trust indicates that "trust is built gradually through experiential social exchanges" (Shapiro, Sheppard, & Cheraskin, 1992).

Trust definitions are usually framed within certain disciplinary views. Psychologists regard trust as the "tendency to trust others" (Rotter, 1971). Social psychologists define trust as "cognition about the trustee" (Rempel, Holmes, & Zanna, 1985). Sociologists define trust as "a trait of the social environment". The definitions highlight the vulnerability dimension of trust and relate to the "willingness of individuals to be vulnerable to actions of the online merchant". Sociologists conceptualize along the faith in humanity dimension and relate to "faith that individuals have in the integrity, benevolence, and goodwill of the online merchant" (Holsapple & Sasidharan, 2005). The imprecise multidimensional facets of trust drove researchers toward generating composite trust definitions. Kee and Knox (1970) introduced the five trust-related constructs of (a) "dispositional factors, (b) situational factors, (c) receptions of other,

(d) subjective trust, and (e) behavioral trust". Mayer et al. (1995) included propensity to trust and cognitions of trustworthiness. Researchers have combined definitions to include trusting dispositions, cognitions, and willingness (McKnight et al., 2002).

Contemporary researchers have built on integrative models of trust that included institution-based trust and common trust types such as "trusting intentions, trusting beliefs, and disposition toward trust". McKnight et al. (2002) introduced <u>a</u> framework for the theory of reasoned action in which "beliefs lead to attitudes that lead to behavioral intentions that, and in turn, lead to actual behavior".

Trust: Relationship Marketing Perspective

According to Garbarino and Johnson (1999), mental constructs, like satisfaction, service quality, value, and trust influence online shoppers' decision making. Moorman et al. (1993) posited that there has been a recent shift in emphasis toward relationship marketing that incorporated constructs such as trust rather than sole reliance on overall customer satisfaction to predict consumer behavior. According to Ching and Ellis (2006), many of the standard prescriptions of relationship marketing are transferable to the online business setting. Relationship marketing includes all activities that take place "toward establishing, developing, and maintaining successful relational exchanges "(Morgan & Hunt, 1994).

Dwyer, Schurr, and Oh (1987) argued that relationship marketing differentiated between a discrete transaction and a relational exchange, which is usually longer in duration and reflects an ongoing process. Since Internet businesses need to establish ongoing relationships with consumers, online firms should promote trust to conclude successful exchange transactions. Trust represents the means toward ongoing transactions between online merchants and consumers. Morgan and Hunt (1994) conducted a study in which they considered the relationship between online merchants and consumers. The authors posited that merchants were successful in promoting relationship commitment and trustworthiness as they (a) provided more resources, benefits, and offerings than competitors; (b) sustained high values and demonstrated integrity; (c) shared valuable information; and (d) avoided taking advantage of communicated information.

Social Trust and E-Commerce

According to Mutz (2005), social trust has a major role in encouraging ecommerce and economic development. There has been an acknowledgment of the causal relationship between social trust and e-commerce among researchers, but scholars still need to substantiate the relationship. Lack of trust, a major barrier to participating in ecommerce, has been widely discussed in scholar and industry publications. Several studies were conducted focusing on preference for dealing with a bricks and mortar business rather than online business because the latter is usually considered to be less trustworthy. Based on the data reported by Mutz (2005), people perceive the new form of commerce to involve greater risk and requiring more trust than the usual buying and selling of goods and services.

Conversely, Horrigan and Rainie (2002) reported that, despite skepticism about web business, fears were exaggerated. According to Horrigan and Rainie, only 2.5% of consumers reported negative experiences in online purchasing, and only 3% experienced difficulty involving credit cards or identity theft (p. 13). C. Chen and Dhillon (2003) posited that consumer trust in Internet businesses could reside in personal characteristics, the Internet merchant, the website, and the interaction of the consumer with the Internet merchant through the website. Sociologists have argued that consumer

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trust was based on personality. McKnight, Cummings, and Chervany (1998) distinguished two types of dispositions to trust as (a) faith in humanity, which refers to people believing others mean well and are reliable and (b) trusting stance.

Trusting stance refers to people's belief they will obtain better interpersonal outcomes by projecting the confidence that the people they deal with have honorable intentions. In the context of e-commerce, Shim, Eastlick, Lotz, and Warrington (2001) posited that consumers' attitude toward online shopping was mirrored by their perceptions of shopping convenience. Shopping convenience is a factor of how consumers accept the Internet as the new medium for conducting business and how much they believe in its usefulness.

