

INVESTIGATION OF THE DETERMINANTS OF
TRUST IN INTERNET SHOPPING AND ITS
RELATIONSHIP WITH ONLINE PURCHASES
INTENTION

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DECLARATION

I hereby declared that:

- 1) This MKMA25106 Research Project is the end result of my own work and that due acknowledgement has been given in the references to all sources of information be they printed, electronic, or personal.
- 2) No portion of this research project has been submitted in supporting of any application for any other degree or qualification of this or any other university.
- 3) The word count of this research report is 22780 words

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The research project is dedicated to those who had fully supported me throughout my study life. I am glad and would like to dedicate this research project to my parents who had given their support with encouragement throughout the years. I also dedication to my siblings and friends for their continuous help and support without reciprocate.

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ABSTRACT

Online shopping is gaining popularity in Malaysia as of late. This is due to the widespread availability of the internet to most of the Malaysian population especially urban citizens. Therefore, understanding consumers' trust and online purchase intention will be beneficial to online retailers who want to know why consumer behave as they do and what the retailers can do to influence the consumers' behavior. The aims of this descriptive research was to find out the effect of constructs such as company reputation, perceived size, perceived security, perceived privacy, perceived ease of use and website design quality on online consumers' trust in Klang Valley, Malaysia. More specifically, this research was conducted to: (1) evaluate and validate the determinants of consumer online consumers' trust in Malaysia e-commerce context; (2) to identify the impact of consumers' trust in mediating the relationship between the determination of trust and online purchase intention. To accomplish the aim of this research project, seven research questions and seven hypotheses were developed and tested.

Convenience sampling technique and questionnaire were adopted in this study. Potential participants for this research were those e-shoppers in Klang Valley, Malaysia with nationality status as Malaysia. Questionnaire was distributed to general public who are eligible and willing to participate in this research study. Analysis data were obtained from 335 usable and completed questionnaires. The data were analyzed by using Statistical Package for Social Science software version 15. The hypotheses were then tested using a normality test, descriptive test and inferential analysis (Pearson Correlation Analysis and Multiple Regression Analysis). The study disclosed that company reputation, perceived security, perceived ease of use and website site design quality is positively related to the online consumers' trust. Besides that, this study verifies that online consumers' trust played a mediation role between the determinants of trust and online purchase intention.

At the end of this research, research problems and research questions were fully addressed and justified based on the statistical analysis and literature review. Efforts were made to highlight the contributions of this research to theories enrichment, management decision-making and research methodologies. Finally, the limitations surrounding this research project were identified and implications for further research were suggested.

CHAPTER 1

RESEARCH OVERVIEW

1.0 Introduction

Over the last decades, the Internet has grown from a network that was used by large companies and governments as a communication tool to a global network which can be accessed by virtually anyone with a computer. With the rapid expansion of the Internet, companies around the world have taken the golden opportunity to use the Internet as a shopping channel to ensure their companies stay competitive by selling and purchasing their products or services online in both locally and globally. Meanwhile, the number of Internet subscribers has grown from 11,016,000 in year 2006 to 17,723,000 in the year of 2011 (Malaysia Internet Usage and Telecommunication report, 2009). This indicates that the growing trend of Internet users in Malaysia has facilitated the growth of online retailing industry. Online vendors should be aware of this trend and create a shopping environment in which prospective consumers perceived these vendors are dependable and reliable. This research will focus on business-to-consumer (B2C) online retailing sector.

Trust is one of the fundamental requirements in determining the success or failure of electronic commerce business. Consumers' trust on online vendor's website plays an important role to ensure consumers' confidence and trust towards the vendors and willingness to purchase the products or services that they cannot see, smell and touch. So, online vendor is required to understand the importance of consumer's trust by developing an effective communication network in order to achieve sustainable business growth. Consumer trust is the foundation of e-commerce retailers in building long-term trust based relationship with their consumers (Kim and Prabhakar, 2004). So, consumers' trust must be established as soon as interaction

with a web site begins. Online vendors must not only focus on stimulating consumers' online trust and meet their high expectation of online transaction but also eliminates consumers' uncertainties and perceived of risk of the website in order to increase their online purchase intention in participating online shopping activities (McKnight and Chervany, 2001; Pavlou, 2003).

Previous studies of trust, Chen and Barnes (2007); Gefen and Straub (2004) have concluded that online vendors who conduct business in honest and trustworthy manner is able to further enhance consumer's trust, increase consumer's purchase intentions and able to retain consumers. Without consumer trust, the development of the online consumer trust model cannot reach its potential to determine the consumers' behaviour and characteristic in conducting online shopping. According to Jarvenpaa and Tractinsky (1999), consumers are reluctant to purchase on websites that are not user friendly, slow response, fail to deliver a sense of trust and reliable image to them in conducting online purchasing. Hence, trusts can only exist if the consumers believe the e-commerce channel offers better choices and reliable online merchants. This is due to the lack of face-to-face communication between buyer and seller in an online shopping transaction.

1.1 Background of the study

The research is carried out to discover the determinants of online trust and the impact of consumers' online trust towards consumers' online purchase intention in Klang Valley, Malaysia. Levy and Weitz (2001) states online purchasing is one of the fastest-growing retail segments for e-commerce worldwide with high sales growth rate that outpace buying through traditional retail setting. Nowadays, there are an increasing number of consumers around the world who actively purchase goods or services online with access to an internet enabled computer. At the same time, internet population has been growing at a dramatically fast speed since its launch in 1991. Online shopping is set to grow in a big way in Malaysia from how it has grown in leaps and bounds for particular services.

In addition, according to a survey conducted by the Malaysian Communication and Multimedia Corporation (MCMC, 2005) , only 9.3% of Malaysian internet users had purchased products or services online which airline tickets were the most popular products (43.8%) followed by books (15.6%) and music (6.8%). Moreover, it is also expected that the Malaysian online purchasing activities will increase every year at a high growth. With the rapid development of internet technology especially World Wide Web has enabled people to conduct electronic transaction anywhere and anytime. Online retailers in Malaysia need to create their operating system for the web in a more effective and efficient manner that meet consumers' expectations which indirectly raise their online purchase intention.

Meanwhile, there is a significant number of internet users who have not utilized the internet as a shopping platform for making their purchase from anywhere (Kim and Prabhakar, 2004). Roy and Ghose (2006) commented that lack of trust among consumers toward e-commerce channel and web retailers is one of the possible barriers to accept the Internet as a retail distribution channel. Meanwhile, Chen and Barnes (2007) states the reasons why people do not purchase products or services online are due to lack of trust on retailer website's quality, online security, privacy, and retailer's reliability. In this study, online retailers are able to develop more effective and efficient internet retail operations that meet their consumers'

expectation which indirectly raise their online purchase intention. Consumer trust is well-recognized as a key factor in determining the success of business to consumer (B2C) e-business offerings as well as for retaining long term relationship with consumers because it reduces the uncertainty factor that will influence their online purchase intention.

Furthermore, online vendors are also able to understand the motivation factors to build up consumers' trust and which determinants will influences consumers' trust in conducting e-commerce transaction. Online vendors also need to understand their consumers' attitude and motivation factors in engaging online purchase activities in order to develop an effective marketing strategy to build consumer initial trust and gain a competitive edge over their competitors. However, there is lack of a study of how trust affects online purchase intention of individual consumers in Malaysia. The identification of consumers who are willing to trust more in internet shopping activities for positive shopping experiences has become a crucial issue in e-commerce market. Thus, the interest of this study is to examine the factors that affect consumers' trust as an important element in online transaction and has a positive impact on consumers' purchase intention.

1.2 Problem Statement

Previous discussion has led to a brief examination of the extant literature and the resultant research gaps led to the development of the research problems in the research study. The research problem of this study is to find out what are the determinants which will influence the consumers' trust in internet shopping activities and their level of purchase intention in Malaysia.

Although the usage of Internet has facilitate transactions between online vendors and consumers from anywhere at any time with a wide range of product choices and lower cost compared to traditional shopping. However, trust is quite challenging to define and different among consumers in online purchasing activities. According to Gefen, Karahama and Straub (2003), as well as Schlosser et al (2006), found that

lack of consumer trust in Internet vendors as a major deterrent in online transaction and commercial relationships of consumers' willingness to purchase products or services online. Indeed, Bargh and Mckenna (2004) state that a high level of consumer trust is required to stimulate consumer's participation in online shopping since consumers have to provide their credit card numbers and other personal information to web merchants.

Although Malaysian internet users are increasingly shop online but due to the absences of salespeople of online website, consumers does not have a direct physical experience with the store and its product. According to the past studies, most of the effort has been invested in examining the trust issues in online shopping, primarily on privacy and security in conducting online transaction such as immature website and hackers (Chen and Barnes, 2007), website attributes and trust (Jarveepaa et al., 2000) and consumers' online shopping participation and trust (Kim and Parbhakar, 2000). Researchers have not yet developed a comprehensive understanding of the determinants of consumer trust in the online shopping and its relationship with consumers' online purchase intention from the internet user in Klang Valley.

1.3 Research Objective

1.3.1 General Objective

- i. To determine the relationship among trust in online shopping activities and the intention to shop online particularly in Malaysia.

1.3.2 Specific Objective

- i. To examine the relationship between company reputation and consumers' trust in internet shopping activities.

-
- ii. To examine the relationship between perceived size and consumers' trust in internet shopping activities.
 - iii. To examine the relationship between perceived security and consumers' trust in internet shopping activities.
 - iv. To examine the relationship between perceived privacy and consumers' trust in internet shopping activities.
 - v. To examine the relationship between perceived ease of use and consumers' trust in internet shopping activities.
 - vi. To examine the relationship between website design quality and consumers' trust in internet shopping activities.
 - vii. To examine the relationship between consumers' trust in internet shopping activities and online purchase intention.

1.4 Research Questions

The research questions were created and tested in this research in response to the research problems. There are:

- i. How does the company reputation influence on consumers' trust in internet shopping activities?
- ii. How does the perceived size influence on consumers' trust in internet shopping activities?
- iii. How does the perceived security influence on consumers' trust in internet shopping activities?
- iv. How does the perceived privacy influence on consumers' trust in internet shopping activities?
- v. How does the perceived ease of use influence on consumers' trust in internet shopping activities?
- vi. How does the website design quality influence on consumers' trust in internet shopping activities?
- vii. How does the consumers' trust in internet shopping activities influence on their online purchase intention?

1.5 Hypotheses of the Study

- H₁: There is a positive relationship between company reputation and consumers' trust in internet shopping activities.
- H₂: There is a positive relationship between perceived size and consumers' trust in internet shopping activities.
- H₃: There is a positive relationship between perceived security and consumers' trust in internet shopping activities.
- H₄: There is a positive relationship between perceived privacy and consumers' trust in internet shopping activities.
- H₅: There is a positive relationship between perceived ease of use and consumers' trust in internet shopping activities.
- H₆: There is a positive relationship between perceived website design quality and consumers' trust in internet shopping activities.
- H₇: There is a positive relationship between consumers' trust in internet shopping activities and online purchase intention.

1.6 Significance of the Study

The purpose of this study is to determine the factors that affect online consumers' trust and their purchase intention to go shopping online in terms of company reputation, perceived size, perceived security, perceived privacy, perceived ease of use and perceived website design quality. This study is an adaption and combination of several past researchers but conducted in Malaysia context.

The findings of this study will provide several insights to online vendors in building strong consumers' trust in conducting online purchase activities for successful long term business relationships with consumers. Besides that, the results obtained from this research is to assist online vendors to find ways in altering its business strategies of the websites in order to align with the consumers' trust and values by understand consumers' shopping behavior and investigate their purchase intention to purchase

products or services at online stores. Moreover, this study is able to assist companies in understanding consumers' perception towards online purchasing better. By understanding the determinants of trust, there is an advantage in adding business value to companies through increasing the credibility of online transaction.

Finally, the study also aim provides knowledge and encourage consumers to trust in online shopping environment. Furthermore, this study provides information in the development of trust worthy, consumer friendly and quality oriented online vendors.

1.7 Chapter Layout

Chapter One: Research Overview

Chapter one has provided a broad overview of the research background on Malaysian e-commerce industry background, the concept and the importance of online consumer trust and potential consumers' problems in online shopping. Meanwhile, in this chapter, it includes research objectives, hypotheses, research questions and significance of the study.

Chapter Two: Literature Review

Chapter two provides a comprehensive literature review of the determinants of online consumers' trust in internet shopping, consumers' online purchasing intention, theoretical bases for this study, supported by a discussion of studies and existing relevant to the constructs of interest in the model and their proposed relationship. Relevant theories and models are extracted for referencing for the purpose of this study. It is lastly followed by conceptual framework and the hypothesis development.

Chapter Three: Methodology

Chapter three outlines the steps on how the research was carried out in terms of research design, data collection methods, sampling design, operational definitions of constructs, measurement scales and data analysis efforts which define this study.

Chapter Four: Data Analysis

Chapter four reports the overall research findings and discusses the findings of the study by using tables, histograms and graphs to present the findings in a more effective way. Data analysis is conducted by using SPSS 15 software.

Chapter Five: Discussions, Conclusion and Implication

The last chapter presents the discussion of the research findings, interpretation of findings and whether the hypotheses are supported by the data. The possible reasons or speculations should be provided if hypotheses are not being supported by the data. Then, limitations and recommendations are discussed for future research.

1.8 Conclusion

This chapter has briefly discussed the overview of Malaysia online consumers' trust in internet shopping activities, online purchase intention and the potential growth of internet shopping in Malaysia. This is essential for online retailers to strengthen their competencies, understand what determinants affect the level of consumers' trust in order to enhance and gain more market share under stiff competitive online retailers' market environment. This study will focus on investigating the determinants of consumer trust that will affect consumer purchase intention. Research problems, research questions and hypotheses have been identified and appropriate research method has been introduced to carry out the analysis of the data. An implication of this research for academics and practitioners will be discussed in Chapter 2.

CHAPTER 2

LITERATURE REVIEW

2.0 Introduction

According to a global online shopping report, Nielson (2008) has published the overall online shopping trends indicating that there are over 875 million consumers who have shopped online. The number of Internet shoppers has increased up to 40% in two years. Meanwhile, among of the highest Internet access online shopping is found in South Korea (99%), UK (97%), Germany (97%), Japan (97%) and US (94%). Furthermore, according to the PayPal Online and Mobile Shopping Insights 2011 study, that online shopping trend is rising in Malaysians, whereby online shopping market had reached RM1.8 billion during 2010 and is expected to hit RM5 billion by 2014. Most of the Malaysian online shoppers bought airline tickets, fashion and cosmetics from local websites while book purchase and music or movie downloads were made on foreign websites. Thus, there is a positive growth in internet purchase in Malaysia. According to Chen and Barnes (2007), customer trust about e-commerce are becoming more positive with the improvement of information technology approaches in internet security, website design and website functionality.

Shim, Quereshi and Siegel (2000) defined online shopping as the process customers go through to purchase products or services over the internet. However, internet shopping involves a higher level of risk or uncertainty when compare with conventional shopping. Kaur (2005) states that customers' perceived risk about unsafe products, insecure payment methods, loss of personal privacy, and misuse of personal information when purchasing good or service online. Moreover, the study also shows that website security was among the top concerns of online customer in willing to trust and spent more online if safety was measured.

Prior studies of trust in between the buyer and the seller relationship (Doney and Cannon, 1997) have found that there exists a very strong relation between risk and trust. This view was also supported by (Belanger, 2002; Biswas, Dutta and Biswas, 2009; Bolton et al, 2008) building trust while managing perceived risk of purchase is essential at explaining customer behavior may reduce the likelihood of buying over the internet since customers tend to avoid mistakes. Online trust is an important determinant for web sites to succeed in marketplace (McKnight and Chervany, 2001; Balasubramanian et al, 2003; Grabner-Krauter and Kaluscha, 2003; Koufaris and Hampton-Sosa, 2004), and for retaining long-term relationships with consumers (Reichheld and Schefter, 2000; Gefen and Straub, 2003).

This research synthesizes the determinants of online trust and moderating the effect of consumers' trust on online purchase intention, while developing an integrative model to explain consumer trust in internet shopping activities. In addition, this research is conducted to identify the role of trust that affects customer online purchase intention in Malaysia as there have been few studies conducted regarding this topic in Malaysian context.

In chapter two, we comprehensively review relevant journals and articles from secondary sources about consumers' willingness to pay more for environmentally friendly products. The main purpose is to identify important variable in the past research by comparing and contrasting different author's views on consumers' willingness to pay more for environmentally friendly products. Through literature review, a solid foundation for developing the theoretical framework and hypothesis will be developed.

2.1 Research Theory

2.1.1 Online Purchase Intention

Online purchase intention is defined as the situation which manifests itself when a consumer is willing and intends to become involved in online transactions (Pavlou, 2003). Moreover, according to Huang and Su (2011), purchasing intention may be classified as a component of a consumer's cognitive behaviour revealing the way an individual intends to purchase a specific brand. Customers evaluate a web store through online trust positively influencing their attitude toward conducting online purchase and their attitude affects their purchase intention (Wang, 2003). According to Ling, Chai and Piew (2010), online purchase intention is the context to which a customer shows readiness to undertake an online transaction. Previous studies have proven that online trust positively influences purchase intentions (Yoon, 2002; Grabner-Krauter and Kaluscha, 2003; Pavlou, 2003; Gefen and Straub, 2004). Trust has a significant influence on customers' behavioural intentions in internet shopping. A customer will always consider shopping and revisit repeatedly a web store which is reliable. Meanwhile, with the present of trust it will increase a customer's belief on the e-retailer that may lead to positive influence on customer's purchase intentions. Higher trust also promotes continued interaction between the online retailer and the buyer. This view is supported by Kwek, Lau and Tan (2010) that found trust has a direct positive and significant effect on customer's online behavioural intention, hence fostering initial and repeat purchase, continued interaction as well as encouraging word-of-mouth practices.

2.1.2 Online Consumers' Trust

Trust has been widely conceptualized by many prior researchers. In this study, we focus on discussing the concept of trust in e-commerce context (internet shopping mall) only. In general, trust is defined as a belief that one party can rely on a word or promise given by another party, and it can also help to develop or maintain a relationship between the two parties (Zaltman and Moorman, 1988). Meanwhile,

according to Kimery and McCard, (2002) that trust also can be defined as customers' willingness to accept vulnerability in an online transaction based on their positive expectations regarding online vendors. Trust is an important factor in affecting online customer's behavior in terms of creating satisfied and expected outcomes in online transaction.

According to the Theory of Planned Behaviour (Ajzen, 1991), trust beliefs create favorable feelings towards the online vendor that are likely to increase a customer's intention to purchase products from the vendor. However, due to the unique nature of e-commerce context, customers will always experience some level of risks that reduce their intention to shop online. According to Salo and Karjaluoto (2007) the customer trust in Internet shopping malls is totally different from that in an offline store. This implies that uncertainty exists during the internet purchasing activities probably due to lack of face to face dealing between buyer and seller, hence, a high degree of consumer trust on the web vendor is needed.

In addition, Salo and Karjaluoto (2007) states the transactions in online environments are most faceless, sometimes even close to anonymous and the transaction partner might be on the other side of the globe thus not being subjected to the same sets of rules, regulations and norms as the customer side. This clearly implies that online customers practically perceive higher risk compared to a conventional shopping environment. According to Lee and Turban (2001) lack of trust is one of the most frequently cited reasons for customer not shopping on the Internet shopping because they are unlikely to transact with an online retailer who fails to convey a sense of trustworthiness. Hence, McKnight and Chervany (2002) argued that trust is the key to deal with uncertainty and has a significant impact on end users' willingness to trade in online environment.

Moreover, according to Kim, Ferrin and Rao (2008) trust becomes the crucial strategy for dealing with customers' uncertainty and recognized as one of the most significant determinants for online vendors to meet customers' high expectations of satisfying transactions. Trust is even more important in an online situation in order to create satisfied and expected outcomes of customer in online transaction (Gefen et

al, 2003; Gefen and Straub, 2004; Harridge-March, 2006; Pavlou and Fygenon, 2006; Wu and Cheng, 2005; Flavian and Guinaliu, 2006). Besides that, trust can help to mitigate the customers' worries about the risks and uncertainties of conducting complicated businesses online (Lee and Turban, 2001; McKnight and Chervany, 2002).

Among other studies, Flavian and Guinaliu (2006) and Gefen and Straub (2004) conclude that since there is no physical interaction between buyer and seller in the online transaction, it will increase the probability of buyer's financial information being exposed to third party or being used incorrectly by seller. In this uncertain situation, consumers will refuse to involve themselves in online transaction unless online retailers are keen to show that they are reliable, trustworthy and concern about the interests and needs of consumers. Chen and Barnes (2007) concluded that both online initial trust and familiarity with online purchasing have a positive impact on purchase intention. However, there is a challenge face by marketer to identify which determinants of trust will influence consumers' willingness to purchase products or services at online store.

2.2 Determinants That Influences Online Consumers' Trust

There are several determinants considered as predictors of trust in online retailer as proposed by previous researchers which are company reputation, perceived security, ease of use, privacy, perceived size and web site quality

2.2.1 Company Reputation

Nowadays, company reputation is the major impact that can influence customers' online trust and purchase intention. Chen and Barnes (2007) stated that a high degree of online vendors have established online trust to boost online purchase intention among consumers. In addition, Bramall, Schoefer and McKechnie (2004) states that consumers' online trust can increase significantly when the online retailer is

perceived to have a high reputation, large company size, user friendly and concern for its consumers. According to Hess (2008) company reputation is heavily related to customers' perceptions on company's credibility and how much it takes care of consumers' welfare. Koufaris and Hampton-Sosa (2004) also mentioned that most of the internet shoppers assume that large companies normally have a high reputation, sustainable and longer exist in today's competitive environment for online retailing industry. Although building a positive reputation of online vendor is very difficult and requires lot of resources such as time, money and human resources to support but it has become an essential criterion for consumers in online shopping especially for first-time consumers. In this respect, consumers may reduce their effort in searching for online vendors' online reviews and feedback; hence more confidence and trust are present in those good reputation online vendors.

Previous studies also suggested that a company with positive reputation and a good reputation tend to behave opportunistically to strengthen existing customer relationship and create loyal customers by continuously maintain its reputation (Doney and Cannon, 1997; Figueiredo, 2000; Jarvenpaa et al., 2000). The studies also found that vendors who respond quickly to consumers' concerns will further improve the quality of service (Pennington et al., 2003). Although good reputation of company is very difficult to gain compared to losing it. Therefore, it is important to maintain good reputation of company since reputation can change over the period (Casalo et al., 2007). According to Doney and Cannon (1997) consumer trust can increase significantly when the company is perceive to have a good reputation meanwhile the level of reputation that a customer assigns to company depends on how the company is seen as honest and concern for its customer.