According to C. Chen and Dhillon (2003), perceived behavioral control is reflected by the perception of easiness and friendliness of Internet usage as a shopping means, perceived control in interaction (i.e., disclosure of personal information), and perceived risk in online business (i.e., system security and privacy). Blau (1964) introduced the social exchange theory, referring to the "voluntary actions of individuals that are motivated by the returns they are expected to bring and typically do in fact bring from others" (p. 92). According to Coleman (1990), people engage in exchange to serve and satisfy their interests whether to acquire tangible or intangible goods. Participants in the exchange process must continue reciprocating for the benefits received. They will continue to interact as long as they see a valuable and rewarding output in the relationship; otherwise, they will move to a more attractive alternative (Chang, 2003). Chang (2003) further posited that social exchange transactions assumed an ongoing process in which online merchants sought to establish a long-term relationship with consumers and hoped for repeat business transactions.

Conversely, online consumers strive to find a dependable online merchant so they can conduct business without having to look for a better alternative. The exchange relationship is a long-term process. According to Jin and Robey (1999), the exchanged items between online consumers and online merchants go beyond goods and services to include personal information usually needed to provide better service. Coleman (1990) and Blau (1964) highlighted two features of social exchange that make building of trust crucial to e-commerce success. Coleman argued that, in a social exchange, one party usually expects reciprocation of a favor or a service extended to the other party, and the time asymmetry in delivery introduces risk for the party extending the resources and services before receiving any return. Blau posited that social exchange required "trusting others to discharge their obligations" because there was no guaranteed return for the extended favor or service. As individuals discharge their obligations for services extended, they exhibit trustworthiness and show commitment.

According to Chiles and McMackin (1996), demonstrating trustworthiness enhances one's reputation. Online merchants should provide transaction arrangements that might involve some degree of risk for consumers and encourage the consumers to try them. The arrangements, offering advantage and convenience to the customer, generate long-term benefits if they positively contribute to consumers' trust in online merchants offering such arrangements. With time, consumers are willing to engage in activities of higher degrees of risk like sharing credit card information online. Social exchange theory reveals useful insights into sources of risks affiliated with online trading and into the trust concept within the exchange relationship framework.

Dimensions of Consumer Trust in Online Business

C. Chen and Dhillon (2003) posited that competence, integrity, and benevolence represented the true dimensions of trust in Internet merchants. C. Chen and Dhillon looked at competence from the perspective of having companies deliver their products and services as promised. Integrity refers to the company remaining consistent and reliable. Benevolence refers to having consumers' satisfaction and interests coming ahead of the company's self-interest. As e-commerce represents the sales of goods and services over the Internet, and since sales occur without personal contact between the buyer and the seller, consumers have concerns around the authenticity of the deliverable services and the legitimacy of the seller.

From this perspective, trust can be defined as the reliability and dependability of the seller offering products and services (Chen & Dhillon, 2003). Trust can be challenged if online companies undervalue privacy and security or if they engage in illegitimate business. "Although the construct of trust has received considerable attention in business and social science literature, there is no universally accepted scholarly definition of the term" (Barmall, Schoefer, & McKechnie, 2004, p. 13). Psychologists relate trust to personality traits (Worchel, 1979).

According to Morgan and Hunt (1994), commitment and trust are the major antecedents of relationship marketing, with trust being defined within a framework of confidence and reliability between two partners. Yoon (2002) concluded that trust represented "a willingness to accept vulnerability, a belief about behavioral intentions of others, and positive expectations of others' behavior". Jarvenpaa et al. (2000) linked the notions of vulnerability, uncertainty, and dependence to the "consumer's lack of control over an online purchase and suggested trust to be a governance mechanism in the retailerconsumer exchange relationship".

According to Barmall et al. (2004), online trust "acts as a facilitator for formulating a positive purchase intention and a repeat purchase decision". Nevertheless, with the web as the new medium of exchange, uncertainty presents a negative impact on trust, and a possible compromise consists on securing privacy to obtain trust. Kimery and McCord (2002) introduced a comprehensive definition for trust in the Internet-based business environment. Trust is a consumer's "willingness to accept vulnerability in an online transaction, based on positive expectations regarding e-tailers' future behaviors" (Holsapple & Sasidharan, 2005).

Kimery and McCord suggested that, if consumers were given better access to information about e- suppliers, a higher level of trust could be leveraged since customers could proactively determine suppliers' future behavior. According to Doney and Cannon (1997), channel management research considered the following characteristics as important factors influencing a customer's trust toward an onlinebusiness: (a) the firm size represented by its financial and personnel resources, (b) the number of years the firm has been functional, (c) the firm's reputation, and (d) brand recognition. Doney and Cannon added that financial and personnel resources invested by a firm in an Internet environment had become invisible, making it difficult to differentiate between large or small e-firms. Firms that have bricks and mortar presence in addition to web presence gain advantage because the trust generated from the business physical presence can be easily transferred into the online environment within the consumer's perception.