2.2.2 Perceived Size

According to Jarvenpaa and Tractinsky (1999), the size of a company depends heavily on how much the company is investing in web-page banners in boasting up its size. Meanwhile, perceived size can be defined as consumers' perception on how large a company is with their name, brand and a range of product or services offering

to consumers (Doney and Cannon, 1997). In addition, according to Crosby, Evans and Cowles (1990), consumers is more favorable to shop with large size online vendor because consumers will considered that the vendor have the necessary expertise and resources to serve them well in terms of customer or technical service of the website which encourages consumers' trust. Hence, consumers assumes the larger size of the online vendor, the higher the level of consumers' confidence and trust that the company is able to fulfill its promises, safe and high quality of products, friendly services and prompt delivery (Dolatabadi and Ebrahimi, 2010). Furthermore, according to Jarvenpaa, Tractinsky and Vitale (2000) there are two important factors that affecting consumers' trust in online shopping which are reputation and company size. Previous studies had indicated that consumers form their first impressions on the trustworthiness of online vendor website based on its company size (Jarvenpaa and Tractinsky 2000; Koufaris and Hampton-Sosa, 2004). This view is also supported by Doney and Cannon (1997) which states that company size has become a significant signal of consumers' trust between consumers and company in the business transaction of online retailing.

2.2.3 Perceived Security

According to Friedman et al., (2000) perceived security can be defined as consumers' perception on how well the online vendor fulfill the basis security requirement such as integrity, authentication, encryption and non-repudiation in order to protect their personal information from threats, hackers or third parties. In addition, Kim and Shim (2002) perceived security as which consumers has a high level of trust that the online vendors is trustworthy and secure for them to disclose their sensitive information such as credit card information to the online transaction. Chen and Barnes (2007) concluded that perceived security of the website is positively related to consumers' online trust as well as their online purchase intention. This implies that consumers have a strong personal awareness of the security of the online vendor before participating in any online transaction in order to minimize the perceived environmental risks. According to Dolatabadi and Ebrahimi (2010), consumers have a strong prior belief about perceived security of the website,

as they expect that their personal information such as private information or monetary information will not be viewed, stored, used or manipulated by third parties during the online transaction. Prior research also found that the higher the level of vendor website's security, the higher the level of consumer's purchase intention to purchase products or services online (Ranganathan and Ganapathy, 2002; Salisbury et al., 2001). In addition, Chang and Cheng (2009) also indicated that perceived security is one of the most important factors in building consumers' trust, confidence and reduce their uncomfortable feeling to transmitting their sensitive information through Internet to online vendor. Hence, the security of online vendor's website is positively related to consumers' online trust and their purchase intention to purchase online by using Internet (Salisbury, et. al., 2001).

2.2.4 Perceived Privacy

In general, consumers are more likely to purchase products or services in the secure websites which have a high quality of security system and security policy to protect their privacy information from third parties. In fact, many studies had shown that the problem of privacy regarding to the website security system in the protection of personal information is always the top priority for online consumers during online transaction. According to Roman (2007) customers' personal information such as private information and monetary information have been collected by online vendors for decades, thus there is no doubt that consumers is concern about consumers' privacy issues of the website. Prior research in the online shopping context indicates that perceived privacy has a significant influence on consumers' trust in terms of vendors' security system and performance during the online transaction (Bart et al., 2005; Chen and Barnes (2007); Liu et al., 2005; Roman, 2007). This view is supported by Collier and Bienstock (2006) who argued that consumers are reluctant to engage in online shopping because majority of them are scared losing money when they disclose their credit card information over the Internet and they also lack of trust on the ability of vendor website's security system to keep their personal information safe from potential hackers. In addition, Lee and Turban (2001) concluded that a high level of privacy standard of an online vendor's website has a

positive influence on consumer' online trust and online purchase intention due to its ability to eliminate the risks and uncertainties of consumers when involved in online transaction processes. Consumers' trust is increased when reliability and credibility of online vendors' website are recognized that consumers are more willing to disclose their privacy information and indirectly increase their purchase intention (Culnan and Armstrong, 1999). Hence, it has been argued that consumers' online trust has a strong influence in the consumers' perception of security and privacy when engaging online purchase transaction (Chellapa, 2001b; Chellappa and Pavlou, 2002; Chen and Barnes, 2007).

2.2.5 Perceived Ease of Use

The consumers' perception on the ease-of-use of a particular system plays an important role in influencing consumers' trust in online purchasing activities (Davis, 1989; Van der Heijden et al., 2003; Erikson et al., 2005; Henderson and Divett, 2003; Lee et al., 2006). Furthermore, simple, easy to use and useful online websites will increase consumers' trust, reduce asymmetric information process and it also positively influences consumers' online purchase intention (Koufaris and Hampton-Sosa, 2004; Kuo et al., 2009; Cao et al., 2005). Chiu et al (2010) states the high level of trust and online purchase intention is positively related to the perceived ease of use of the website. In addition, according to O'Cass and Fenech (2003), consumers' website experiences such as security level, shopping compatibility and satisfaction of the services has a great influence in the perception of consumers on the ease of use of website. Meanwhile, Koufaris and Hampton-Sosa (2004) states that the ease of using the website is positively related to the subjective perception of consumers on the amount of effort necessary to learn and use. Hence, the more easier of a website to use by consumer, the higher the level of consumers' purchase intention as well as the higher level of consumers' trust for future repeat purchase (Chau et al., 2007).

2.2.6 Website Design Quality

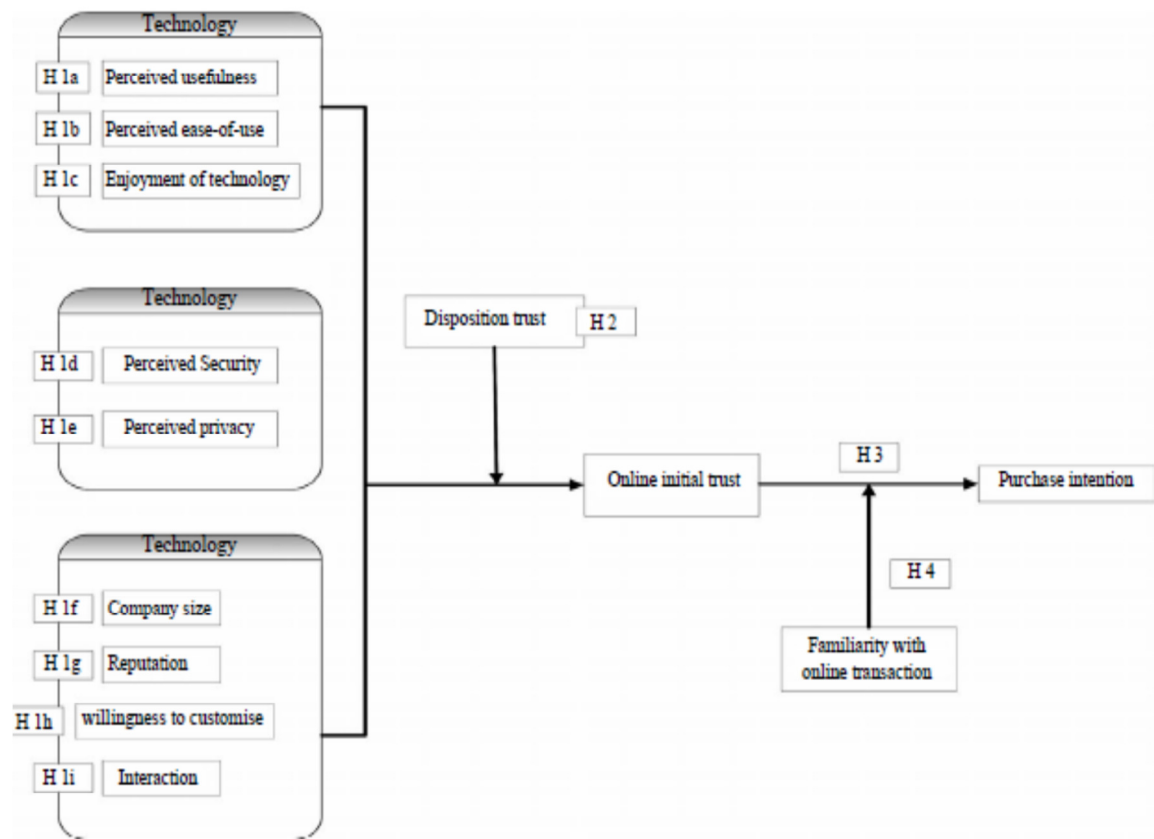
Website design quality is crucial for online stores (Than and Grandon, 2002). According to Kim, Xu, and Koh (2004) website quality plays an important role in determining consumer trust in online shopping. In addition, website quality also defined as users' evaluations of whether a web site's features meet users' needs and reflect the overall excellence of the web site (Aladwani and Palvia, 2002). A study of Wolfinbarger and Gilly (2003) found that website design factors are strong predictors of customer quality judgments, satisfaction, and loyalty for internet retailers. The quality of the web site affects the users' view of the site because it is the portal through which transactions are conducted (Ahn et al., 2007). Besides that, in terms of a high quality website, multi-item scales has been developed to measure the entire online buying experience that includes the pre-purchase and post-purchase experiences of the customer (Negash et al., 2003; Wolfinbarger and Gilly, 2003).

According to Wang and Emurian (2005), it is difficult to provide an absolute definition for professionalism in terms of website design quality because professional design carries too broad and too vague a meaning and can be interpreted differently by different people. However, Aladwani and Palvia (2002) proposed a sound instrument on evaluating the vendor's website by identify four dimensions which are technical adequacy such as ease of navigation and loading speed, website content quality such as accuracy product information, specific content page that list out some important information such as customer support, privacy policies and refund information; and website's appearance such as website features, colours and fonts. Thus, the more ease to use of the website and good website quality are more likely to build a high level of consumers' trust and consumers' purchase intention in online shopping (Wakefield, Stocks, and Wilder, 2004; Wang and Benbasat, 2007).

2.4 Review of Relevant Theoretical Models

2.4.1 Perceived risk, perceived technology, online trust and online purchase intention

Figure 2.1 The conceptual Model of Online Trust and Purchase Intention



Source: Initial trust and online buyer behavior, Chen and Barnes, 2007 "Initial trust and online buyer behaviour", *Industrial Management & Data Systems*, Vol. 107 No. 1, pp. 21-36.

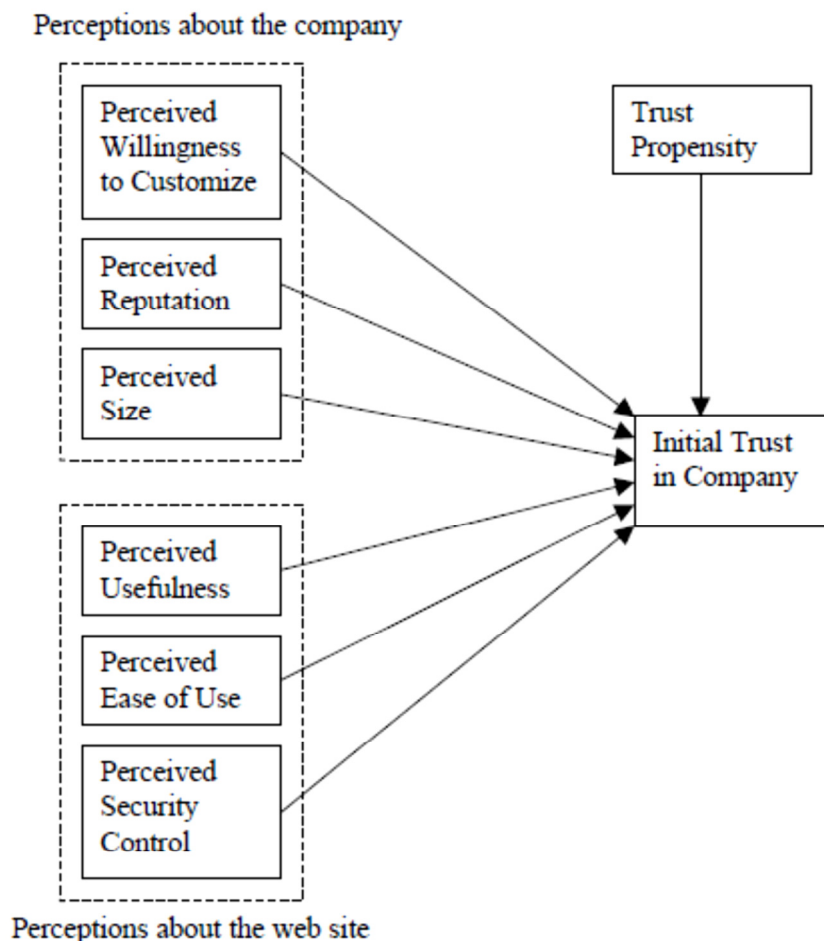
The above review theoretical framework is adopted from Chen and Barnes (2007). The model above will be served as foundation for the proposed conceptual framework of this research study. This model is proposed to examine the effect of three trust antecedents which are perceived technology, perceived risk and company competency on the formation of consumer's online trust in online shopping. Chen and Barnes (2007) also suggested that consumers who have the higher level of online trust be more likely to have stronger consumers' purchase intention to purchase product or services through Internet. In this study, only perceived risk towards online trust, perceived technology toward online trust and online trust towards purchase intention are used for this model. Prior researchers concluded that there is a

significant relationship between online consumers' trust and consumers' purchase intention in online shopping (Gefen, 2000; Mukherjee and Nath, 2007; Kim et al., 2008). Furthermore, Kim et al., (2008) suggested that trust also plays an important role towards consumers' online purchase intention for future repeat purchase.

On the other hand, prior researchers suggested that perceived technology has a positive influence on consumers' online trust, the relationship between perceived technology and online consumers' trust is also being examined in this study (Chen and Barnes, 2007; Koufaris and Hampton-Sosa, 2004; Kamarulzaman, 2007; Gefen et al., 2003). According to Koufaris and Hampton-Sosa (2004) found that new consumers would like to participate in online shopping when the website is perceived ease to use and useful then it may increase their trust and purchase intention toward web vendor. Besides that, many researchers also found that there is a positive impact between perceived risk and consumers' online trust which may indirectly influences their purchase intention towards internet shopping (Kim et al., 2008, Gefen and Pavlon, 2006; Mukherjee and Nath, 2007, Park and Jun, 2003).

2.4.2 Perceived technology and online trust

Figure: 2.2 Research model for initial trust in company for new customer

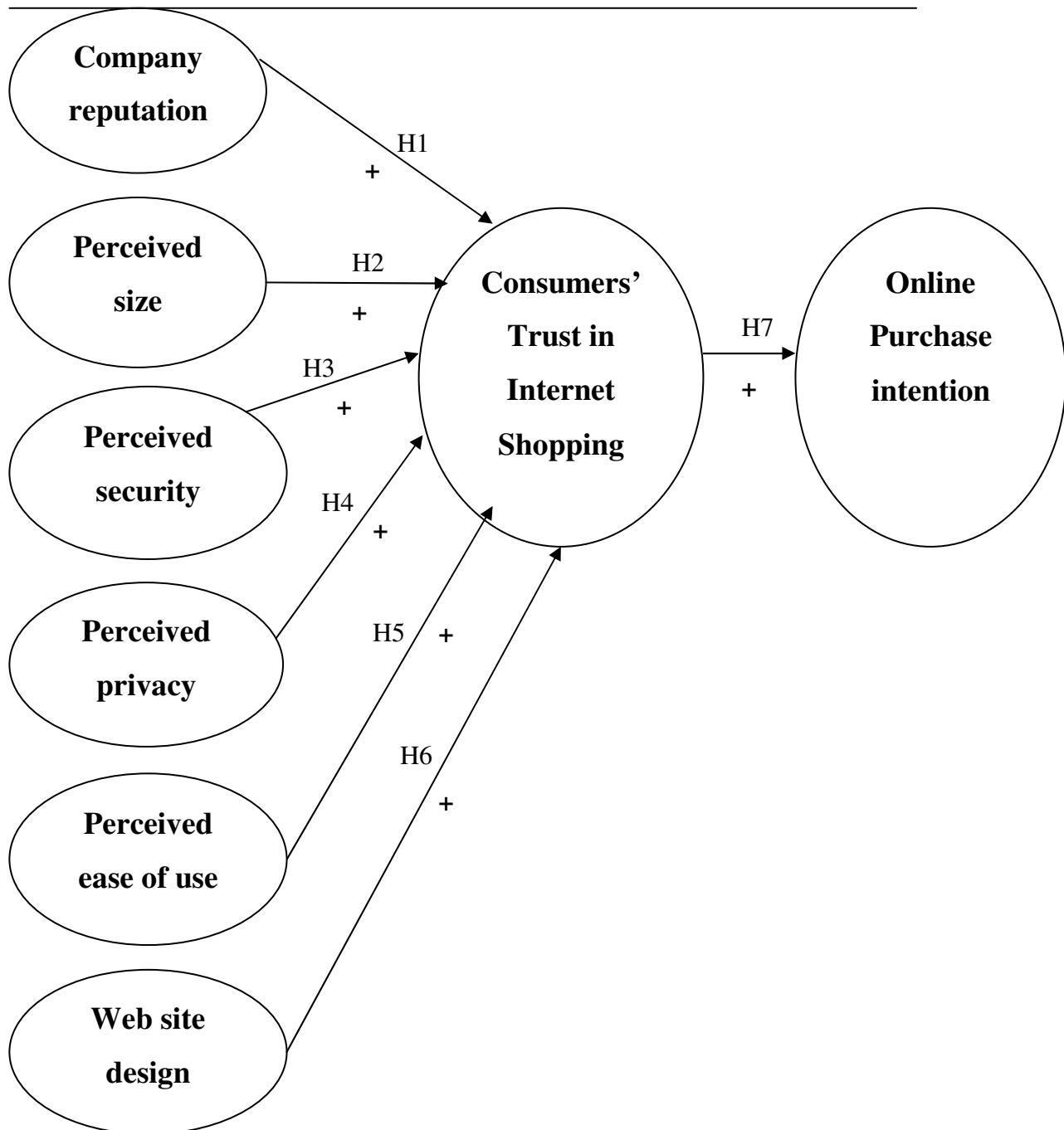


Source: The development of initial trust in an online company by new customers, (Koufaris and Hampton-Sosa, 2004)

The research model suggested by Koufaris and Hampton-Sosa (2004) studies the effect of perceived technology has toward the formation of trust. In this model, Koufaris and Hampton-Sosa (2004) suggests that the Technology Acceptance Model (TAM) consists of three variables which are perceived usefulness, perceived ease of use and perceived security control. The perceived technology variable is actually derived from the Technology Acceptance Model (TAM) which suggests that perceived usefulness and perceived ease of use are the main components of TAM (Chen & Barnes, 2007; Koufaris and Hampton-Sosa, 2004; Gefen et al., 2003).

2.3 Proposed Conceptual Framework

Figure 2.3 Proposed Conceptual Framework



Source: Developed for the Research

The conceptual framework represents the hypothesized effect of company reputation, perceived size, perceived security, perceived privacy, perceived ease of use and web site design quality on consumers' trust in internet shopping that will influence consumers' online purchase intention. The dependent variable, consumers' online purchase intention in internet shopping is of primary interest in this study. Company reputation, perceived size, perceived security, perceived privacy, perceived ease of use and web site design quality are the independent variables to consumers' trust in internet shopping. The dependent variable and each of its independent variables were discussed earlier and the specific research hypotheses will then presented in the following section. The proposed model was derived from the review of theoretical model based on the research works of Chen and Barnes (2007) which will serve as the basis for this research study then Koufaris and Hampton-Sosa (2004) serve as supported model.

2.4 Hypotheses Development

Prior discussion has led to a brief examination of the existing literature and the development of the hypothesis in this research. The seven hypotheses are:.

H₁: There is a positive relationship between company reputation and consumers' trust in internet shopping activities.

Martin and Camarero (2008) found that company reputation plays an important role in online sales as a sign of product quality, given the absence of seller to advise the buyer and given the inability to see, touch and try the products before the purchase. It indicates that, online consumers are likely to purchase products and services from a good reputation and trustworthiness web vendor. A positive reputation can be seen as providing assurances of ability, integrity and goodwill to online customers thereby increasing trust, particularly in first-time transactions at online store (Ha and Stoel, 2009; Park and Stoel, 2005; Teo and Liu, 2007). In fact, online consumers are reluctant to purchase products or services at web stores due to lack of confidence on the security of online vendors' website about their privacy such as personal

information which are collected online. Besides that, referring to McKnight, Choudhury and Kacmar (2002) tested a trust building model for new customer on online stores and found that perceived company reputation had a significant positive relationship with initial trust with the company. Moreover, Koufaris and Hampton-Sosa (2004) companies with high reputation is willing to customize their website's services and system to enhance their customers' online trust and loyalty. This implies that company with high reputation may encourage consumers to actively participate in online shopping as well as it could increase consumers online purchase intention in current and future purchases.

H₂: There is a positive relationship between perceived size and consumers' trust in internet shopping activities.

In a recent study conducted by Shao, Ma and Meng (2005), they proposed that brand reputation and company size have a significant effect on consumer's trusting beliefs than consumer characteristics or web site related factors. Moreover, previous studies have indicated that reputation and size as important factors in forming consumers' trust and a signal to consumers that the company is successful and capable to compensate if there is a transaction failure (Koufaris and Hampton-Sosa, 2004; Doney and Cannon, 1997; Jarvenpaa et al., 2000; Casalo et al., 2007). However, some previous studies have shown that company size may be a determining factor in consumers' confidence (Jarvenpaa and Tractinsky, 1999; Jarvenpaa and Tractinsky, 2000; Pavlou, 2003).

H₃: There is a positive relationship between perceived security and consumers' trust in internet shopping activities.

According to Shim, Eastlick and Lotz (2001) transaction such as payment security, privacy, safety, product guarantees and minimal cost or time for return affect consumers' purchase intention to use internet for purchasing. Therefore, e-retailers are now more involved in improving e-transmission security and broader protection policies including return and refund policies to increase consumers' trust when purchase products or services online (Kim, Ferrin and Rao, 2008; Verton, 2001). In

the meantime, Schoenbachler and Gorden (2002); Yoon (2002), security was critical for e-retailers in order to build long term relationships between consumers and sellers. Thus, a tight security system was essential to online company in order to attract new online consumers and retain old consumers, gain their loyalty as well as their trust when they shop online.

H₄: There is a positive relationship between perceived privacy and consumers' trust in internet shopping activities.