Drivers of Trust

Trust propensity and business trustworthiness, built on integrity, benevolence, and reputation, should be considered to understand antecedents of trust. Third-party assurance represents another core antecedent of trust. Bigley and Pearce (1998) suggested that initial trust between unfamiliar actors represented by new online-buyers and web-based merchants was based on dispositional, behavioral, and institutional trust perspectives. According to Panichpathom (2000), trust propensity as a characteristic of trustors or buyers, business trustworthiness as an attribute of trustees or businesses, and assurance from institutional arrangement through an impartial or professional organization (i.e., third-party assurance) have a direct influence on trust.

Trust Propensity

Mayer et al. (1995) defined trust propensity "as the willingness to trust a business". Relying on emotions rather than cognition, trust propensity varies with the varying personalities and cultural background of individuals (Mayer et al., 1995). According to Geyskens, Steenkamp, Scheer, and Kumar (1996), trusting people make fewer negative attributions. People with trust propensity demonstrate positive relationships with online merchants even if they sustain ambiguous feelings toward online purchasing.

Business Trustworthiness

Bhattacharya, Devinney, and Pillutla (1998) discussed business trustworthiness based on social psychology and derived from investigating the other party's benevolence, integrity, and reputation. Bhattacharya et al. argued that trust could be achieved based on consumers' positive expectations about the motives of online merchants. Lewicki and Bunker (1995) suggested that online buyers developed a

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perception of positive expectations by relying on calculations, knowledge, or identification-based trust. The calculative process suggests that consumers assess costs and benefits of other actors' opportunistic behavior before making a decision of whether to conduct the transaction (Doney & Cannon, 1997).

According to Panichpathom (2000), knowledgebased trust encompasses predictability, which requires an understanding that engenders over repeated interactions. Conversely, "Identification–based trust is based on an internationalization of the other's desires and intentions, which require mutual understanding and agreement" (Panichpathom, 2000, p. 26).

Reputation

Lewicki and Bunker (1995) considered reputation to be one of the main pillars of trust through deterrence. Since building a reputation takes a long time, buyers assume that online merchants do their best to sustain their reputation. Reputation is predicated on a calculus-based trust process, and online sellers can promote it by sharing with their consumers, through their respective websites, the measures and policies taken to best handle and protect customer privacy.

Panichpathom (2000) referenced a survey conducted in 1997 in which 87% of Internet users refused to give personal information, and 63% gave fake personal information. Online merchants need to work toward establishing site and brand credibility so shoppers start sharing personal information on the Internet.

Benevolence

Ganesan (1994) defined benevolence as the extent to which buyers believed that online merchants had intentions and motives that were beneficial to the buyers.

According to Doney and Cannon (1997), online vendors usually conduct business in the interest of buyers. Online vendors avoid opportunistic behavior at most times.

Integrity

Moorman et al. (1993) referred to integrity as the buyer's perception of business owners following ethical standards in their operations. Ethical standards must be evident within the business owner's short-term objectives. According to Panichpathom (2000), the dimension of integrity includes consistency, discreteness, and fairness.

Risk Associated with Online Business Activities

Understanding the risk associated with online transactions and activities leads to better decision making and more efficient marketing strategies. Donthu and Garcia (1999) suggested "that Internet shoppers were less risk aversive than Internet nonshoppers, implying that Internet non-shoppers were more likely to perceive higher levels of subjective risk associated with Internet usage compared to users". Understanding the barriers that inhibit potential buyers enables providers to employ suitable means intended to help consumers reduce risk levels (Jarvenpaa et al., 2000) and increase consumers' actual sales or intention to engage in online transactions.

Introna and Pouloudi (1999) posited that privacy attracted considerable attention because of the "increasing amounts of information that flow through various electronic communication channels". According to Liebermann and Stashevsky (2002), privacy and security represent the core perceived risk components, and although business organizations are implementing different measures to protect online business, electronic shopping channels still generate considerable perceived risk to e-customers.

Liebermann and Stashevsky maintained that the notions of privacy and security could serve as "preliminary guidelines to Internet marketers and Internet solution providers who would like to mitigate these effects to promote Internet usage practices". Trading over the Internet demonstrates direct risk to consumers and raises concerns related to disclosing information. Before the boom of the Internet and its acceptance as a new medium and distribution channel, commercial transactions were conducted in a single exchange of goods and services with money or other goods.

According to Stewart (2003), "websites without an established customer base, offline presence, or a solid reputable brand convey a certain level of risk to visitors". The likelihood of having consumers purchase online decreases with the increase in risk. Previous literature about the risk attributed to online purchasing and to communicating personal information over the Internet indicated that "disclosing information to an online business required a certain degree of trust".