According to Salo and Karjaluoto (2007), since the retail channel of e-commerce is through Internet, they found that the reasons why consumers are reluctant to purchase online is due to security and privacy issues of online vendors. Most of the online consumers do not trust online vendors for not keeping their personal information even though they promise to do so (Light, 2001). Besides that, Kim, Ferrin and Rao (2008) also proposed that perceived privacy protection is one of the factors that affect the trust in their conceptual model. According to Zviran (2008) if consumers have a great awareness on the importance of data privacy, then they are more willing to use Internet as one of their shopping methods. This implies that online vendors are encouraged to build consumers' awareness of data privacy by giving their customer rights to access and understand the security and privacy standards of the website for ensuring fair exchange in the transaction. In the meantime, the qualities of the services and privacy policies have a distinguishable effect on consumers' trust and satisfaction in online purchasing (Martin and Camarero 2008).

H₅: There is a positive relationship between perceived ease of use and consumers' trust in internet shopping activities.

Perceived ease of use is one of the major constructs of the Technology Acceptance Mode (TAM) and has been tested in numerous studies that used to study the consumers' purchase intention in internet shopping mall and the consumers as technology users (Chen & Barnes, 2007; Koufaris and Hampton-Sosa, 2004; Gefen et al., 2003; Pavlou, 2003). Koufaris and Hampton-Sosa (2004) believed that when

consumers find a web site that is easy to use, useful, with a convenient purchasing process (Shin et al., 2001; Chi and Yeom, 1999) and a concise and quick payment (Li, Han and Kim, 2005) then consumers is more likely to trust the company and shop at that web site. In addition, Gefen, Karahanna and Straub (2003) also indicated if the vendor's website is easy to use by consumers then the more transactions will be likely to occur. Besides that, there are several past published literature supported that the perceived ease to use of the vendor's website will positively affect consumers' trust (Ko and Mok, 1999; Kim, Park and Lee, 2007; Chen and Barnes, 2007; Koufaris and Hampton-Sosa, 2004; Pavlou, 2003; Salo and Karjaluoto, 2007).

H₆: There is a positive relationship between website design quality and consumers' trust in internet shopping activities.

According to Rosen and Purinton (2004) identified underlying dimensions of effective website design provide insight to in site design characteristics that lead to a higher likelihood of revisit. Meanwhile, according to Engel, Blackwell and Miniard (1995) stated that web design elements have possible impacts on consumer beliefs and it could influence consumer's purchase intention consequently their purchase behavior. According to Lohse and Spiller (1999) web based stores normally presented information with some interactive design attributes such as graphic, visual icons and picture in their web page to create a user friendly store atmosphere. Therefore, these attributes can be utilized by vendors to stimulate consumers' interest and purchase intention in online purchasing by having a pleasant online shopping experience which is similar to in-store experience (Menon and Khan, 2002; Szymanski and Hise, 2000). Hence, an effective website's design, contents and technical features is part of the business strategy of the web store in order to achieve a desired trust level from online consumers and encourage them to revisit.

H₇: There is a positive relationship between consumers' trust in internet shopping activities and online purchase intention.

Mcknight and Chervany (2002) argued that when a consumer has a strong belief of trust that an online vendor's website is reliable and credible, consumer will elicit a

high level of online purchase intention. Consumers' trust of online vendors and internet technologies were the key factors that influence their beliefs about vendors' website safety (McCole and Palmer, 2001). Several studies showed that there is a direct relationship between trust and consumers' willingness to participate in online shopping by using Internet has been tested by Lee and Lin (2005); Kim, Ferrin and Rao (2008); Pavlou (2003); Chen and Barnes (2007); Gefen and Staub (2004). The result has concluded that consumers' online trust positively influences consumers' purchasing behaviors and purchase intentions in online shopping. However, Kwek, Lau and Tan (2010) argued that consumers are more willing to conduct online shopping after they have pleasant shopping experiences at the website due to the familiarity and trust. This implies that the higher level of consumers' trust on e-vendors will help to motivate the adoption of using Internet as a shopping channel and increase the consumers' purchase intention in online shopping.

2.5 Conclusion

Overall, Chapter 2 has discussed some related issues and has provide a detailed review of literature background for a better understanding of the current research study. E-commerce in Malaysia is a huge and appealing market that every online retailer would like to capture the business opportunities. However, in the current stiff competitive market, the degree of Malaysian consumers' trust on online retailers is low. Meanwhile, consumer switching barrier is low, therefore, it is challenging for online retailers to attract new consumers and even tougher to retain their existing consumers. Thus, it is vital important for Malaysian online retailers to have a better understanding about what factors that affect the online consumer purchase intention and how to improve on that in order to compete with international online retailers. The following chapter elaborates the details of the research method that will be carried out in this study.

CHAPTER 3

RESEARCH METHODOLOGY

3.0 Introduction

This chapter aims to describe the research methodologies used to collect the data which will apply in this study. The discussion of methodology was structured as follows: research design, data collection methods, sampling design, research instruments, construct measurements, origin and measurement of constructs, data processing and data analysis. According to Hair, Bush and Ortinau (2006), the research design serves as a master plan of the methods to use to collect and analyze the data. By evaluating and choosing the correct research design, it will enable the researchers to develop relevant research methodologies. In this chapter, the details of methodologies will be discussed and how it will help researchers in answering the research questions on how the company reputation, perceived size, perceived privacy, perceived security, perceived size, perceived ease of use and website design quality) influence the consumers' trust on internet shopping activities and their online purchase intention in the Malaysia e-commerce context. This study utilized surveys intended to assess the relationship between the determination of trust, consumer trust and online purchase intention in a Malaysia e-commerce environment.

3.1 Research Design

A research can be differentiated in terms of approach, either by using quantitative or qualitative approach (Neuman, 2006). The research aims to provide an understanding of how online consumers' trust in internet shopping activities was affected by constructs like company reputation, perceived size, perceived privacy, perceived security, perceived ease of use and perceived website design quality. Meanwhile, how consumers' online purchase intentions was affected by consumers' trust in internet shopping. Therefore, quantitative approach was used in this study. In addition, the research design can be conducted into three categories which are exploratory, descriptive and causal (Malhotra and Peterson, 2006). Descriptive research and causal research were used in this study to provide the prior knowledge of the e-commerce market characteristics of the consumers' trust and their online purchase intention towards online shopping. Meanwhile, causal study method was being used to examine the relationships between consumers' like company reputation, perceived size, perceived privacy, perceived security, perceived ease of use and perceived website design quality toward the consumers' trust and online purchase intention in internet shopping activities. According to Zikmund (2003) descriptive research is use to describe the characteristics of population or phenomenon meanwhile causal research is conducted to identify cause-effect link between variables when the research problem has already been defined.

3.2 Data Collection Method

Data collection is the systematic gathering of data for a particular purpose. A research can be started by selecting quantitative or qualitative approach (Neuman, 2006). This study uses both types of data collection method which are primary and secondary data. Due to the money and time constrain, this study was choosing the survey questionnaire as the primary data source, while in the secondary data collection is from journal, internet, text book, media publications, electronic library database and article.

3.2.1 Primary Data

Primary data consist of information collected for the specific purpose at hand (Kotler, Brown, Adam and Armstrong 2004, p.219). Primary data collection will be adopted in this research and the main source of primary data collection in this study is obtained from survey questionnaire because survey questionnaire is convenience, cost saving and time saving. In this research, 338 sets of questionnaire were distributed to residents in Klang Valley. It is important to have a clear and well structure of questionnaire to let all the respondents to answer it easily in the shorter time. Although primary data are more expensive compare with secondary data, it can provide the latest information about the opinions from the current respondents.

3.2.2 Secondary Data

Secondary data consist of information that has already existed somewhere, having been collected for another purpose (Kolter et al., 2004, p.219). According to Kolter et al. (2004, p.220), the present researchers should evaluate the secondary data carefully to make sure that it is relevant, accurate, current and impartial. However, secondary data maybe outdated or may not exactly meet the requirement of the study because it was collected for other purpose. Secondary data can almost be obtained and inexpensive compare to primary data.

3.3 Sampling Design

The purpose of this research as stated as in the earlier chapter is to evaluate determinants of online trust on the impact of consumer trust in internet activities in Klang Valley. The determinants (independent variables) include company reputation, perceived size, perceived privacy, perceived security, perceived size, perceived ease of use and website design quality. Hair et al. (2006) defines independent variables as “an attribute or elements of an object, idea or event whose measurement scales values are directly manipulate by the researcher”. In contrast, the level of online

consumer trust is the dependent variable. Hair et al. (2006) defines dependent variables as a singular attribute or element that is the measured outcome or effect change on specific test subjects that is derived from manipulating the independent variables.

3.3.1 Target Population

Since, it is difficult to conduct a survey on the whole Malaysia population due to limited resources such as cost and time. As a result, this research will select a specific area, Klang Valley respondents in the population to draw conclusion about the entire population of Malaysian. The main population for this research is the residents in Klang Valley who have done online purchases at least one time from any website. The eligible respondents for this research will be adults who are 18 years old and above. The reasons for choosing this area of target population are due to save cost and time in order to get the greater accurate results and high speed of data collection. Meanwhile, this study's respondents came from one of the cities in Malaysia, namely, Klang Valley and the surveys were conducted from 3th June to 8th July 2013.

3.3.2 Sampling Frame and Sampling Location

According to Malhotra and Peterson (2006), sampling frame is a representation of the elements of the target population and it is a set of direction for identifying the target population. A sampling frame is not adopted for the current research due to the inability to access to a specific name lists which are not release by any online retailers such as AirAsia, Ebay.com.my, Lelong.com.my and others. Thus, the result of the findings in this research cannot be generalized.

3.3.3 Sampling Elements

The respondents that will take part in this research study will be restricted to the current residents of Klang Valley who have done online purchases at least one time from any websites. The online purchases include flight tickets, movie tickets, books, electronic goods, cosmetics, clothes, accessories and others. Sampling location for this study is Klang Valley. Residents of Klang Valley which have participated in online purchases at least once in the past 6 months are identified as the prospective respondents as they have ability to evaluate the determinants of trusts influence the online consumer trust in internet shopping activities. Respondents were randomly selected to ensure the accuracy of this study. All the respondents were required to answer the questionnaire on the spot.

3.3.4 Sampling Techniques

There are two types of sampling techniques which are probability sampling and non-probability sampling (Churchill, Jr. and Iacoucci, 2005). The samples selected of this study are based on the non-probability sampling. In this study, judgment sampling is selected as main sampling procedure which based on research objective. The researcher believes that the respondents represent the population of interest (Malhotra and Peterson, 2006).

3.3.5 Sample Size

Roscoe (1975) proposed the rules of thumb for determine the sample size where it is more than 30 and less than 500 are appropriate for the most research. This study has gathered 338 potential respondents who did online purchases in the past six months. However, 3 out of 338 respondents did not conduct online purchase activities before. Hence, total of 335 respondents who did online purchases as the target respondents in this study. Before the formal survey was conducted, an adequate pilot test of 30 samples was conducted to examine the validity and accurate of questionnaire.

3.4 Research Instrument

The research instrument of this research is personal self-administered questionnaire. Aaker, et al. (2007) defined self-administered questionnaire as a questionnaire completed by the respondents without the assistance or presence of an interviewer.

3.4.1 Questionnaire Design

The structured questionnaire is designed in English and which consists of four sections. The design of questionnaire are based on multiple and single item measurement scales. In Section A, general questions regarding respondents' general information of their online shopping issues are given.

Section B is intended to investigate perceptions and views of respondents about the determinants of online trust and their effects on the respondents' online purchase intention in online shopping. In this section, there were six sub-categories which were entitled according to the independent variables including company reputation, perceived size, perceived security, perceived privacy, perceived ease of use and perceived website design quality. Five-point Likert-Scale was used in the questionnaire which is ranging from 'strongly disagree' to 'strongly agree'. The respondents were required to specify their level of agreement with the scale ranging from 1-5, where 1=strongly disagree and 5=strongly agree.

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

Section C is intended to investigate the dependent variable. Similar with section C, the five-point Likert scale was used to ask the question regarding to consumers' trust propensity through an online shopping website.

Section D is used to collect respondents' profile such as age, race, marital status, income level, education level, and gender. Multiple choice questions were used in this section.

3.4.3 Pilot Test

A pilot test involves conducting a dry run of the survey on a small, representative set of respondents in order to reveal questionnaire errors before the real survey is launched (Burns and Bush, 2003, p. 326). Before the questionnaire is designed, a pilot test will be done to evaluate the accuracy and consistency of the questionnaire design. A small group of 30 respondents has been selected to complete the questionnaire. During the seven days of pre-testing, respondents are asked to comment the questions, instructions and flow of questions. Once the pilot test was done, 335 sets of questionnaire were printed and distributed to the residents in Klang Valley on 29 May 2013. The questionnaires were completely filled up on 8 July 2013.

3.5 Construct measurement

3.5.1 Origin of Construct

Table 3.1 shows the origin and measurements for each construct used in this study.

Table 3.1 Origin and Measurement of Construct

Items	Construct Measurement	Cronbach Alpha	Source
Company reputation	1.The website has a good reputation compared to other rival websites	0.855	Chen and Barnes, 2007
	2.The website is trustworthy and honest.		
	3.The website is concerned about customer's welfare		
	4.The website has a good ability to deal with perceived risks.		
Perceived size	1.This company store's is one of the industry's biggest suppliers on the web.	0.778	Koufaris and Hampton-Sosa, 2004
	2.This company is a small player in the market.		
Perceived security	1.The website which I transact with has mechanism to ensure the safe transmission of customers' information.	0.852	Chen and Barnes, 2007
	2.Purchasing on the website which I transact with will not cause financial loss.		Koufaris and Hampton-Sosa, 2004

	3.The website which I transact with is providing enough online security		
Perceived privacy	1.The monetary information that I provide on the website is well protected	0.875	Chen and Barnes, 2007
	2.I think the website which I transact with will not provide my personal information to other companies without my consent		
	3.I think the website respects the user rights when obtaining personal information		
Perceived ease of use	1.The website is easy to locate desired information	0.792	Chen and Barnes, 2007
	2.My interactions with the website which I transact with are clear and understandable		
	3.The website which I transact with would not require a lot of mental effort.		

Perceived websites design quality	1.The website has an attractive, modern and professional design	0.78	Kim et al., 2008
	2.The graphics on the website are likeable.		
	3.The organization of the content on the website is easy to find the items I want		
Online Trust	1.I have positive experience in using the internet	0.78	Chen and Barnes, 2007
	2.I believed the information that provided on the web site is true and honest		
	3.The infrastructure of the website which I transact with is dependable		

	4.I believed the website would act in my best interest		
Purchases intention	1.I am likely to purchase the products from this website in the near future	0.773	Chen and Barnes, 2007
	2.The website will be a good decision for me to make transaction		Kim et al., 2008
	3.I would like to increase my frequency of purchase online compared to physical store		Kim et al., 2008
	4.I am likely to recommend this website to my friends		Kim et al., 2008

Source: Developed for the research

3.5.2 Data Scale of Measurement

Questionnaire is a formalized set of question used to obtain information from respondent. The questionnaire of this study is divided into three major sections:

Section A, which consists of five questions, is designed with a combination of nominal scale and ordinal scale. Nominal scale is used to measure the respondents' general information. Ordinal scale is used in question three and question four to identify the respondents' monthly spending in internet shopping and the respondents' payment method used in purchasing product or services online.

Section B, interval scale is being used to measure respondent's opinion on consumers' trust in online shopping and online purchase intention. Items for variables include company reputation, perceived size, perceived security, perceived privacy, perceived ease of use, perceived website design quality, online trust and online purchase intention in internet shopping activities are measure on five-point Likert Scale ranged from strongly disagree to strongly agree, refer to Table 3.2.

Table 3.2 Summary of Likert Scale Used to Measure Variables

Variables	Likert Scale
Independent Variable:	1 = Strongly Disagree
Company Reputation	2 = Disagree
Perceived Size	3 = Neutral
Perceived Security	4 = Agree
Perceived Privacy	5 = Strongly Agree
Perceived Ease of Use	
Website design quality	
Dependent Variable	
Consumers' trust and purchase intention in internet shopping activities	

Source: Developed for the research

Section C consists of six questions. The questions are designed with nominal scale and ratio scale of measurement. All the questions in this section are categorized as the nominal scale except question two (age) and seven (monthly income) which are classified as a ratio measurement. This section is use to further identify the target populations' personal information to assist in analyzing the responses.

3.6 Data Analysis Method

According to Cooper and Schindler (2006), data analysis is defined as the process of editing and reducing accumulated data to a size that is manageable, easy to look for patterns in, developing summaries and applying statistical techniques.

3.6.1 Descriptive Analysis

According to Burns and Bush (2003, p. 433), descriptive analysis is used to summarize and describe the sample characteristic of the typical respondent and disclosing the general pattern of response. Parametric statistic such as measures of mean, standard deviation and variance will be used to describe the key features of the interval data. Non parametric statistic such as the simple arithmetic mean, median and mode will be used to graphically depict non-interval data.

3.6.2 Scale Measurement

The reliability and validity of the measurement will be tested in scale measurement. According to Malhotra et al (2006), reliability refers to the extent to which a scale produces consistent results if repeated measurements are made on the characteristic. The validity refers to the extent to which differences in observed scale scores reflect true differences among objects on the characteristic being measured, rather than systematic or random errors. For this research project, only reliability test will be carried out in the data analysis.

3.6.2.1 Reliability Test

Reliability test is used to determine the stability and consistency with which the research instrument measures the construct (Malhotra et al., 2006). . The scale items in the research were assessed using Cronbach's Alpha, which is calculated by averaging the coefficient that result from all possible combinations of split halves. As Malhotra (2006) stated, the coefficient varies from 0 to 1, and value of 0.6 or less generally signifies unsatisfactory internal consistency reliability.

3.6.3 Inferential Analysis

According to Burns and Bush (2006, p. 426), inferential analysis is use to generate conclusions about the population's characteristics based on information contain in the data matrix provided by the sample. A random distribution is being used in this research in order to establish the representativeness of the smaller sample population. Meanwhile, SPSS software was employed to conduct the following types of inferential analysis.

- i) Pearson Correlation Analysis
- ii) Multiple Regression Analysis

3.6.3.1 Pearson's Correlation Analysis

Pearson's correlation coefficient is used to measure the degree of linear association between two variables (Hair et al., 2006). The coefficient (r) indicates both the magnitude of the linear relationship and the direction of the relationship. The correlation coefficient ranges from +1.0 indicates perfect positive relationship to -1.0 indicates perfect negative relationship; and value of 0 indicates no linear relationship. The Pearson correlation coefficient was used to measure the variables in this research study by using the Likert Scale (interval scale).

3.6.3.2 Multiple Regression Analysis

Multiple regression analysis is used to gain a better understanding about the relationship between several independent variables and a dependent variable. This technique is applicable in this study because the dependent (consumers' purchase intention) and independent variable (determinants of online trust) are measure using the same scale. The weight of data is measured by the beta value is the indication to measure.

Multiple Regression Equation :

$$Y = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \dots + \beta_k X_k$$

$$TP = \beta_0 + \beta_1 (CP) + \beta_2 (PSQ) + \beta_3 (PSY) + \beta_4 (PP) + \beta_5 (PEU) + \beta_6 (PWDQ)$$

TP – Consumers' Trust in Internet Shopping Activities

CP – Company Reputation

PSQ – Perceived Size

PSY – Perceived Security

PP – Perceived Privacy

PEU – Perceived Ease of Use

PWDQ – Perceived Website Design Quality

$$PI = \beta_0 + \beta_1 (TP)$$

PI – Online Consumers' Purchase Intention

TP – Consumers' Trust in Internet Shopping Activities

3.7 Conclusion

Chapter 3 discussed the types of research methodologies used to conduct the research study. Descriptive and quantitative research is used for research design in order to understand market phenomenon and collect numerical and measurable data. Primary data will be collected via the conduction of questionnaire. The research questions pertaining to the consumer trust of Malaysia website retailers have been established. Hypothesis regarding the effect of the various independent constructs in consumer retention were tested through analysis of survey data obtained from eligible general public respondents. Proper sampling strategy and data analysis strategy were carried out to ensure accuracy of information gathering and analysis process.

CHAPTER 4

RESEARCH RESULT

4.0 Introduction

This chapter aims to present, analyze and interpret the result of the research findings. This chapter reported the research results of questionnaire survey distributed to online consumer in Klang Valley based on Statistical Package Social Science Version (SPSS) 15.0. Besides that, in order to analyze the relationship between company reputation, perceived size, security of the website, privacy of the website, website's design quality, ease to use of the website, consumers' trust and consumers' purchase intention in online shopping which focus particularly in Klang Valley by using several analysis techniques. The techniques included such as normality test, multicollinearity test, validity and reliability analysis, descriptive analysis, Pearson Correlation, multiple linear regression and simple linear regression are presented. The survey populations are internet users in Klang Valley, Malaysia and target population were internet users who are involve in online shopping in Malaysia. 335 samples were collected.