In order to conduct an in-depth analysis of risk factors associated with online shopping, it is necessary to distinguish between two sources of risk. The product purchased represents one source of risk, and the transaction process is another (Cases, 2002). According to Dowling and Staelin (1994), perceived product risk is defined "in terms of the consumer's perception of the uncertainty and magnitude of the adverse consequences of buying products". Buyers frequently demonstrate doubt or uncertainty around the products purchased.

In online shopping, process risk must be seriously considered and evaluated as a key influencer to online business. Process risk can be defined in terms of uncertainty and adverse consequences generated by engagement in the purchasing process. Payment process, for example, usually entails the highest degree of risk. No matter how safe and secure the technology and systems online merchants use, the decision to conduct an online transaction is determined by the consumer's perception of the security of the system, not the technology itself.

According to Belanger et al. (2002), consumers consider security important in purchasing goods or services on the Internet. Security and privacy of credit card numbers and personal information represent the top concerns of online consumers. Online retailers show concern about the security of the personal information transmitted and about where and how the information will be utilized beyond the conducted business transaction. Ratnasingham (1998) highlighted the following major risks incurred along online business processes:

1. Authorization: Unauthorized users accessing the system represent a real threat.

- 2. Authentication: Users logging in with false identities.
- 3. Integrity: Data being intercepted, modified, deleted, or misused.
- 4. Privacy: Disclosure of personal data without authorization.
- 5. Non-repudiation: Denial of any of the participants as ever engaging in the transaction.

Studies have shown that data safety and confidentiality ranked the highest among the risks shared by consumers of online businesses (Ratnasingham, 1998).

Factors Influencing Consumers' Online Business Purchases Perceived risks with typical economic, privacy, personal, and performance dimensions influence e-commerce, which is a retail innovation (Dillon & Reif, 2004). Economic risks entail monetary losses and non-receipt of purchased items. Privacy risks concern the vulnerability of consumers while they provide confidential information

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to complete the transaction. Online consumers can be vulnerable to serious personal risks resulting from the online shopping process, especially with their credit card security.

Performance risk relates to the consumers' perceptions that the product or service might fail to meet their expectations. According to the commitment-trust theory introduced by Morgan and Hunt (1994), the relationship between commitment and trust is central to the success of any business association because commitment and trust encourage exchange parties to cooperate and work toward the success of the relationship. John (1984) argued that opportunistic behavior, such as withholding or distorting information or failing to meet consumers' expectations, eventually led to decreased trust among consumers. Consumers need to be convinced they hold an incorrect perception when they believe it is not worth the risk to provide personal information on websites. It is unlikely for online business exchanges to occur without addressing perceptions of opportunistic behavior that have a negative impact on trust between merchants and consumers. Morgan and Hunt (1994) identified five major precursors of relationship commitment that are (a) "termination costs, (b) relationship benefits, (c) shared values, (d) communication, and (e) opportunistic behavior". Morgan and Hunt asserted that termination costs and relationship benefits had a direct impact on commitment. Shared values directly influence both commitment and trust, and communication and opportunistic behavior have a direct impact on trust.

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Summary

The literature review has confirmed the importance of recognizing that online consumers' trust models relate to online business success and that all components of an online business architecture that are (a) processes, (b) applications, and (c) technology because online business represents a digital medium where business information is shared between businesses and consumers, the business relationship has to be continually maintained, and business transactions have to be conducted.

The literature presented considered trust from its social as well as relationship marketing perspective for the purpose of uncovering the major drivers of trust. The review included an exploration of the different risks associated with online business, moving to online businesses' activities, and risk factors that might influence online consumers' decisions to conduct online business transactions.

It is essential for both online buyers and online merchants to understand and become aware of the different risks associated with online business transactions. This understanding would help in building a more comprehensive and solid trust model which in turn will determine online business success. Privacy and security continue to represent the core perceived risk components for online business despite all security efforts taken by online businesses. When security and privacy concerns have been promised and delivered, consumers start to consider other aspects of web sites to decide whether they could trust or feel satisfied with transactions with e-vendors (Chen & Barnes, 2007). Although it is evident that an acknowledgment of a causal relationship between social trust and online business success among researchers exists, the relationship had yet to be substantiated.

Literature Review Conclusion

Previous literature illustrated that the following factors have a direct influence on trust: (a) trust propensity (i.e., properties of trustors or buyers), (b) business trustworthiness (i.e., attributes of trustees or businesses), and (c) assurance from institutional arrangements through an impartial or professional organization (i.e., third party assurance). The results of the literature review indicated that consumer trust represent a major factor toward building success in an online business. An online business trust model must address the different drivers of online consumers' trust in order to have a successful online business.

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