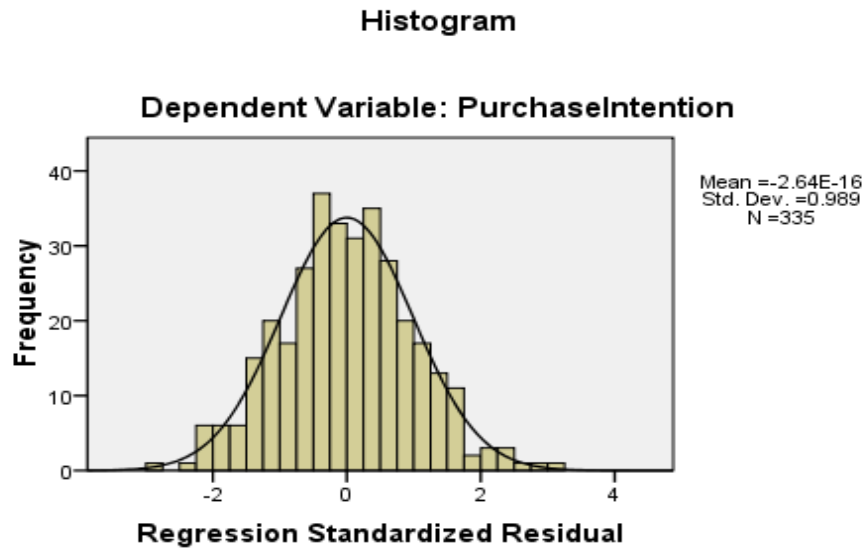
4.1 Normality Test and Multicollinearity Test

4.1.1 Normality Test

As for the normality test, histogram with normal curve, P-P plot and scatter plot diagram will be used to show the normal distribution of the sample and identify the possible relationship between variables and indicate outliers, the four assumptions were included linearity assumption, independence assumption, equal variance

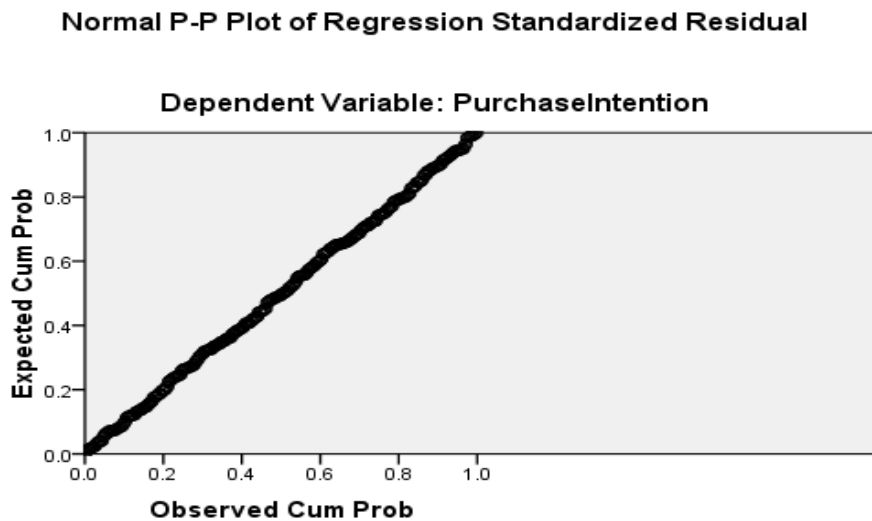
assumption and normality assumptions. It is important to ensure that the distribution of the respondents is normally distributed before conducting any statistical analysis test and analysis.

Figure 4.1 Histogram of Consumers' Online Purchase Intention



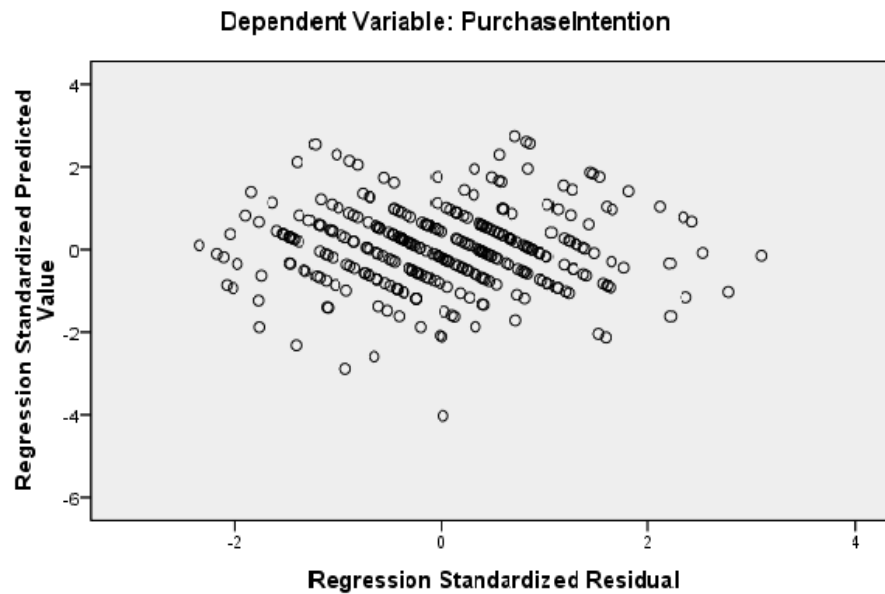
Source: Developed for this research

Figure 4.2 Normal P-P plot of Consumers' Online Purchase Intention



Source: Developed for this research

Figure 4.3 Scatter Plot Diagram of Consumers' Online Purchase Intention



Source: Developed for this research

Based on Figure 4.1, the histogram of the distribution of the residual look reasonably bell-shaped and this indicating that the data are normally distributed. In addition, based on Figure 4.2, the normal probability plot of consumers' online purchase intention lie close to the imaginary straight line rising from the lower-left corner of the graph to the upper right corner which show that normality and equal variance assumptions were met. The scatter plot in Figure 4.3 indicated that both of the linearity and independences assumptions were met because the residuals appeared to be randomly scattered and showed no patterns when plotted against the predicted value.

4.1.2 Multicollinearity Analysis

High levels of collinearity increase the probability that a good predictor of the outcome will be found insignificant and rejected from the model (Hair et. al., 2003). A good predictor of the outcome will be found insignificant and rejected from the model when the level of collinearity is high (Hair et. al., 2003). Therefore, collinearity analysis will show the problem of multicollinearity in the form of

Variance Inflation Factor (VIF) and Tolerance Value. According to Hair et. al., (2003), the maximum acceptable VIF value would be 5.0, thus if VIF value higher than 5.0 would indicate a problem with multicollinearity. Meanwhile, “If the tolerance value is smaller than 0.10, it was indicates a problem of multicollinearity” (Hair et. al., 2003, p.305).

Table 4.1 Multicollinearity Analysis

Construct	Tolerance Value	VIF
Company Reputation	0.419	2.386
Perceived Size	0.454	2.203
Perceived Security	0.255	3.918
Perceived Privacy	0.252	3.970
Perceived Ease of Use	0.326	3.071
Perceived Websites Quality	0.466	2.147

Source: Developed for this research

Based on the Table 4.1, the values of Variance Inflation Factor (VIF) for all the constructs were less than 5.0 and the range of Tolerance Value was between 0.252 and 0.466. The finding indicated that the problem of multicollinearity was not significant in this research. Pearson Correlation analysis will be carried out to strengthen multicollinearity findings in Table 4.1.

4.2 Scale Measurement

In this research project, the reliability analysis tool will be used to determine the “goodness” of data collected. The reliability and validity of the measurement will be tested in scale measurement

4.2.1 Reliability Test

All of the eight constructs were tested for the consistency reliability of the items within constructs by using Cronbach's Alpha and summarized in Table 4.2. In general, Cronbach's alpha coefficients should be above 0.7 at a minimum in order to be considered as a good strength of association (Heppner and Heppner, 2004).

Table 4.2 Reliability of the Constructs

Constructs	Cronbach's Alpha
Company reputation	0.855
Perceived size	0.778
Perceived security	0.852
Perceived privacy	0.875
Perceived ease of use	0.792
Perceived websites design quality	0.780
Online purchase intention	0.773
Online Trust	0.780

Source: Developed for this research

** The perceived ease of use construct initially consists of 3 items. 1 item was deleted from the construct to achieve at least 0.7 Cronbach's Alpha.*

Based on the Table 4.2, the value of Cronbach's alpha of company reputation is 0.855, perceived size is 0.778, perceived security is 0.852, perceived privacy is 0.875, perceived ease of use is 0.792, perceived website design quality is 0.78, online purchase intention is 0.773 and online trust is 0.78. In conclusion, the Cronbach Alpha's for each variable is more than 0.70. One of the items of perceived ease of use was deleted in order to achieve a higher reliability.

4.2.2 Validity Test

Validity test is use to accurately assess the construct for this research study. Meanwhile, convergent validity and discriminant validity were used to establish construct validity. According to Heppner and Heppner (2004) if the two instruments that are intended to measure is highly correlated then it is convergent validity but if

the two instruments that are intended to measure is not correlated or small correlation then it is discriminant validity. The details of the factor analysis were presented in Table 4.3.

Based on the Table 4.3, the value of Kaiser-Meyer-Olkin (KMO) of the eight constructs fall between 0.5 and 1.0 and the statistical test for Barlett test of sphericity was significant ($p=0.000$) for all the correlations within a correlation matrix. Both results indicating that the factor analysis was appropriate.

Furthermore, based on the principal components analysis and VARIMIX procedure in orthogonal rotation that were adopted in the factor analysis, the results showed that the Eigenvalues for all the constructs were more than 1.0 from the lowest of 2.085 (perceived website design quality) to the highest of 2.801 (company reputation). All of the items within the constructs in Table 4.3 were more than 0.50 and were convergent validity. In other words, all of the items were allocated according to different construct in terms of discriminant validity. Therefore, the items were not overlapping and supported respective constructs.

Table 4.3 Factor Analysis Result

Number of factors	Factor's Name	Variables	Factors loading	Eigene-value	Reliability	Kaiser-Meyer-Olkin (KMO)
F1	Company reputation	The website has a good reputation compared to other rival websites	0.852	2.801	0.855	0.807
		The website is trustworthy and honest.	0.840			
		The website is concerned about customer's welfare	0.813			
		The website has a good ability to deal with perceived risks.	0.841			

F2	Perceived size	<p>This company store's is one of the industry's biggest suppliers on the web.</p> <p>This company is a small player in the market.</p>	0.879 0.982	2.603	0.778	0.705
F3	Perceived security	<p>The website which I transact with has mechanism to ensure the safe transmission of customers' information.</p> <p>Purchasing on the website which I transact with will not cause financial loss.</p> <p>The website which I transact with is providing enough online security</p>	0.892 0.844 0.906	2.328	0.852	0.715
F4	Perceived privacy	<p>The monetary information that I provide on the website is well protected</p> <p>I think the website which I transact with will not provide my personal information to other companies without my consent</p> <p>I think the website respects the user rights when obtaining personal information</p>	0.886 0.906 0.895	2.406	0.875	0.741
F5	Perceived ease of use	<p>The website is easy to locate desired information</p> <p>My interactions with the website which I transact with are clear and understandable</p> <p>The website which I transact with would not require a lot of mental effort.</p>	0.817 0.882 0.824	2.124	0.792	0.685

F6	Perceived websites design quality	The website has an attractive, modern and professional design	0.866	2.085	0.780	0.686
		The graphics on the website are likeable.	0.841			
		The organization of the content on the website is easy to find the items I want	0.792			
F7	Online Trust	I have positive experience in using the internet	0.680	2.430	0.780	0.755
		I believed the information that provided on the web site is true and honest	0.771			
		The infrastructure of the website which I transact with is dependable	0.822			
		I believed the website would act in my best interest	0.834			
F8	Purchases intention	I am likely to purchase the products from this website in the near future	0.833	2.409	0.773	0.747
		The website will be a good decision for me to make transaction	0.829			
		I would like to increase my frequency of purchase online compared to physical store	0.747			
		I am likely to recommend this website to my friends	0.686			

Source: Developed for this research

4.3 Descriptive Analysis

Descriptive analysis is used to describe the sample characteristic of the typical respondents and disclose the general pattern of responses (Burns and Bush, 2003). The following sections present the descriptive analysis for this research.

4.3.1 Respondent Demographic Profile

Respondents' demographic profile information was provided in the Section C of the questionnaire. The respondents' demographic profile was divided into six categories, which were gender, age group, race, education level, income level and occupation. The details of the respondents' demographic profile were illustrated in Table 4.4.

Based on this survey, the sample size consists of 131 male respondents (39.1 percent of the total respondents) and 204 female respondents (60.9 percent of total respondents).

The questionnaires were distributed to our target respondents in Klang Valley area who are eligible to participate in this research. Based on the age group analysis indicates that the majority of respondents fall into the age group of 30-34 years old (26.27 percent), followed by age group of 25-29 years old (25.97 percent), age group of below 18 years old (18.51 percent), age group of 35-39 years old (17.91 percent) and age group of above 40 years old (11.34 percent),

For the ethnicity, the Table 4.4 clearly shows that the majority respondents who conducted this survey are Chinese (82.09 percent), followed by Malay (9.85 percent), Indian (7.16 percent) and others (0.90 percent). The reason for this result is due to the fact that part of the respondents is from UTAR students and companies in Klang Valley which have a predominantly Chinese population.

Table 4.4 Respondents' Demographic Profiles

Profile		Frequency	Cum. Frequency	Percentage	Cum. Percentages
Gender	Male	131	131	39.10%	39.10%
	Female	204	335	60.90%	100.00%
Age	Below 18	62	62	18.51%	18.51%
	25 to 29 years old	87	149	25.97%	44.48%
	30 to 34 years old	88	237	26.27%	70.75%
	35 to 39 years old	60	297	17.91%	88.66%
	Above 40 years old	38	335	11.34%	100.00%
Race	Malay	33	33	9.85%	9.85%
	Chinese	275	308	82.09%	91.94%
	Indian	24	332	7.16%	99.10%
	Others	3	335	0.90%	100.00%
Educational level	Secondary school	26	26	7.76%	7.76%
	Pre-university	15	41	4.48%	12.24%
	Diploma	66	107	19.70%	31.94%
	Bachelor degree	201	308	60.00%	91.94%
	Master degree	25	333	7.46%	99.40%
	Doctorate degree	2	335	0.60%	100.00%
Income level	Below RM2000	74	74	22.09%	22.09%
	RM2001 to RM3000	87	161	25.97%	48.06%
	RM3001 to RM4000	102	263	30.45%	78.51%
	RM4001 to RM5000	46	309	13.73%	92.24%
	RM5001 and above	26	335	7.76%	100.00%
Occupation	Student	54	54	16.12%	16.12%
	Office administration	90	144	26.87%	42.99%
	Clerical work	26	170	7.76%	50.75%
	Professional/ Technical expertise	90	260	26.87%	77.61%
	Managerial level	34	294	10.15%	87.76%
	Others	41	335	12.24%	100.00%

Source: Developed for this research

Due to the popularization of the Malaysia education system, the majority of the respondents graduated from various universities with a bachelor degree which account for 60 percent, followed by diploma holders with 19.7 percent, secondary school students with 7.76 percent, master degree holders with 7.46 percent, pre-university holders with 4.48 percent and doctorate degree holders with 0.60 percent.

As a result, based on the information obtained from aged group and educational level, it can be served as advance indication of income level as 92.24 percent of the respondents earn between below RM 2,000 and RM 5,000. More specifically, 22.09 percent of respondents earn below RM 2,000, 30.45 percent of respondents earn between RM 3,001 and RM 4,000 and 13.73 percent of respondents earn between RM 4,001 and RM 5,000. Then, they are only 26 respondents or 7.76 percent who earn more than RM 5,001.

Besides that, occupation is another measure based on respondents' demographic information. Both of the occupation: office administration and professional or technical expertise has the highest rate in conducting online purchase activities. Both of them score the same result which is 26.87 percent, 90 out of 335 respondents. Table 4.4 also shows that, student is the second highest (16.12 percent, 54 out of 335 respondents), followed by others such as financial consultant, banker and insurance agents (12.24 percent, 41 out of 335 respondents) managerial level (10.15 percent, 34 out of 335 respondents) and clerical work (7.76 percent, 26 out of 335 respondents).

4.3.2 Respondents' General Information

Respondents' general information was provided in the Section A of the questionnaire. The respondents' general information regarding to their buying behavior was divided into five questions, which were ever visited online websites, purchase frequency in last 6 months, options in purchase online, annual amount spent in online purchases and payment methods. The details of the respondents' general information were illustrated in Table 4.5.

Based on this survey, our survey populations are internet users in Klang Valley, Malaysia and targeted populations were internet users who have purchased any items from any website. The targeted sample size is 338, with returned 335 respondents and 3 respondents has been chosen who are without purchased any items from website before.

Due to the advent of the internet and e-commerce, more people are likely to buy a product or service online instead of in-store. Table 4.5 shows that the highest purchased frequency in online purchases of respondents is at least one to three times in six months with 45.07 percent (151 respondents) of respondents falling into this category. The second highest purchased frequency of respondents is at least four to six times in six months with 25.38 percent (79 respondents) followed by ten times and more purchased frequency in six months with 17.01 percent (57 respondents), seven to nine times purchased frequency in six months with 7.16 percent (24 respondents) and none of the respondents purchased from any websites in six months with 7.16 percent (24 respondents).

Table 4.5 Respondents' General Information

Descriptions	Types	Frequency	Cumulative Frequency	Percentage	Cum. percentages
Visited online websites	Yes	335	335	99.11%	99.11%
	No	3	338	0.89%	100.00%
Frequent purchases in last 6 months	None	24	24	7.16%	7.16%
	1-3 times	151	175	45.07%	52.24%
	4-6 times	79	254	23.58%	75.82%
	7-9 times	24	278	7.16%	82.99%
	10 times and more	57	335	17.01%	100.00%
Type of Purchase	Flight Tickets	170	170	50.70%	50.70%
	Movie Tickets	88	258	26.30%	77.00%
	Books	14	272	4.20%	81.20%
	Electronic goods	19	291	5.70%	86.90%
	Cosmetics	5	296	1.50%	88.40%
	Clothes	27	323	8.10%	96.40%
	Accessories	11	334	3.30%	99.70%
	Others	1	335	3.00%	100.00%
Annual spending in online purchases	Below RM250	116	116	34.63%	34.63%
	RM251 and RM500	76	192	22.69%	57.31%
	RM501 and RM750	45	237	13.43%	70.75%
	RM751 and RM1000	59	296	17.61%	88.36%
	RM1001 and RM1250	25	321	7.46%	95.82%
	Above RM1250	14	335	4.18%	100.00%
Payments methods	Credit card	226	226	67.50%	67.50%
	Debit card	50	276	14.90%	82.40%
	Bank draft	11	287	3.30%	85.70%
	Cheque	5	292	1.50%	87.20%
	Cash on delivery	8	300	2.40%	89.60%
	Bank in via ATM	32	332	9.60%	99.10%
	Others	3	335	0.90%	100.00%

Source: Developed for this research

Internet has revolutionized the way people do shopping and there are variety products or services can be found, ordered and purchased it any time, any place and most probably slightly cheaper than the in-store for the same item or service.

According to Table 4.5, the survey result indicated that the majority of respondents' online purchase is the purchase of flight tickets with 50.7 percent (170 respondents). It is followed by movie tickets with 26.3 percent (88 respondents), clothes with 50.7 percent (170 respondents), electronic goods with 5.7 percent (19 respondents), books with 4.2 percent (14 respondents), accessories with 3.3 percent (11 respondents) and cosmetics with 1.5 percent (5 respondents). However, others type of products or services purchase online are 0.3 percent (1 respondent).

Table 4.5 also shows the respondents annual spending on purchasing products or items online. Majority of the respondents spend RM250 and below for purchasing products or services online, which was 34.63 percent (116 respondents), followed by RM251-RM500 category with 22.69 percent (76 respondents), RM751-RM1000 category with 17.61 percent (59 respondents), RM501-RM750 category with 13.43 percent (45 respondents) and RM1001-RM1250 category with 7.46 percent (25 respondents) and above RM1250 category with 4.18 percent (14 respondents).

There are various type of payment methods that are used by respondents to purchase a product or services online. According to Table 4.5, clearly shows that a large majority of respondents use credit card to purchase a product or service online with 67.5 percent (226 respondents) followed by debit card with 14.9 percent (50 respondents), bank in via ATM machine with 9.6 percent (32 respondents), bank draft with 3.3 percent (11 respondents), cash on delivery with 2.4 percent (8 respondents), cheque with 1.5 percent (5 respondents) and others with 0.09 percent (3 respondents).

4.3.3 Central Tendencies Measurement of Constructs

Part B of the questionnaires provided information pertaining to the various constructs that play an important role as determinants of the consumer trust for the online customer in Klang Valley in Malaysia under this research are company reputation, perceived size, perceived security, perceived privacy, perceived ease of use, perceived website design quality and consumer trust. The detail findings of the descriptive analysis for this research will illustrate in the following sections.

4.3.3.1 Company Reputation

Table 4.6 Central Tendencies Measurement for Company Reputation

	Q1	Q2	Q3	Q4
Mean	3.830	3.820	3.590	3.590
Standard Deviation	0.763	0.867	0.824	0.852
Variance	0.583	0.752	0.679	0.725
Skewness	-0.358	-0.559	-0.287	-0.265
Kurtosis	0.561	0.305	0.371	0.178
Minimum	1	1	1	1
Maximum	5	5	5	5

Legend:

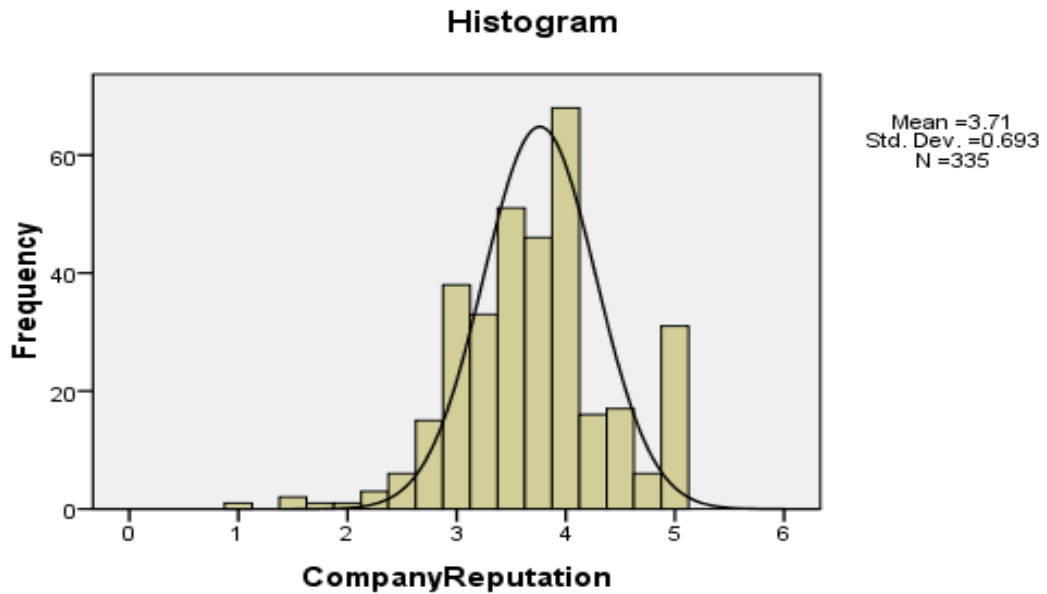
Q1	The website has a good reputation compared to other rival websites
Q2	The website is trustworthy and honest.
Q3	The website is concerned about customer's welfare

Source: Developed for this research

All of the items in Table 4.6 were arranged according to their mean scores from the highest to the lowest. From the Table 4.6, the statement "The website has a good reputation compared to other rival websites." (mean = 3.83) scored the highest mean score among the four items. The statements of "The website is trustworthy and honest." (mean = 3.82), followed by the statement of "The website is concerned

about customer's welfare.”(mean = 3.59) and the statement of “ The website has a good ability to deal with perceived risks” (mean = 3.59) were scored the second and third highest respectively in the mean scores.

Figure 4.4 Normal Distribution Curve for Company Reputation



Source: Developed for this research

From the Figure 4.4, the construct of company reputation was normally distributed.

4.3.3.2 Perceived Size

Table 4.7 Central Tendencies Measurement for Perceived Size

	Q1	Q2	Q3
Mean	3.540	3.440	2.940
Standard Deviation	0.817	0.863	0.883
Variance	0.668	0.744	0.780
Skewness	-0.130	-0.162	-0.410
Kurtosis	-0.157	-0.043	-0.059
Minimum	1	1	1
Maximum	5	5	5

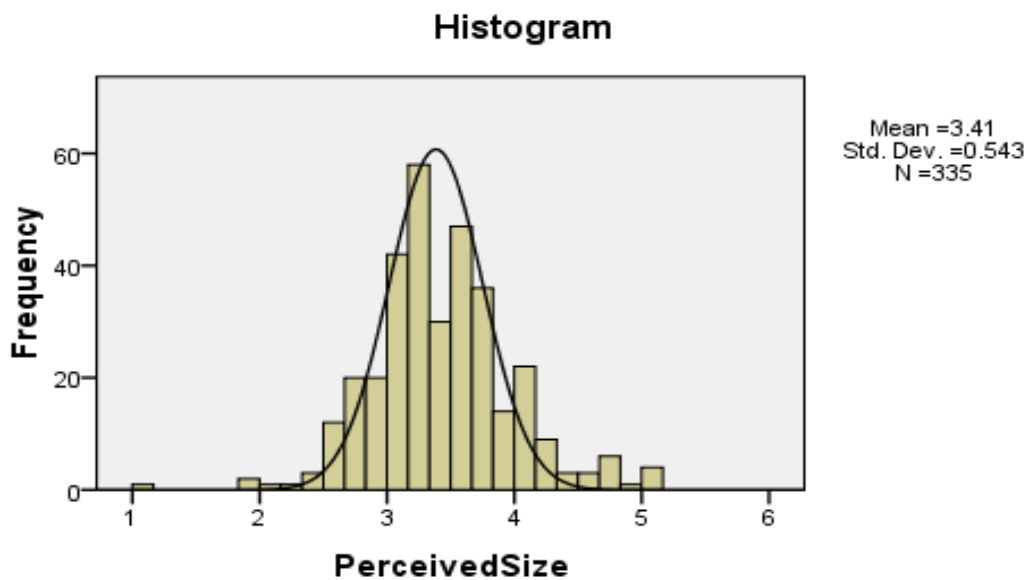
Legend:

Q1	This company is a large company.
Q2	This company's store is one of the industry's biggest suppliers on the web.
Q3	This company is a small player in the market.

Source: Developed for this research

All of the items in Table 4.7 were arranged according to their mean scores from the highest to the lowest. From the Table 4.7, the statement “The company is a large company” (mean = 3.54) scored the highest mean score among the three items. The statements of “This company's store is one of the industry's biggest suppliers on the web” (mean = 3.44) and followed by the statement of “This company is a small player in the market”(mean = 2.94) were scored the second and third highest respectively in the mean scores.

Figure 4.5 Normal Distribution Curve for Perceived Size



Source: Developed for this research

From the Figure 4.5, the construct of perceived size was normally distributed.

4.3.3.3 Perceived Security

Table 4.8 Central Tendencies Measurement for Perceived Security

	Q1	Q2	Q3
Mean	3.900	3.870	3.830
Standard Deviation	0.814	0.802	0.910
Variance	0.662	0.644	0.828
Skewness	-0.484	-0.487	-0.574
Kurtosis	0.201	0.481	0.062
Minimum	1	1	1
Maximum	5	5	5

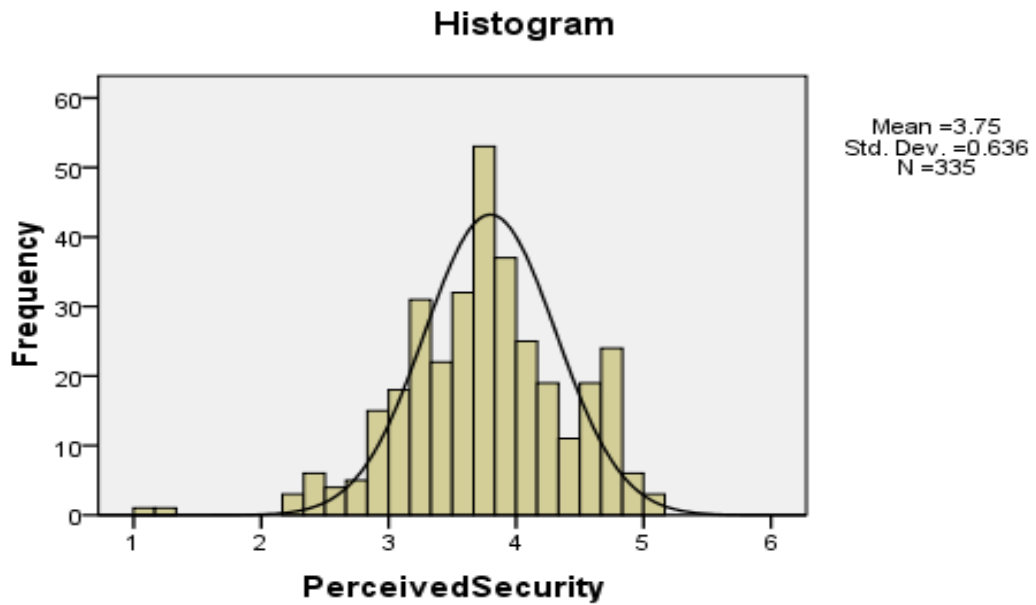
Legend:

Q1	The website which I transact with is providing enough online security
Q2	The website which I transact with has mechanism to ensure the safe transmission of customers' information.
Q3	Purchasing on the website which I transact with will not cause financial loss.

Source: Developed for this research

All of the items in Table 4.8 were arranged according to their mean scores from the highest to the lowest. From the Table 4.8, the statement “The website which I transact with is providing enough online security” (mean = 3.9) scored the highest mean score among the three items. The statements of “The website which I transact with has mechanism to ensure the safe transmission of customers' information” (mean = 3.87) and followed by the statement of “Purchasing on the website which I transact with will not cause any financial loss” (mean = 3.83) were scored the second and third highest respectively in the mean scores.

Figure 4.6 Normal Distribution Curve for Perceived Security



Source: Developed for this research

From the Figure 4.6, the construct of perceived security was normally distributed.

4.3.3.4 Perceived Privacy

Table 4.9 Central Tendencies Measurement for Perceived Privacy

	Q1	Q2	Q3
Mean	3.910	3.840	3.740
Standard Deviation	0.831	0.814	0.928
Variance	0.690	0.663	0.862
Skewness	-0.436	-0.400	-0.461
Kurtosis	-0.173	0.091	-0.087
Minimum	1	1	1
Maximum	5	5	5

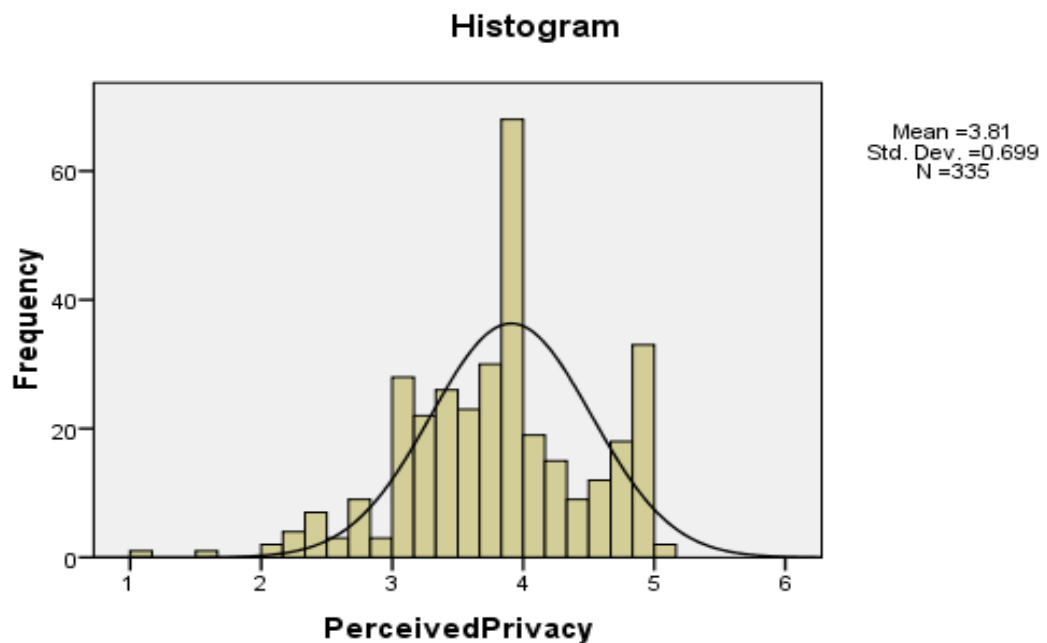
Legend:

Q1	The monetary information that I provide on the website is well protected
Q2	I think the website respects the user rights when obtaining personal information
Q3	I think the website which I transact with will not provide my personal information to other companies without my consent

Source: Developed for this research

All of the items in Table 4.9 were arranged according to their mean scores from the highest to the lowest. From the Table 4.9, the statement “The monetary information that I provide on the website is well-protected” (mean = 3.91) scored the highest mean score among the three items. The statements of “I think the website respects the user rights when obtaining personal information” (mean = 3.84) and followed by the statement of “I think the website which I transact with will not provide my personal information to other companies without my consent” (mean = 3.74) were scored the second and third highest respectively in the mean scores.

Figure 4.7 Normal Distribution Curve for Perceived Privacy



Source: Developed for this research

From the Figure 4.7, the construct of perceived privacy was normally distributed.

4.3.3.5 Perceived Ease of Use

Table 4.10 Central Tendencies Measurement for Perceived Ease of Use

	Q1	Q2	Q3
Mean	3.830	3.820	3.790
Standard Deviation	0.753	0.745	0.785
Variance	0.567	0.555	0.617
Skewness	-0.513	-0.573	-0.503
Kurtosis	0.696	0.854	0.438
Minimum	1	1	1
Maximum	5	5	5

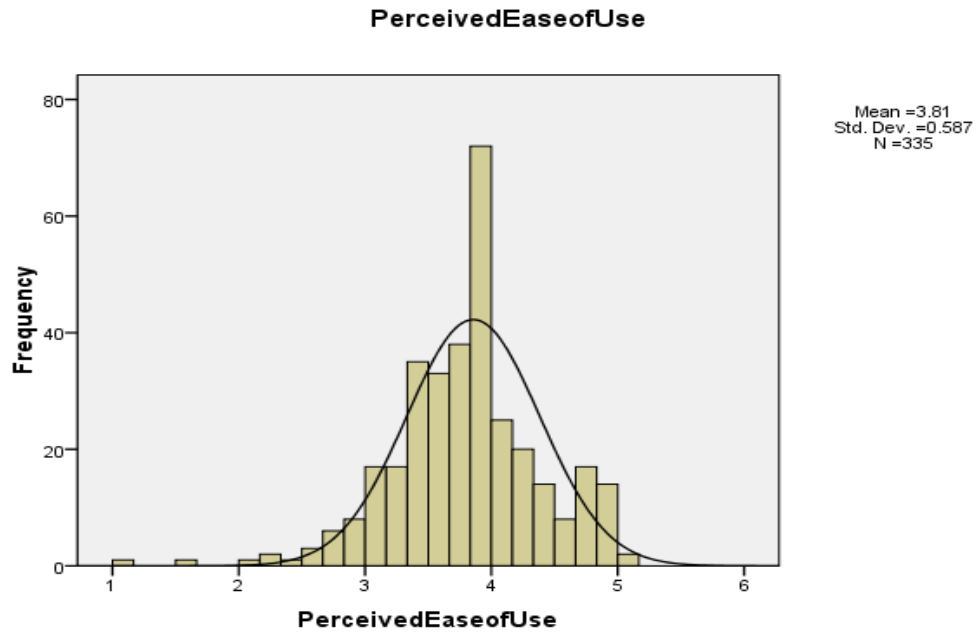
Legend:

Q1	The website is easy to locate desired information
Q2	My interactions with the website which I transact with are clear and understandable
Q3	The website which I transact with would not require a lot of mental effort.

Source: Developed for this research

All of the items in Table 4.10 were arranged according to their mean scores from the highest to the lowest. From the Table 4.10, the statement “The website is easy to locate desired information” (mean = 3.83) scored the highest mean score among the three items. The statements of “My interactions with the website which I transact with are clear and understandable” (mean = 3.82) and followed by the statement of “The website which I transact with would not require a lot of mental effort” (mean = 3.79) were scored the second and third highest respectively in the mean scores.

Figure 4.8 Normal Distribution Curve for Perceived Ease of Use



Source: Developed for this research

From the Figure 4.8, the construct of perceived ease of use was normally distributed.

4.3.3.6 Perceived Website Design Quality

Table 4.11 Central Tendencies Measurement for Perceived Website Design Quality

	Q1	Q2	Q3
Mean	3.760	3.580	3.540
Standard Deviation	0.764	0.777	0.753
Variance	0.584	0.604	0.567
Skewness	-0.418	-0.420	-0.191
Kurtosis	0.439	0.168	0.166
Minimum	1	1	1
Maximum	5	5	5

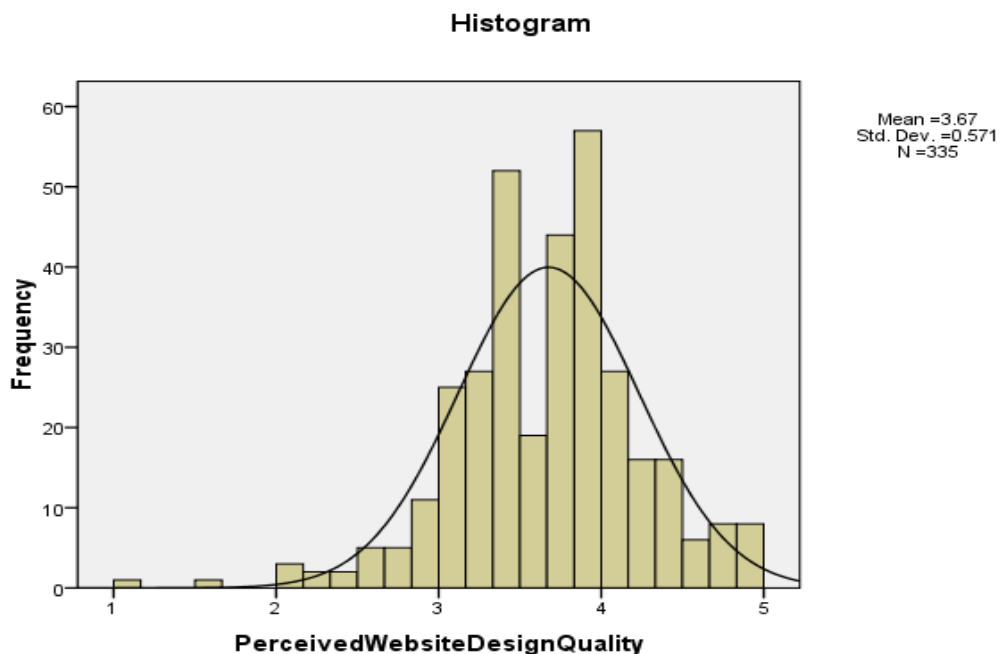
Legend:

Q1	The organization of the content on the website is easy to find the items I want
Q2	The graphics on the website are likeable.
Q3	The website has an attractive, modern and professional design

Source: Developed for this research

All of the items in Table 4.11 were arranged according to their mean scores from the highest to the lowest. From the Table 4.11, the statement “The organization of the content in the website is easy to find the items I want” (mean = 3.76) scored the highest mean score among the three items. The statements of “The graphics on the website are likeable” (mean = 3.58) and followed by the statement of “The website has an attractive, modern and professional design” (mean = 3.54) were scored the second and third highest respectively in the mean scores.

Figure 4.9 Normal Distribution Curve for Perceived Website Design Quality



Source: Developed for this research

From the Figure 4.9, the construct of perceived website design quality was normally distributed.

4.3.3.7 Online Trust

Table 4.12 Central Tendencies Measurement for Online Trust

	Q1	Q2	Q3
Mean	3.770	3.530	3.520
Standard Deviation	0.779	0.717	0.788
Variance	0.607	0.514	0.622
Skewness	-0.574	-0.009	-0.259
Kurtosis	0.767	0.026	0.367
Minimum	1	1	1
Maximum	5	5	5

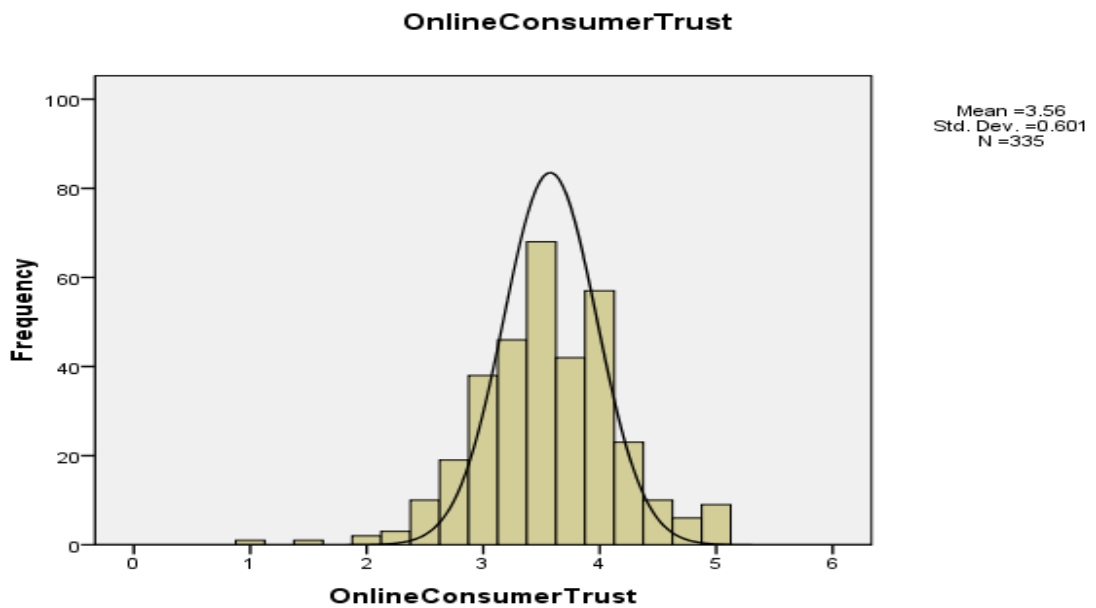
Legend:

Q1	I have positive experience in using the internet
Q2	The infrastructure of the website which I transact with is dependable
Q3	I believed the website would act in my best interest

Source: Developed for this research

All of the items in Table 4.12 were arranged according to their mean scores from the highest to the lowest. From the Table 4.12, the statement “I have positive experience in using the internet” (mean = 3.77) scored the highest mean score among the three items. The statements of “The infrastructure of the website which I transact with is dependable” (mean = 3.53), followed by the statement of “I believed the website would act in my best interest” (mean = 3.52) and the statement of “I believed the information that provided on the website is true and honest” (mean = 3.43) were scored the second, third and fourth highest respectively in the mean scores.

Figure 4.10 Normal Distribution Curve for Online Trust



Source: Developed for this research

From the Figure 4.10, the construct of online consumer trust was normally distributed.

4.3.3.8 Online Purchase Intention

Table 4.13 Central Tendencies Measurement for Online Purchase Intention

	Q1	Q2	Q3
Mean	3.770	3.530	3.520
Standard Deviation	0.779	0.717	0.788
Variance	0.607	0.514	0.622
Skewness	-0.574	-0.009	-0.259
Kurtosis	0.767	0.026	0.367
Minimum	1	1	1
Maximum	5	5	5

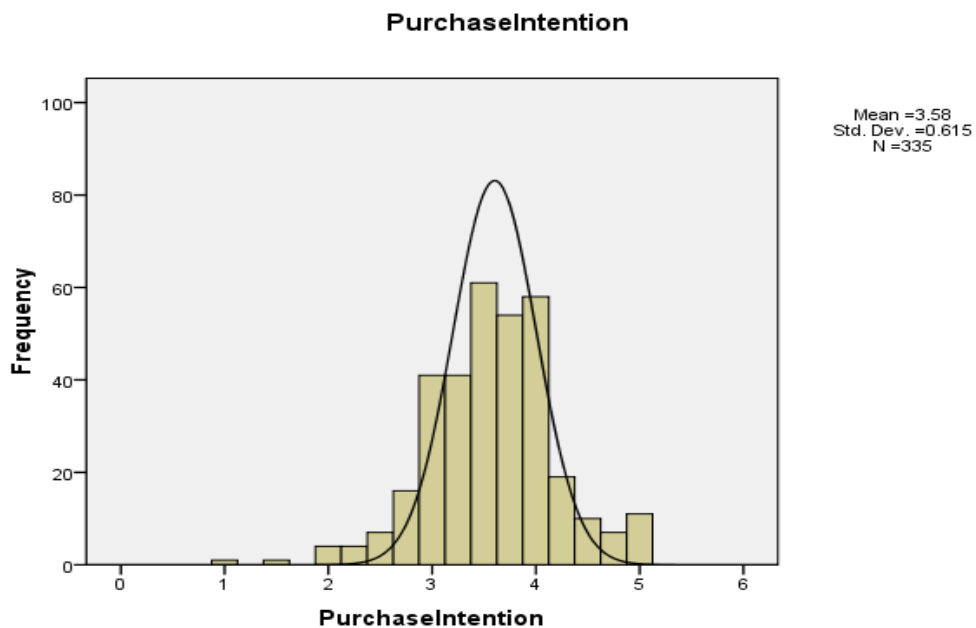
Legend:

Q1	I have positive experience in using the internet
Q2	The infrastructure of the website which I transact with is dependable
Q3	I believed the website would act in my best interest

Source: Developed for this research

All of the items in Table 4.13 were arranged according to their mean scores from the highest to the lowest. From the Table 4.13, the statement “I am likely to purchase the products from this website in the near future” (mean = 3.7) scored the highest mean score among the three items. The statements of “The website will be a good decision for me to make transaction” (mean = 3.64), followed by the statement of “I am likely to recommend this website to my friends” (mean = 3.6) and the statement of “I would like to increase my frequency of purchase online compared to physical store” (mean = 3.39) were scored the second, third and fourth highest respectively in the mean scores.

Figure 4.11 Normal Distribution Curve for Online Purchase Intention



Source: Developed for this research

From the Figure 4.11, the construct of online purchase intention was normally distributed.

4.4 Inferential Analyses

The third objective of data analysis is testing the hypotheses. The hypotheses are tested by using inferential analysis.

4.4.1 Pearson Correlation Analysis

Pearson correlation analysis is to measure the degree of linear association between two variables (Hair et al., 2006). The results of the Pearson correlation analysis for the two different conceptual frameworks were illustrated in Table 4.14.

Based on the Table 4.14 above, all the associations have positive signs that indicate the positive direction of associations among all the constructs tested. Besides that, the value of all the constructs are not exceeding the value of 0.75 which means all the constructs are different and not overlapping with each other. The 2-tailed significance between dependent variable and independent variables were 0.000 ($p < 0.01$).

Table 4.14: Pearson Correlation Analysis

	CP	PS	PSY	PPA	PEU	PWDQ	TP	PI
CP Sig. (2-tailed)	1							
PS Sig. (2-tailed)	0.655** 0.000	1						
PSY Sig. (2-tailed)	0.671** 0.000	0.668** 0.000	1					
PPA Sig. (2-tailed)	0.672** 0.000	0.543** 0.000	0.819** 0.000	1				
PEU Sig. (2-tailed)	0.571** 0.000	0.474** 0.000	0.631** 0.000	0.705** 0.000	1			
PWDQ Sig. (2-tailed)	0.458** 0.000	0.467** 0.000	0.508** 0.000	0.498** 0.000	0.713** 0.000	1		
TP Sig. (2-tailed)	0.457** 0.000	0.439** 0.000	0.488** 0.000	0.379** 0.000	0.507** 0.000	0.456** 0.000	1	
PI Sig. (2-tailed)	0.357** 0.000	0.423** 0.000	0.414** 0.000	0.406** 0.000	0.459** 0.000	0.442** 0.000	0.591** 0.000	1

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

N = 335

PI = Purchase Intention (Dependent Variable)

CP = Company Reputation

PS = Perceived Size

PSY = Perceived Security

- PPA = Perceived Privacy
 PEU = Perceived Ease of Use
 PWDQ = Perceived Website Design Quality
 TP = Online Trust

Source: Developed for this research

4.4.2 Multiple Regression Analysis

The objective of multiple regression analysis is to predict the single dependent variable by a set of independent variables (Heppner and Heppner, 2004). Multiple regression analysis was carried out to test the seven hypotheses that were identified in Chapter 2 (Section 2.4). The results of the multiple regression analysis were presented in Table 4.15 and 4.16.

Table 4.15: Result of nature of relationship of PEU, PSY, PWDQ and CP on TP (STEPWISE)

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	1.584	0.187		8.462	0
	PEUAVG	0.519	0.049	0.507	10.705	0
2	(Constant)	1.282	0.192		6.668	0
	PEUAVG	0.339	0.061	0.331	5.591	0
	PSYAVG	0.264	0.056	0.279	4.720	0
3	(Constant)	1.125	0.201		5.589	0
	PEUAVG	0.231	0.074	0.226	3.113	0.002
	PSYAVG	0.249	0.056	0.264	4.466	0
	PWDQAVG	0.170	0.069	0.161	2.467	0.014

4	(Constant)	1.066	0.201		5.295	0
	PEUAVG	0.198	0.075	0.193	2.632	0.009
	PSYAVG	0.177	0.063	0.187	2.792	0.006
	PWDQAVG	0.163	0.068	0.155	2.384	0.018
	CPAVG	0.130	0.055	0.150	2.378	0.018

a. Dependent Variable: TPAVG

N = 335

TPAVG = Online Consumer Trust (Dependent Variable)

PEUAVG = Perceived Ease of Use

PSYAVG = Perceived Security

PWDQAVG = Perceived Website Design Quality

CPAVG = Company Reputation

Source: Developed for this research

4.4.2.1 Nature of Relationship

Based on the SPSS output, the following multiple regression equation was formed:

Online Trust= 1.066 + 0.198 Perceived Ease of Use + 0.177 Perceived Security + 0.163 Perceived Website Design + 0.130 Company Reputation

From the linear equation above, there are only four positive relationships between four independent variables which referring perceived ease of use, perceived security, perceived website design and company reputation toward the dependent variable, online consumer trust. This study shows that by increasing 1 value unit of online consumer trust, perceived ease of use will increase by 0.198 and the other independent variables remain the same. While increasing 1 value unit of online consumer trust, perceived security will increase by 0.177 and the other independent variables remain unchanged. Then, by increasing 1 value unit of online consumer trust, perceived website design will increase by 0.163 and the other independent

variables remain unchanged. Meanwhile, by increasing 1 value unit of online consumer trust, company reputation will increase by 0.130 and the other independent variables remain unchanged.

Besides, Table 4.15 also shows indicated that perceived ease of use has the most powerful influence on online consumer trust of Klang Valley at standardized coefficient value $\beta = 0.193$. This is followed by perceived security with the standardized coefficient value $\beta = 0.187$, perceived website design with the standardized coefficient value $\beta = 0.155$ and company reputation with the standardized coefficient value $\beta = 0.150$.

4.4.2.2 Strength of Relationship

Table 4.16: Result of strength of relationship between PEU, PSY, PWDQ and CP towards TP

Model Summary (Stepwise method)				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.507 ^a	0.257	0.255	0.519
2	.551 ^b	0.304	0.300	0.503
3	.563 ^c	0.417	0.411	0.499
4	.573 ^d	0.438	0.420	0.495

a. Predictors in the Model: (Constant), PEUAVG

b. Predictors in the Model: (Constant), PEUAVG, PSYAVG

c. Predictors in the Model: (Constant), PEUAVG, PSYAVG, PWDQAVG

e. Dependent Variable: TPAVG

TPAVG = Online Trust (Dependent Variable)

PEUAVG = Perceived Ease of Use

PSYAVG = Perceived Security

PWDAVG = Perceived Website Design Quality

CPAVG = Company Reputation

Source: Developed for the research

In conclusion, the change of online consumer trust is explained 42% by a combination of various independent variables, including perceived ease of use, perceived security, perceived website design quality and company reputation.

Table 4.17: Result of nature of relationship of between PS and PP on TP

Model	Excluded Variables			
	Beta In	t	Sig.	Partial Correlation
4 PSQAVG	0.068 ^b	1.343	0.180	0.074
PPAVG	0.045 ^b	0.506	0.613	0.028

a. Predictors in the Model: (Constant), PEUAVG

b. Predictors in the Model: (Constant), PEUAVG, PSYAVG

c. Predictors in the Model: (Constant), PEUAVG, PSYAVG, PWDQAVG

e. Dependent Variable: TPAVG

TPAVG = Online Consumer Trust (Dependent Variable)

PSQAVG = Perceived Size

PPAVG = Perceived Privacy

Source: Developed for the research

4.4.3 Simple Regression Analysis

The simple regression is to examine the effect of one predictor on one criterion (Heppner and Heppner, 2004). The result of simple regression analysis is presented in Table 4.18.

Table 4.18 Results of Simple Linear Regression Analysis for Purchase Intention

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	1.425	0.164		8.708	0
	Online Trust	0.605	0.045	0.591	13.357	0(p<0.05)

Notes:

Dependent variable: Online Purchase Intention

Independent variables: Online Trust

Source: Developed for this research

4.4.3.1 Nature of Relationship

Based on the SPSS output, the following simple linear regression equation was formed:

$$\text{Purchase Intention} = 1.425 + 0.605 \text{ Online Trust}$$

In conclusion, based on the values of unstandardized coefficient B, "Online Trust" (0.605) is the most powerful antecedent in affecting customers' purchase intention.

4.4.3.2 Strength of Relationship

Based on the multiple regression analysis as shown in Table 4.19, the values of the following are:

Table 4.19: Result of strength of relationship between TP towards PI

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.591 ^a	0.349	0.347	0.497

a. Predictors: (Constant), TPAVG

b. Dependent Variable: PIAVG

PIAVG = Purchase Intention (Dependent Variable)

TPAVG = Online Trust

Source: Developed for this research

In conclusion, the change of online consumers' trust is explained 34.7% by online trust.

4.4.4 Test of Significant

First Hypotheses

H₁: There is a positive relationship between company reputation and consumers' trust in internet shopping activities.

According to Table 4.15, the significant value for company reputation is 0.018. This value is less than p value of 0.05 and thus, H₁ is supported, which proves that the company reputation is significantly affecting the consumers' trust in internet shopping activities.

Second Hypotheses

H₂: There is a positive relationship between perceived size and consumers' trust in internet shopping activities.

Based on Table 4.17, the significant value for perceived size is 0.180. The value for this variable is more than the p value of 0.05. Therefore, H₂ is rejected, which in other words consumers' trust in internet shopping activities has no significant impact towards consumers' trust in internet shopping activities.

Third Hypotheses

H₃: There is a positive relationship between perceived security and consumers' trust in internet shopping activities.

According to Table 4.15, the significant value for perceived security is 0.006. This value is less than p value of 0.05 and thus, H₃ is supported, which proves that the perceived size is significantly affecting the consumers' trust in internet shopping activities.

Forth Hypotheses

H₄: There is a positive relationship between perceived privacy and consumers' trust in internet shopping activities.

Table 4.17 has shown that the significant value for perceived privacy is 0.613. Apparently, the value for this variable is more than the p value of 0.05. So, H₄ is rejected. This indicated that perceived privacy has no significant impact towards consumers' trust in internet shopping activities.

Fifth Hypotheses

H₅: There is a positive relationship between perceived ease of use and consumers' trust in internet shopping activities.

As Table 4.15, the significant value for perceived ease of use is 0.009. This value is less than p value of 0.05 and thus, H₁ is supported, which proves that the perceived ease of use is significantly affecting the consumers' trust in internet shopping activities.

Sixth Hypotheses

H₆: There is a positive relationship between website design quality and consumers' trust in internet shopping activities.

According to Table 4.15, the significant value for perceived web site design quality is 0.018. This value is less than p value of 0.05 and thus, H₃ is supported, which proves that the perceived web site design quality is significantly affecting the consumers' trust in internet shopping activities.

Seventh Hypotheses

H₇: There is a positive relationship between consumers' trust in internet shopping activities and online purchase intention.

According to Table 4.18, consumers' trust in internet shopping has scored its significant value at 0.000. This value is less than p value of 0.05 and hence, H₇ is supported. Thus, researchers can claimed that consumers' trust in internet shopping activities has a significant impact towards online consumers' purchase intention of Malaysian internet shoppers.

4.5 Chapter Conclusion

In summary, five out of six hypotheses were supported throughout the research findings. Overall, it appears that the perceived ease of use of online website have major influences toward Klang Valley consumers' online purchase intention. However, perceived privacy in website have little impacts toward online consumers' purchase intention in internet shopping activities. In conclusion, respondents' demographic profile and information have been analyzed by descriptive analysis, data collected have been measured by central tendencies, and relationship between constructs have been examined through Pearson Correlation Analysis, Multiple Regression Analysis and Simple Regression Analysis. The next chapter will discuss about the summary of the research, identify possible reasons for findings, analyze the research study's results and provides some recommendations for future study.

CHAPTER 5

SUMMARY AND CONCLUSIONS

5.0 Introduction

The previous chapter four had addressed the result of the analyzed data collected. This chapter begins by providing answers for the research questions, and discusses the overall seven research objectives and seven hypotheses. The chapter will then followed by the discussion of overall conclusions that are based on the research study's findings in previous chapter. Next, the findings are discussed in conjunction with the current findings in Malaysia's literature on related issues. Besides, limitations for this research study and obstacles faced by researchers are put forth for discussion. Finally, the recommendations for future research and conclusion are being discussed.

5.1 Summary of Statistical Analyses

In this part, the overall research's result which generated at chapter four will be summarizes by researcher. The results of this research study have divided into three parts, which are referring to respondent demographic profile, Pearson correlation analysis and Multiple liner regression analysis.

5.1.1 Descriptive Analysis

First and foremost, the respondents' demographic profile shown that majority of respondents consists of females (60.9%; 204 persons) and minority of them are males (39.1%; 131 persons). In term of age range, most of the respondents come from the 30 to 34 years old which is 88 out of the total population (26.27%), while the smallest percentage referring to the 38 respondents (11.34%) who aged 40 years old and above. Besides that, in the case of race of the respondents, the majority of respondents are Chinese which constitute 275 out of 335 respondents (82.09%). The remaining respondents consist of 33 Malays (9.85%), 24 Indians (7.16%), and 3 others (0.9%). Furthermore, majority of the respondents held the Bachelor degree, which consists of 201 respondents (60%). Majority respondents are office administration (90 persons; 26.87%) and professional or technical expertise 90 respondents; 26.87%). Among the respondents, the highest proportions for monthly income level ranged are RM 3001 to RM 4000, which possess 30.45% (102 persons).

As for general information of respondents, respondents' buying behavior was analyzed and it is found that 335 respondents out of 338 respondents have visited online websites before in the last six months. Besides that, the results also shows that the most purchased items are flight ticket (50.7%; 170 persons) followed by movie tickets (26.3%; 88 persons). Most respondents usually make online purchase at least once to three times in the last six months (45.07%; 151 persons). Furthermore, the highest range of the annual spending in online purchases is RM250 and below which is 34.63% (116 persons) of respondents. However, they are only 4.18% (14 persons) of respondents are spent RM 1250 and above in the last six months. Lastly, majority of respondents are using credit card (67.5%; 226 persons) as their payment method in online purchases.

5.1.2 Scale Measurement

Scale measurement is used to test on the overall internal reliability. The reliabilities of eight constructs that consist 27 items were measured by the Cronbach's alpha test. Among the eight constructs measured, the variable of perceived privacy scored the highest Cronbach's alpha which valued at 0.875, followed by the Cronbach's alpha of 0.855 which fall on variable company reputation. Next, followed by the perceived security with Cronbach's alpha 0.852, perceived ease of use with Cronbach's alpha 0.792, perceived website design quality and online trust which have the same Cronbach's alpha 0.78, perceived size with Cronbach's alpha 0.778 and lastly referring the online purchase intention which scored the lowest Cronbach's alpha 0.773. In summary, all variables appeared to be consistent since all of the Cronbach's alpha values are greater than 0.7.

5.1.3 Inferential Summary

5.1.3.1 Pearson Correlation Analysis

Pearson correlation coefficient analysis (Table 4.14) has been used to measure the relationship and associations among the eight constructs. The results of the test revealed that company reputation, perceived size, perceived security, perceived privacy, perceived ease of use, perceived website design quality and online trust are significantly positive correlated with online purchase intention of Klang Valley, Malaysian internet shoppers. Perceived security has the strongest association with among other variable with r-value of 0.819, $p < 0.01$. Meanwhile, company reputation has the weakest association with purchase intention at r-value of 0.357, $p < 0.01$.

5.1.3.2 Multiple Regression Analysis

There is only one multiple regression equations that has been established in this study. It found that perceived ease of use, perceived security, perceived website design quality and company reputation have positive impact toward online consumer trust with are indicated significant at 0.05 levels. The coefficient of determination (R^2) is 0.438 (Table 4.16) which means that 43.8 percent of the total variable in online consumer trust of Klang Valley, Malaysian internet shoppers has been significantly explained by the four independent variables. The estimated regression equation is show as follow:

$$TP = 1.066 + 0.198 PEU + 0.177 PSY + 0.163 PWDQ + 0.130 CP$$

TP = Online Consumer Trust (Dependent Variable)

PEU = Perceived Ease of Use

PSY = Perceived Security

PWDQ = Perceived Website Design Quality

CP = Company Reputation

From the linear equation above, it shows that there are significant positive relationships between the five constructs. Thus, the results showed that there are only four hypotheses which are supported with the significant level less than 0.05. As conclusion, H_1 , H_3 , H_5 and H_6 were supported.

5.1.3.3 Simple Regression Analysis

In this study, there is an only one simple regression equation that has been established. It stated that online consumer trust of Klang Valley, Malaysian internet shoppers has positive impact toward online consumers' purchase intention which is indicated significant at 0.05 levels. The coefficient of determination (R^2) is 0.349 (Table 4.19) which means that 34.9 percent of the total variable online consumer

trust of Klang Valley, Malaysian internet shoppers has been significantly explained by the independent variable. The estimated regression equation is show as follow:

$PI = 1.425 + 0.605 TP$

PI = Online Purchase Intention (Dependent Variable)

TP = Online Consumer Trust

From the linear equation above, it shows that there is a significant positive relationship with the construct. Thus, the results showed that there is only one hypothesis which is supported with the significant level less than 0.05. As conclusion, H₇ was supported.

5.2 Discussions of Major Findings

The main purpose of this research study focuses on the relationship between the determinants of online consumer trust toward online consumers' purchase intention. Table 5.1 below showed a summary of the hypotheses testing's results

Table 5.1 Summary of the Result of Hypotheses Testing

Hypotheses	Values scored	Determination
H ₁ : There is a positive relationship between company reputation and consumers' trust in internet shopping activities.	p = 0.018 (p<0.05) β= 0.15	Supported
H ₂ : There is a positive relationship between perceived size and consumers' trust in internet shopping activities.	p = 0.018 (p<0.05) β= 0.068	Rejected
H ₃ : There is a positive relationship between perceived security and consumers' trust in internet shopping activities.	p = 0.006 (p>0.05) β= 0.187	Supported

H ₄ : There is a positive relationship between perceived privacy and consumers' trust in internet shopping activities.	p = 0.613 (p>0.05) β= 0.045	Rejected
H ₅ : There is a positive relationship between perceived ease of use and consumers' trust in internet shopping activities.	p = 0.009 (p>0.05) β= 0.193	Supported
H ₆ : There is a positive relationship between perceived website design quality and consumers' trust in internet shopping activities.	p = 0.018 (p>0.05) β= 0.155	Supported
H ₆ : There is a positive relationship between consumers' trust in internet shopping activities and online purchase intention	p = 0.000 (p>0.05) β= 0.591	Supported

Source: Developed for the research

5.2.1 First Result

Research Objective 1: To examine the relationship between company reputation and consumers' trust in internet shopping activities.

H₁: There is a positive relationship between company reputation and consumers' trust in internet shopping activities

Based on the result shown in table 5.1 above, it shows that company reputation has a significant positive impact towards online trust with the β of 0.15, $p < 0.05$. The analysis result shown that the significance value for company reputation is 0.009. Therefore, it is proven that this variable had a significant positive relationship towards consumers' online trust in internet shopping activities with the significant value. This result is supported by the literature claimed by Koufaris and Hampton-Sosa (2004); Chen and Barnes (2007); Murkherjee and Nath (2007); Dolatabadi and Ebrahimi (2010); Teo and Liu (2007) where the authors argue that company's reputation is the most powerful variable among other variables and significantly related to the consumers' online trust to participate in online activities. This implies

that when the web vendor is a well-known and has good reputation towards consumers' trust; this can increase their confidence towards web vendor and they are more willing to engage in online purchasing activities frequently. In addition, company reputation is the fourth highest beta scores among the independent variables of this study. This could be partly explained by the huge variety of good reputation web vendors in Malaysia e-commerce environment then it will lower the level of web vendor commitment. In addition, according to Harridge-Mach (2006), if a consumer is committed to online purchasing activities without consider a particular web vendor to be trustworthy; it is easy to challenge allegiance to another due to the large choice in the online environment. However, the result shows a positive relationship of company reputation toward consumers' online trust. Therefore, the first research objective has been achieved and H₁ is supported as well.

5.2.2 Second Result

Research Objective 2: To examine the relationship between perceived size and consumers' trust in internet shopping activities.

H₂: There is a positive relationship between perceived size and consumers' trust in internet shopping activities

Based on the result shown in table 5.1 above, the result revealed that perceived size has no significant impact toward online trust. The analysis result shown that the significant value for perceived size is 0.180, which is more than 0.05. Thus there is no evident that perceived size will significantly on consumers' online trust in internet shopping activities as H₂ is rejected. Since the target population for this research study is only limited to internet shoppers of Klang Valley area instead of whole Malaysia, thus the result might indicate for these respondents that perceived size of web retailers is as more relative in the smaller population group than larger population group. In addition, this finding is in line with the Jarveenpa et al. (2000) which conclude that perceived reputation had a significant relationship with consumer trust but had no relationship with perceived size towards online trust. The

findings suggests that the large size of online store which perceived by consumer then the less consumer trust is found in making purchase activities on the website. The possible explanation for this finding could be the large size of an online store does not convince online shoppers in Klang Valley that the online store is much more trustworthy than perceived size of physical store. In addition, consumers are more willing to make their purchases over the Internet on necessities such as clothing, books, cosmetics, accessories, electronic goods and others in the physical store compare to online store based on the result we found in Table 4.5. This result might indicates that consumers fear to purchase product online due to few possible reasons such as fear of payment, lack of sufficient information of the online store and lack of access or availability to online products. In addition, consumers are easy to perceive the size of online store through its physical presence. However, it is not easy and correctly judged the size of online store in the e-commerce world. Hence, consumers in Klang Valley, Malaysia may not care much about the perceived size of online store.

5.2.3 Third Result

Research Objective 3: To examine the relationship between perceived security and consumers' trust in internet shopping activities.

H₃: There is a positive relationship between perceived security and consumers' trust in internet shopping activities

Based on the result shown in table 5.1 above, perceived security is proved that it has a significant positive impact towards online trust with the β of 0.187, $p < 0.05$. The analysis result shown that the significance value for company reputation is 0.006. In addition, perceived security also scores the second highest beta score among other variables. The result has shown that there is a significant positive relationship between perceived security and online consumer trust of Klang Valley, Malaysia. This finding is supported by the literature claimed by Kim, Ferrin and Rao (2008); Chen & Barnes (2007); Chellappa and Pavlou (2002); Kwek, Lau and Tan (2010).

According to the authors, the perceived security of a consumer may affect their willingness to engage in online purchase activities. This implies that when online store have a high level of security system towards the consumers' personal information and transaction information being disclosed to third parties; they are more willing to participate in online activities by decreasing their uncertainties about the perceived risk in online transaction. Hence, the third research objective is achieved and H₃ is supported as well.

5.2.4 Fourth Result

Research Objective 4: To examine the relationship between perceived privacy and consumers' trust in internet shopping activities.

H₄: There is a positive relationship between perceived privacy and consumers' trust in internet shopping activities.

Based on the result shown in table 5.1 above, the result revealed that perceived privacy has no significant impact towards online trust. The analysis result shown that the significant value for perceived privacy is 0.613, which is more than 0.05. Thus, perceived privacy will not influences consumers' online trust in Klang Valley, Malaysian as H₄ is not supported throughout the research findings. This result implies that cyber threats on confidentiality, personal data or secrecy were not affected the online trust and online purchase intention of consumers in the area of Klang Valley, Malaysia. This may be due to the culture of the society in Malaysia which is not privacy sensitive when engaging in online purchasing activities. Usually, the prime concern for online shopping were payment, price and add-ons, products quality, production and expiration date, delivery time and methods, packaging as well as the communication between the particular online store and consumers. In other words, the perceived privacy of an online store would not facilitate in building consumers' online trust and their online purchase intention.

5.2.5 Fifth Result

Research Objective 5: To examine the relationship between perceived ease of use and consumers' trust in internet shopping activities.

H₅: There is a positive relationship between perceived ease of use and consumers' trust in internet shopping activities.

Based on the result shown in table 5.1 above, perceived ease of use has the strongest significant impact on online trust with the β of 0.193, $p < 0.05$. Thus, perceived ease of use is the most critical determinant of the online purchase intention. Besides, the result of this research had revealed that the significance value for perceived ease of use is 0.009. Therefore, it is proven that this variable had a significant positive relationship towards consumers' trust in internet shopping activities of Klang Valley, Malaysia with the significant value. This result is supported by Van der Heijden et al. (2003); Koufaris & Hampsto-Sosa (2004); Pavlou (2003); Hsu and Lin (2008) and Barnes and Vidgen (2006). According to the authors, the perceived ease of use of the website is significant positively related to the consumers' online trust in internet shopping hence, it also stimulate consumers' purchase intention through online. Besides that the age range of respondents has also contributed to above result. For this research study, majority of respondents is ranged from the ages 25-34 years old which are 52.24 percent of the total respondents, these respondents are typically experienced online shoppers and who are concern about ease-of-use of the website in terms of the simplicity of use, the speed and ease to search the products or services as well as simple, ease and secure to make the payment through online system that allow online shoppers to use credit cards and online direct debit services in the online stores' website for secure and efficient online payment solutions. In fact, perceived ease of use of the website was the strongest determinants of the six predictors that affect consumers' online trust among other variables. Therefore, this study found that there is a significant positive relationship between perceived ease of use of website with consumers' online trust in internet shopping. This implies that consumers are more willing to participate in the internet shopping of a website once

the perceived ease of use of the website has achieved. Hence, the fifth objective has been achieved and H₅ is supported as well.

5.2.6 Sixth Result

Research Objective 6: To examine the relationship between perceived website design quality and consumers' trust in internet shopping activities.

H₆: There is a positive relationship between perceived website design quality and consumers' trust in internet shopping activities.

Based on the result shown in table 5.1 above, perceived website design quality is shown to have a significant positive impact on online trust with the β of 0.155, $p < 0.05$. The analysis result shown that perceived website design quality has the second highest beta score among other variables. Besides, the result of this research had revealed that the significance value for perceived ease of use with the score of 0.018. The findings of this research proved that there is a significant positive relationship between perceived website design quality and consumers' online trust of Klang Valley, Malaysia in internet shopping activities. This finding is supported by the literature claimed by Urban et al. (2009); Wang and Emurian (2005a); McKnight, Choudhury and Kacmar (2002); Wanh and Benbasat (2007) where the authors state that the perceive website design quality is significantly related to the consumers' trust in internet shopping. Meanwhile, a good looking, user-friendly and a well-interface website will stimulate the consumers' confidence to purchase items or services online and encourage future purchases as well as foster the trust building between consumers and online store. Therefore, the sixth objective has been achieved and H₆ is supported as well.

5.2.7 Seventh Result

Research Objective 7: To examine the relationship between consumers' trust in internet shopping activities and online purchase intention.

H₇: There is a positive relationship between consumers' trust in internet shopping activities and online purchase intention.

From the table 5.1 above, consumers' trust in internet shopping activities is shown to have a significant positive impact on consumers' online purchase intention with the β of 0.591, $p < 0.05$. Furthermore, there is also a significant value for consumers' online trust towards online purchase intention in internet shopping activities with the score of 0.000. The findings of this research proved that there is a significant positive relationship between consumers' online trust and online purchase intention in internet shopping activities. The findings of several literatures support that trust has a strong effect toward consumers' online purchase activities (Gefen and Straub, 2004; Chen and Barnes, 2007; Keh and Xie, 2009; Wang, Chen and Jiang, 2009). This implies that when consumers have positive perception of trust towards the online store; they will have strong encouragement to participate more in internet shopping. Thus, online trust is an essential element for web vendors to succeed in the intense e-commerce environment because a high degree of trust may increase consumers' online purchase intention, stimulate and meet consumers' expectations and demand of satisfying transaction. A reliable and trusted website is needed to create a great online shopping experience for internet shoppers. Therefore, the seventh objective has been achieved and H₇ is supported as well.

5.3 Implications of the Study

Researcher results have implications for both practitioners and academicians. The implication can be divided into two categories which are theoretical implication and managerial implication.

5.3.1 Theoretical Implications

This study will help researchers to better capture the factors that affecting the consumer's trust to switch or stay loyalty to a particular website. Since there is limited study in this area to examine a theoretical model and test it empirically in the Klang Valley context, this research will contribute the relevant model of consumer purchase intention to participate in internet shopping which applicable to the Klang Valley context and perhaps a comprehensive mode on the factors of affecting trust will be developed. There are basically two main theoretical implications in this research. First, is to evaluate and validate the determinants of consumers' confidence in online shopping in the Klang Valley context. Second, is to identify the relationship between online consumers' trust and their online purchase intention in Klang Valley electronic commerce context.

Based on the extent literature, most of the researchers have found that determinant factors of online trust which are perceived ease-of-use, perceived website design quality, perceived security, company reputation, perceived size and perceived privacy are positively related to consumers' online purchase intention in electronic commerce activities. This research offered empirical evidence to further support that there is a positive relationship between the determinants of trust and online purchase intention. The research finding have found that: (1) perceived ease-of-use has a positive relationship with consumer online purchase intention; (2) perceived security has a positive relationship with consumer online purchase intention; (3) perceived website design quality has a positive relationship with consumer online purchase intention; and (4) company reputation has a positive relationship with consumer online purchase intention. In contrast, the finding also has concluded that perceived privacy has no significant impact toward consumer online purchase intention and perceived size has no significant impact toward consumer online purchase intention. However, this result is also supported by the previous literatures, where authors argued that perceived size and perceived privacy has no significant relationship to the consumer online purchase intention in electronic commerce activities. Meanwhile, the result of this study show that perceived ease-of-use is the strongest indicator to affect trusts and this may give future researchers a sign to examine more

details on perceived ease-of-use.

5.3.2 Managerial Implications

For practitioners, considering the rapid change and competitive electronic commerce environment in Malaysia, understanding of online consumer needs and requirements is essential and present an immense challenge which is how electronic-businesses (online retailers) to compete in building a high degree of consumer trust and maintaining lasting relationships with them. Thus, online retailers must understand their consumers' behavior before they can effectively respond to their demand especially when Malaysian consumers are having various choices of web vendors. The finding of this research has revealed that perceived ease-of-use, website design quality, company reputation and security affect the building of online trust. Meanwhile, the findings also found that online trust is a significant factor which affects online consumers' purchase intention. Hence, companies that conduct online business through websites should take notes of these factors which may be a key in facilitating behavioral change in consumers.

The research study found that ease-of-use of the website is the strongest indicator to affect consumers' trust and purchase intention which may give online vendors an opportunity to create a user-friendly website features and attractive interfaces. This is because it has the highest unstandardized coefficient beta value which is 0.453. Therefore, this research has shown that consumers tend to favor online retailers that have an easy-to-use and useful websites. This finding brings that online stores have embraced the high quality design of the website as a source of competitive attraction towards online consumers. In other words, those online stores which gave a great concern on website design quality issues (such as technical design, website maintenance, and security system in of the shopping website) can take some necessary steps to ensure that their websites are users-friendly and able to impress the potential consumers. For instance, online retailers should urge their website designers to incorporate a simple yet elegant design in the website interface so that online consumers will not be deterred by a complicated web form that is too

technical and difficult to understand. Besides that, online retailers should also be aware of their target market needs in order to ensure their websites are useful to attract new consumers and retain potential consumers' purchase intention in this rapid change environment. Hence, perceived website design quality is seen as an important construct because it will affect the consumers' online purchase intention directly as well as influence consumers' purchasing behavior.

Since, perceived size is not an important predictor of trust of online consumers to assess the online store based on the research's findings. Thus, it is suggested that online vendors should not spend a lot of time, effort, resources and money in expanding their websites' size rapidly and blindly. In contrast, online retailers should make an effort to decrease the perceived risk of the online consumers by strengthen the security level of their websites from hackers, malware and other threat in order to promote consumers' online purchases intention. The findings shown that perceived security is an essential item in the formation of online trust because it set consumers' mind at ease when it comes to the concerns about the financial security and personal information from online fraud, scam or identity theft. Therefore, consumers tend to believe a more reliable and secure website that set clear security policies on what website's employees can and cannot access on its consumers' information. Furthermore, consumers also will be more inclined to trust an online retailer which reviews the security policy and maintenance yearly to ensure consumers' personal information will not be misused by other people during or after their online transaction. For instance, online retailers should emphasis more on the security features of their websites as well as practice good data collection and usage methods to stimulate risk-averse customers' confidence, purchase intention and trust toward online shopping.

Lastly, online trust in the perception of online consumers was acknowledged as the most significant factor that influence consumers' purchase intention of Klang Valley, Malaysia. Online trust has a strong effect towards the consumers' purchase intention to participate online shopping. In fact, 59.1% (Table 4.18) in changes of online purchase intention can be explained by trust. Therefore, online trust plays an important role as a mediator between the determinants factors of trust and purchase

intention of consumers. This implies that the formation of consumers' trust is vital for a successful electronic business in order to gain consumers' loyalty and trust to the particular website. Meanwhile, online trust is also able to change consumer behaviors from non-purchase consumer behaviors, browsing to an actual purchasing from a website when consumers have formed a bond with the online retailer using trust. In addition, this study has found out that respondents will be more willing to trust an online retailer if it can keep its promises and obligation, honest and trustworthy manner throughout the transaction process. Hence, online retailers must strive to provide accurate and sufficient information about products or services that offering in the website, well-priced, good service quality and reliable security system on consumer's personal information in order to enhance consumer trust, confidence and stimulate consumer's online purchase intention to engage in online transactions.

5.4 Limitations

During the progress of the research, there are some limitations to this study that need to be highlighted. It is very crucial to declare, understand and gain from the limitations of the study as the limitations will directly impact result of the study.

First of all, participants of this research mainly are the online consumers in Klang Valley area, therefore the sample cannot be described as a random and representative sample of online consumers in Malaysia, thus this research finding not able to be generalized across all areas around the Malaysia because other states of Malaysia also have consumers who purchase products or services online. So, there is no assurance given that each item from different variables has a chance of being included in this research study. Hence, it was not possible to identify the possible bias and estimating the sampling variability.

Secondly, the size and amount of the sample used for this research is another potential limitation of this finding. The small size of sample were collected, therefore the data collected which is unlikely to represent the wider population, since this study was only obtained 335 online consumers (of total around 17,723,000). In other

words, this study was limited to respondents that located in one geographic area (Klang Valley) only instead of whole Malaysia. As a result, the results of the study is failed to represent the nation as a whole.

Thirdly, the ethnic group composition of the respondents is one of the limitation while carry out this study. Chinese respondents occupied a total of 82.09%, Malay 9.8%, Indian 7.16% and others 0.90% in the final result. Hence, the results of this study maybe less representative because different race may have different perspective on this study.

Fourthly, this study only examined the effect of six variables (company reputation, perceived size, perceived privacy, perceived ease-of-use, perceived security and perceived website design quality) that influenced the relationship between perception of trust and online purchase intention among individual consumers in the area of Klang Valley.

Fifthly, there is lack of prior research studies on the topic in Malaysia's context. There is little prior research regarding the Malaysia's online consumer trust and their purchase intention in internet shopping. However, it is difficult to find strong and relate journals in Malaysia's context to support this research. So, there is lack of accuracy in the data which may have affected the analysis progress in order to complete this research.

Even though there are few limitations in this study but the acknowledgement of a study's limitations is an opportunity to make suggestions for further research.

5.5 Recommendations for Future Research

Based on the limitations on our research, some recommendations have been made for researchers who might conduct the similar or related research in the future. These recommendations enable more appropriate and reliable data and information for future research study.

First of all, in order to establish a greater degree of accuracy data and result, enlarge the number of sample size would help in future research. The number of respondents can be increase to 500 respondents. Apart from that, it is recommended to have more balance representation among all races and age ranges for future research, as well as to gain a more comprehensive finding by equally distribute and collect the research data around the country regions from different states.

Meanwhile, future research should measure more variables in order to get a better determination of factor affecting trust and consumers' purchase intention to participate in internet shopping activities. Other aspects such as perceived risk toward internet shopping, willingness to customize, interaction, information and online services are other possible determinants that can be included in future research. In addition, it can help online retailers to increase their understanding towards the perception of online trust and online purchase intention among individual consumer in Malaysia.

Next, future studies should examine the effect of possible variables such as gender, income level and age on trust of consumers, which in turn would affect the purchase intention of online consumers in Malaysia context. Thus, by analyzing the differences between responses from respondents of different demographic profiles which would help to provide a better describe the characteristic of the target population more comprehensively towards on the perception of internet shopping.

Besides, this research project focuses on consumers' online purchase intention rather than their actual purchase. Based on questionnaire in Section A (Q2) "none" will not be excluded due to respondents previously do not make online purchase in the last

six months. Since, it does not mean that respondents will not have the intention to make actual purchase in future. Hence, researchers may examine this research finding in future studies.

Lastly, a longitudinal research design is recommended for future research so that the changes in consumer behavior over time can be observed. Meanwhile, a longitudinal research design will involve the collection of a larger amount of data which will able to increase the accuracy of data and result of the study. Eventually, studying human behavior is a long run research and is vary among the time due to rapid changing environment.

5.6 Conclusion

After carrying out the research, it comes out with a conclusion that the findings and research has done to support the literature that has completed. However, this research study has proven that all the information and data collected are reliable. Besides that, not all independent variables have a significant relationship with the dependent variable. There are only four independent variables which refer to the perceived ease-of-use, perceived security, perceived website design quality and company reputation are supporting the dependent variable, online trust of Klang Valley consumers. The rest of two hypotheses which referring perceived size and perceived privacy have failed to support the dependent variable. To sum up, perceived ease-of use seems to have the strongest impact on the overall online consumers' trust in internet shopping activities among the six variables. Trust as a mediator which is an important determinant to online consumers' purchase intention. Besides that, the research has been able to clarify the roles of the determination of the factors that affecting trust and online trust in the shaping online purchase intention among online consumers in Klang Valley, Malaysia. Consequently, from the managerial perspective understanding the factors of trust is essential for the better understanding of consumers' online purchasing behavior.

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APPENDICES

Appendix A

Research Questionnaire



**UNIVERSITI TUNKU ABDUL RAHMAN (UTAR)
FACULTY OF ACCOUNTANCY AND MANAGEMENT (FAM)
MASTER OF BUSINESS ADMINISTRATION**

**Investigation of the Determinants of Trust in Internet Shopping and its
Relationship with Online Purchase Intention**

Dear Respondent,

Thank you for spending your time to complete this questionnaire. I am currently undertaking a master degree in Business Administration at the Universiti Tunku Abdul Rahman (UTAR), Malaysia. As part of my studies, I am conducting a research project titled "*Investigation of the Determinants of Trust in Internet Shopping and its Relationship with Online Purchase Intention.*" You are invited to take part in this research project which examines the determinants of online consumers' trust in Malaysia.

This study hopes to gain value insights in this topic through a survey questionnaire; results obtained will be useful for web vendors to formulate better customer relationship strategies to meet and satisfied their customers' perception of trust on

online purchase intention. The target respondents of this survey are online consumers from Klang Valley.

This is an invitation for you to participate in the above study by completing the attached anonymous survey. Our questionnaire is divided into three parts: Section A (General Information), Section B (General Opinion) and Section C (Demographic Profile). It will take approximately 15 minutes to complete this survey and, if you decide to complete the survey, this will take as your formal consent to participate in the project. Your participation is highly appreciated and much needed for this research purpose. However, you can withdraw at any time without having to give any reasons and the questionnaire will be destroyed immediately.

All the information collected from this survey will be kept private and confidential. Once the information has been analyzed and the project completed, all the questionnaires will be destroyed. At no time will any individual be identified in any reports resulting from this study.

If there is any enquiry about the questionnaire, please kindly contact me at:

Name	Student ID	Contact Number
Loh Xin Ran	11UKM00001	012-6606618

Part I: Screening
Section A: General Information

(Please tick on the appropriate box or write the correct answer)

1. Have you ever visited an online shopping website? (If you answer “No”, this is the end of the questionnaire)

- Yes (Continue with Question 2) No (End of Questionnaire)

2. How many times have you purchased items from any website in last 6 months?

- None 1-3 times 4-6 times
 7-9 times 10 times or more

3. What do you usually purchase online? (You may choose more than one option)

- Flight tickets Movie tickets Books
 Electronic goods Cosmetics Clothes
 Accessories Others (Please specify: _____)

4. On average, how much do you normally spend on online shopping per annum? (to the nearest amount RM)

- Below RM250
 RM251 and RM500
 RM501 and RM750
 RM751 and RM1000
 RM1001 and RM1250
 Above RM1250

5. Which payment method you would use to purchase products or services online?
(You may choose more than one option)

- Credit card
 Debit Card
 Bank draft/ Money order
 Cheque
 Cash on delivery
 Bank in via ATM machine
 Others (Please specify: _____)

Section B: Factors that affecting Trust and Online Purchase Intention

Below are different work-related factors that may have impact on your online purchase intention. Please circle the number that represents the most appropriate answer of each of the following statements. The answer being represented by 1- strongly disagrees, 2-disagree, 3-neutral, 4-agree and 5- strongly agree.

	Strongly Disagree (1)	Disagree (2)	Neutral (3)	Agree (4)	Strongly Agree (5)
Company reputation					
1.The website has a good reputation compared to other rival websites.	1	2	3	4	5
2.The website is trustworthy and honest.	1	2	3	4	5
3.The website is concerned about customer’s welfare.	1	2	3	4	5
4.The website has a good ability to deal with perceived risks.	1	2	3	4	5
Perceived size					
1.This company is a large company.	1	2	3	4	5
2.This company store’s is one of the industry’s biggest suppliers on the web.	1	2	3	4	5
3.This company is a small player in the market.	1	2	3	4	5
Perceived security					
1.The website which I transact with has mechanism to ensure the safe transmission of customers’ information.	1	2	3	4	5

2.Purchasing on the website which I transact with will not cause financial loss.	1	2	3	4	5
3.The website which I transact with is providing enough online security.	1	2	3	4	5
Perceived privacy					
1.The monetary information that I provide on the website is well protected.	1	2	3	4	5
2.I think the website which I transact with will not provide my personal information to other companies without my consent.	1	2	3	4	5
3. I think the website respects the user rights when obtaining personal information.	1	2	3	4	5
Perceived ease of use					
1.The website is easy to locate desired information.	1	2	3	4	5
2.My interactions with the website which I transact with are clear and understandable.	1	2	3	4	5
3.The website which I transact with would not require a lot of mental effort.	1	2	3	4	5
Perceived website design quality					
1.The website has an attractive, modern and professional design.	1	2	3	4	5
2.The graphics on the website are likeable.	1	2	3	4	5

3. The organization of the content on the website is easy to find the items I want.	1	2	3	4	5
Trust propensity					
1.I have positive experience in using the internet.	1	2	3	4	5
2. I believed the information that provided on the web site is true and honest.	1	2	3	4	5
3.The infrastructure of the website which I transact with is dependable.	1	2	3	4	5
4.I believed the website would act in my best interest.	1	2	3	4	5
Purchase Intention					
1.I am likely to purchase the products from this website in the near future.	1	2	3	4	5
2.The website will be a good decision for me to make transaction.	1	2	3	4	5
3.I would like to increase my frequency of purchase online compared to physical store.	1	2	3	4	5
4.I am likely to recommend this website to my friends.	1	2	3	4	5

Part II

Section C: Demographic Information

(Please tick on the appropriate box or write the correct answer)

1. Gender

- Male Female

2. Age

- Below 18 years old
 25-29 years old
 30-34 years old
 35-39 years old
 Above 40 years old

3. Race

- Malay Indian
 Chinese Others (Please specify: _____)

4. Education Level

- Secondary School Pre-University
 Diploma Bachelor's Degree
 Master's Degree Doctorate Degree

5. Income Level (per month)

- Below RM2000 RM4001 to RM5000
 RM2001 to RM3000 RM5001 and above
 RM3001 to RM4000

6. Occupation

- Student
 Office Administration
 Clerical work
 Professional/ Technical expertise
 Managerial level
 Others (Please specify: _____)

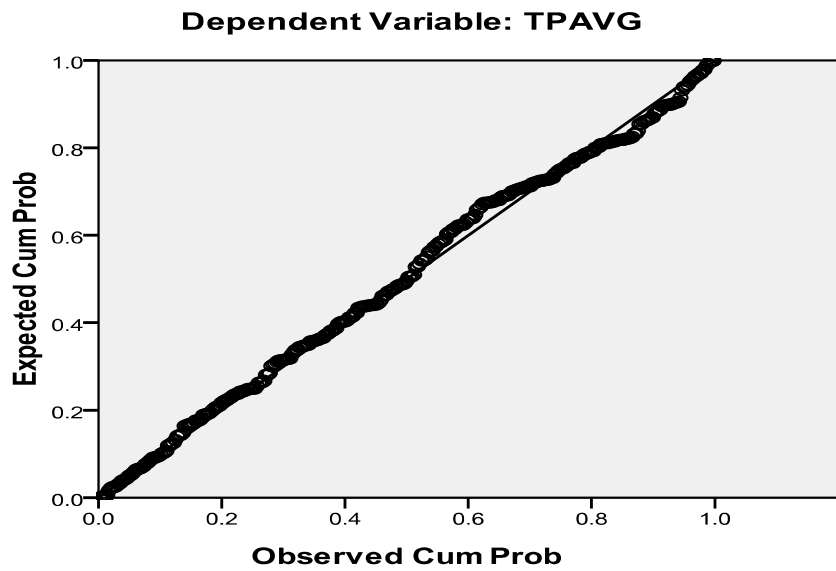
*******Thank you for your time and co-operation*******

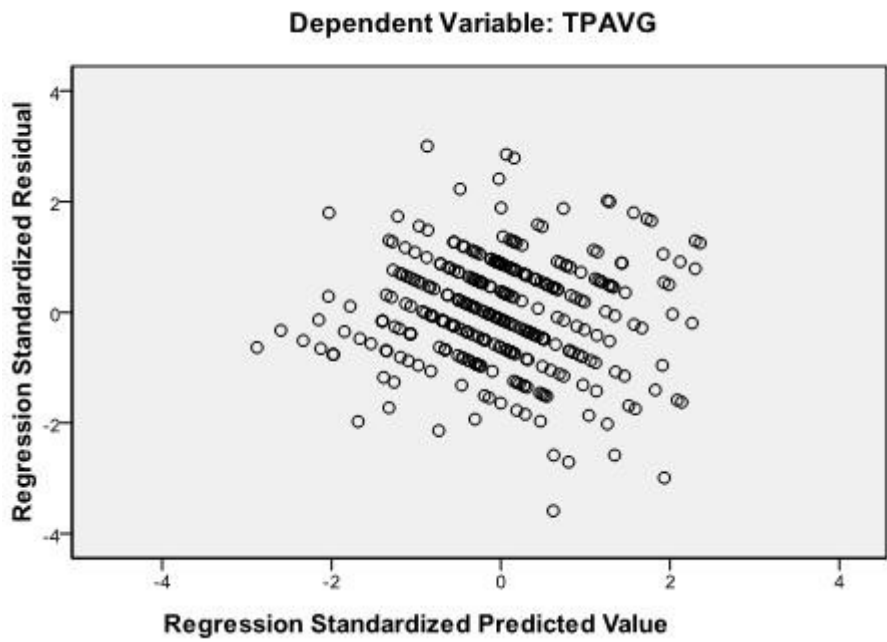
Appendix B

Research Statistical Outputs

Appendix 4.1 Normality Analysis

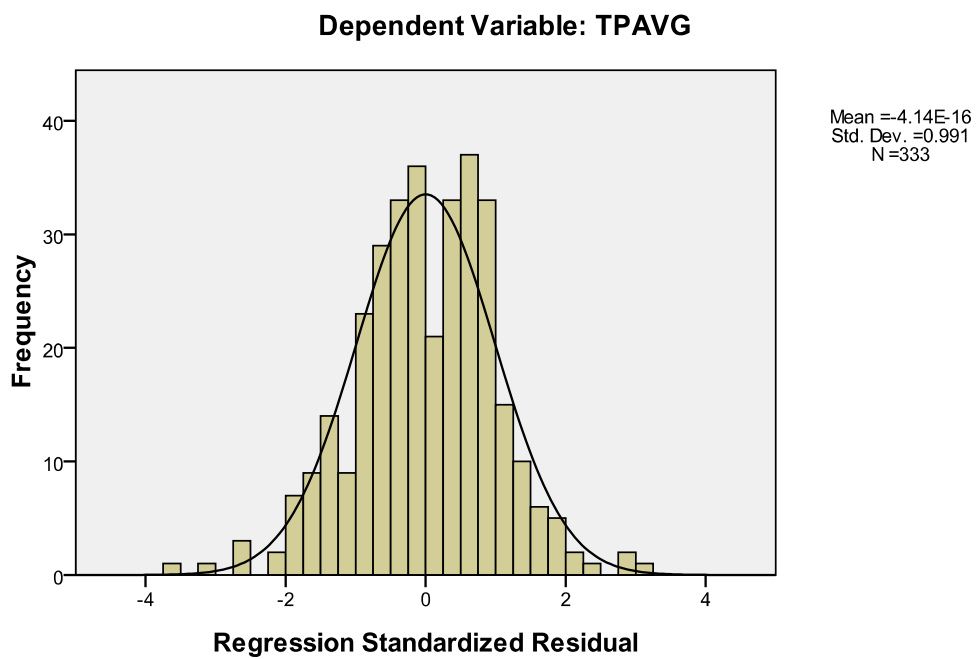
Normal P-P Plot of Regression Standardized Residual





Histogram with Normal Curve of Klang Valley Online Consumers' Online Purchase Intention

Histogram



Appendix 4.2 Descriptive Analysis

a. Respondent Buying Behavior Analysis

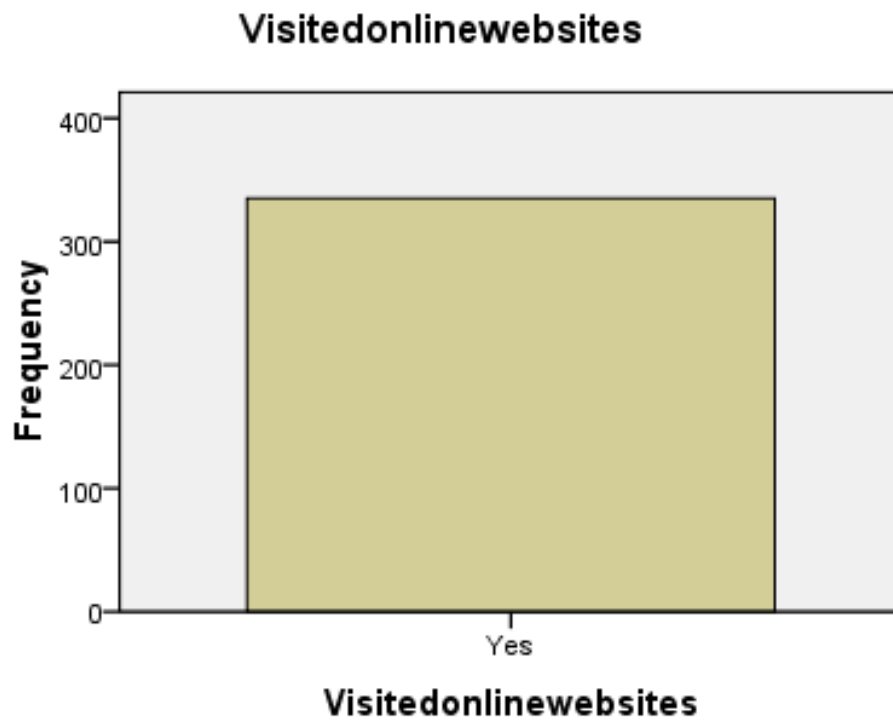
Statistics

	Visitedonline ebsites	Frequencyofpurchas e	Annualspendin g	Typeofpurchas e	Paymentmethod s
N Valid	335	335	335	335	335
Missing	0	0	0	0	0
Mean	1.00	2.82	2.53	2.20	1.89
Median	1.00	2.00	2.00	1.00	1.00
Mode	1	2	1	1	1
Std. Deviation	.000	1.209	1.500	1.760	1.652
Variance	.000	1.461	2.250	3.099	2.730
Std. Error of Skewness	.133	.133	.133	.133	.133
Std. Error of Kurtosis	.266	.266	.266	.266	.266
Minimum	1	1	1	1	1
Maximum	1	5	6	8	7
Skewness		.692	.646	1.566	1.853
Kurtosis		-.643	-.693	1.258	1.973

i. Visited online website

Visitedonline website

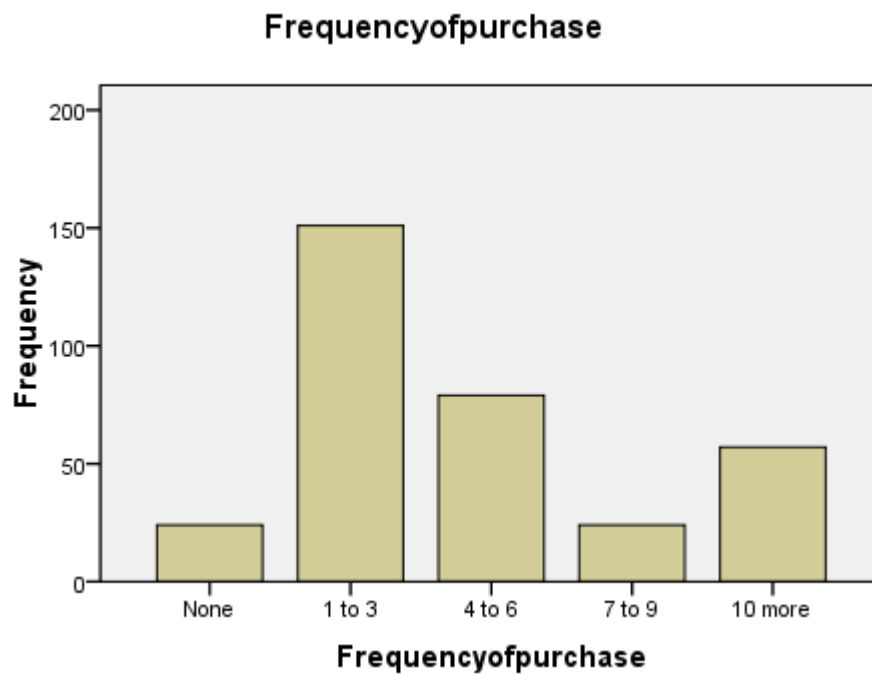
	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Yes	335	100.0	100.0	100.0



ii. Frequency of Purchase

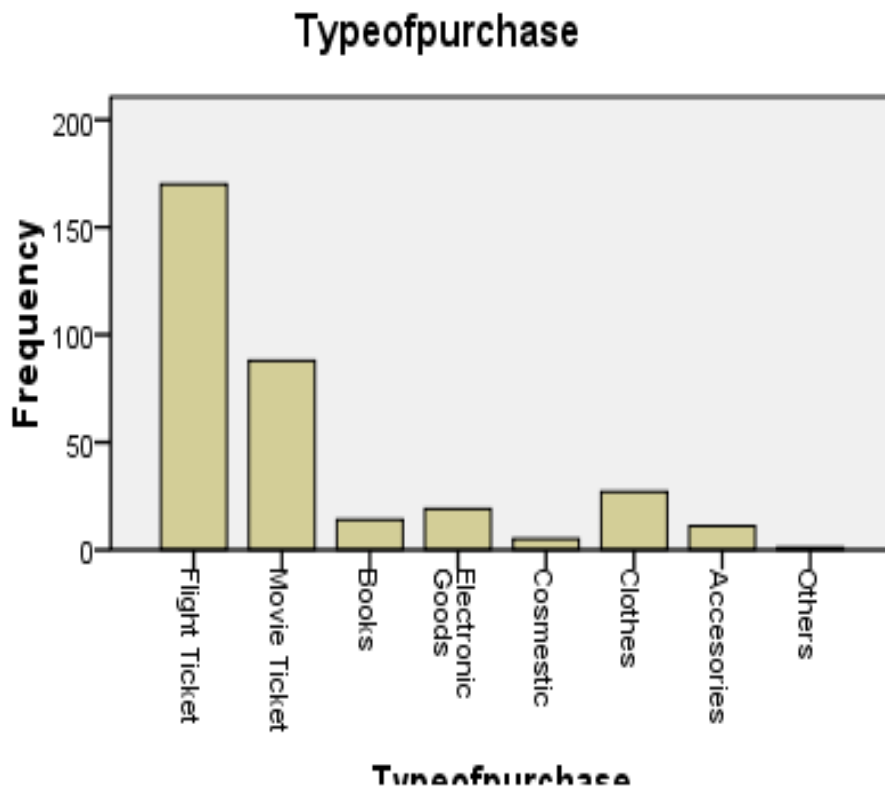
Frequencyofpurchase

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	None	24	7.2	7.2	7.2
	1 to 3	151	45.1	45.1	52.2
	4 to 6	79	23.6	23.6	75.8
	7 to 9	24	7.2	7.2	83.0
	10 above	57	17.0	17.0	100.0
	Total	335	100.0	100.0	



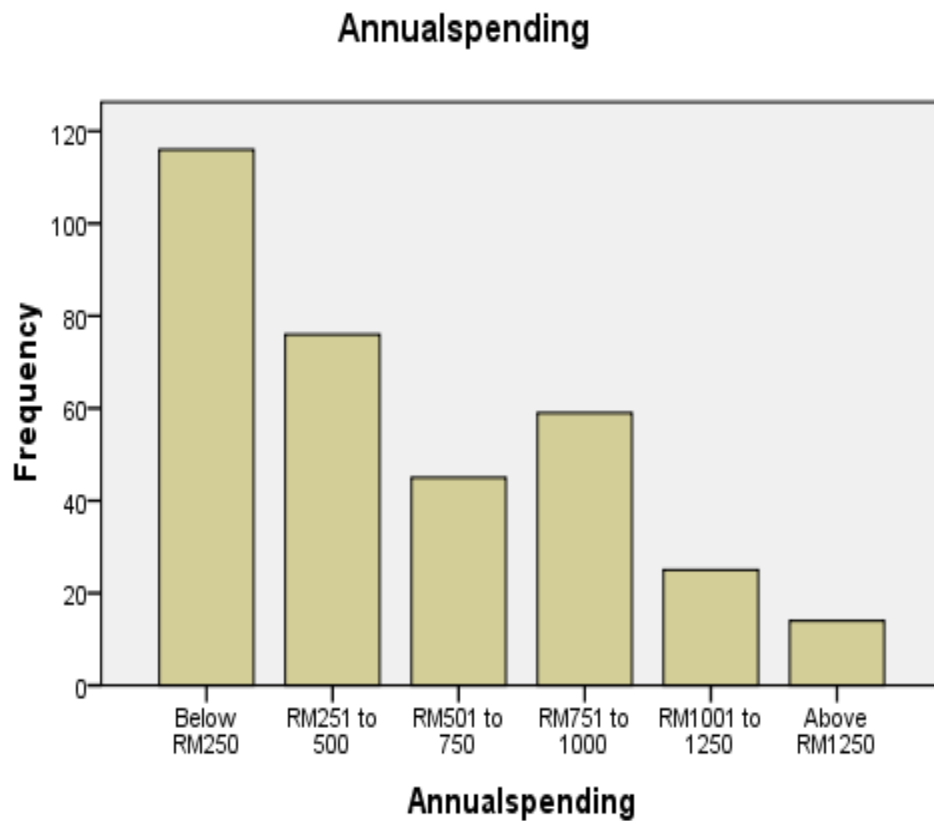
ii. Type of Purchase

		Typeofpurchase			
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Flight Ticket	170	50.7	50.7	50.7
	Movie Ticket	88	26.3	26.3	77.0
	Books	14	4.2	4.2	81.2
	Electronic Goods	19	5.7	5.7	86.9
	Cosmetic	5	1.5	1.5	88.4
	Clothes	27	8.1	8.1	96.4
	Accessories	11	3.3	3.3	99.7
	Others	1	.3	.3	100.0
	Total	335	100.0	100.0	



iii. Annual Spending in Online Purchases

Annual Spending					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Below RM250	116	34.6	34.6	34.6
	RM251 to 500	76	22.7	22.7	57.3
	RM501 to 750	45	13.4	13.4	70.7
	RM751 to 1000	59	17.6	17.6	88.4
	RM1001 to 1250	25	7.5	7.5	95.8
	Above RM1250	14	4.2	4.2	100.0
Total		335	100.0	100.0	

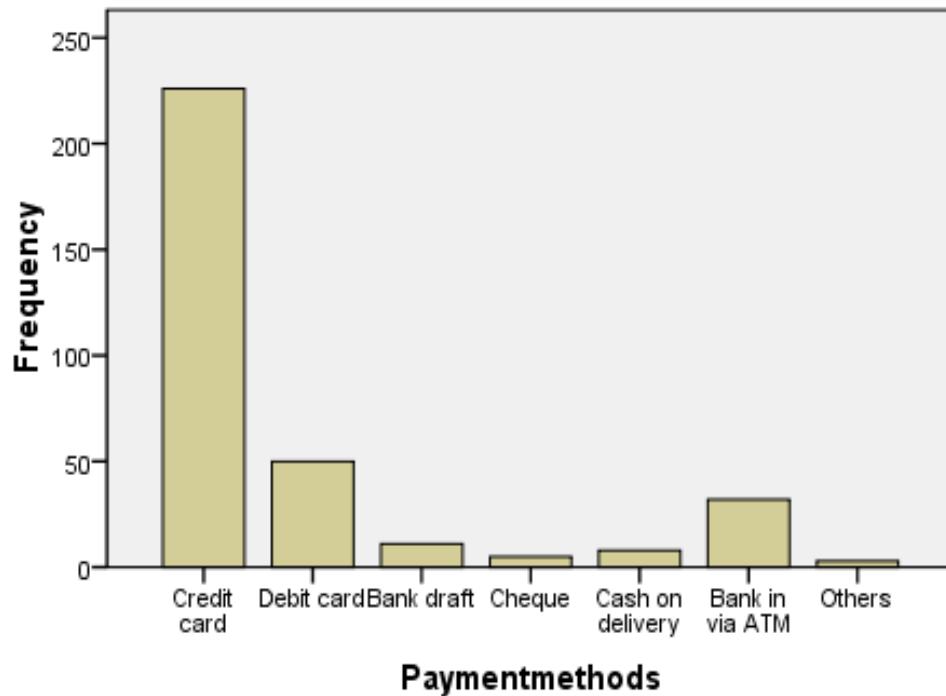


iv. Payment Methods

Payment Methods

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Credit card	226	67.5	67.5	67.5
Debit card	50	14.9	14.9	82.4
Bank draft	11	3.3	3.3	85.7
Cheque	5	1.5	1.5	87.2
Cash on delivery	8	2.4	2.4	89.6
Bank in via ATM	32	9.6	9.6	99.1
Others	3	.9	.9	100.0
Total	335	100.0	100.0	

Paymentmethods



b. Demographic Profile

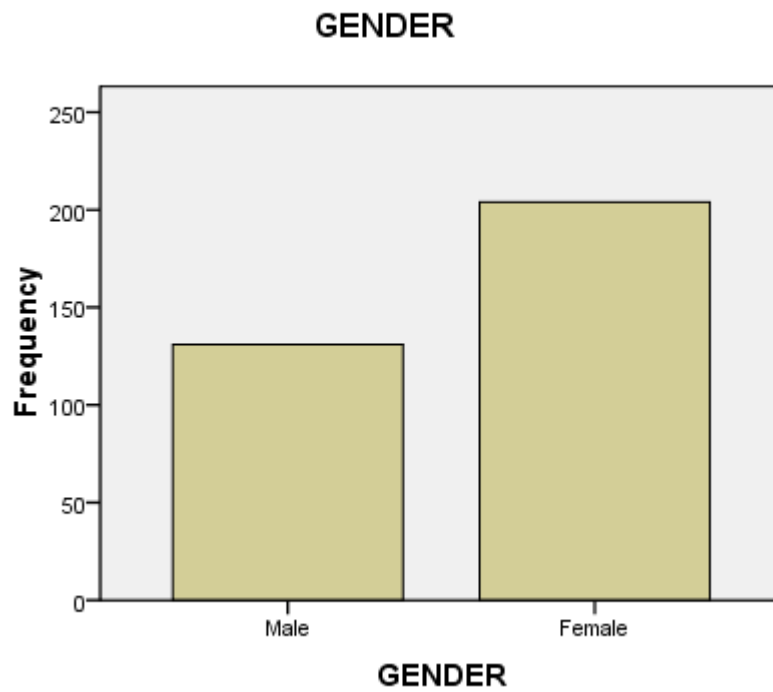
Statistics

	GENDER	RACE	EDUCATION	INCOME	OCCUPATION	AGE
N Valid	335	335	335	335	335	335
Missing	0	0	0	0	0	0
Mean	1.61	1.99	3.57	2.59	3.25	2.7761
Median	2.00	2.00	4.00	3.00	3.00	3.0000
Mode	2	2	4	3	2 ^a	3.00
Std. Deviation	.489	.471	.994	1.195	1.624	1.25994
Variance	.239	.222	.989	1.428	2.636	1.587
Minimum	1	1	1	1	1	1.00
Maximum	2	5	6	5	6	5.00

a. Multiple modes exist. The smallest value is shown

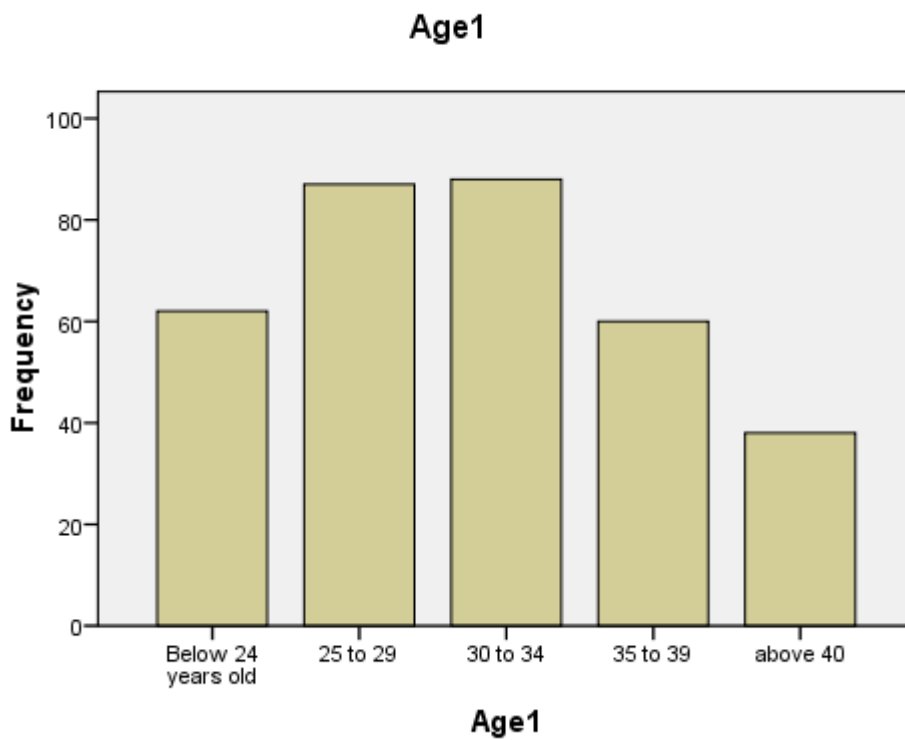
i. Gender

		GENDER			
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Male	131	39.1	39.1	39.1
	Female	204	60.9	60.9	100.0
Total		335	100.0	100.0	



ii. Age

		AGE			
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Below 24 years old	62	18.5	18.5	18.5
	25 to 29	87	26.0	26.0	44.5
	30 to 34	88	26.3	26.3	70.7
	35 to 39	60	17.9	17.9	88.7
	above 40	38	11.3	11.3	100.0
	Total	335	100.0	100.0	

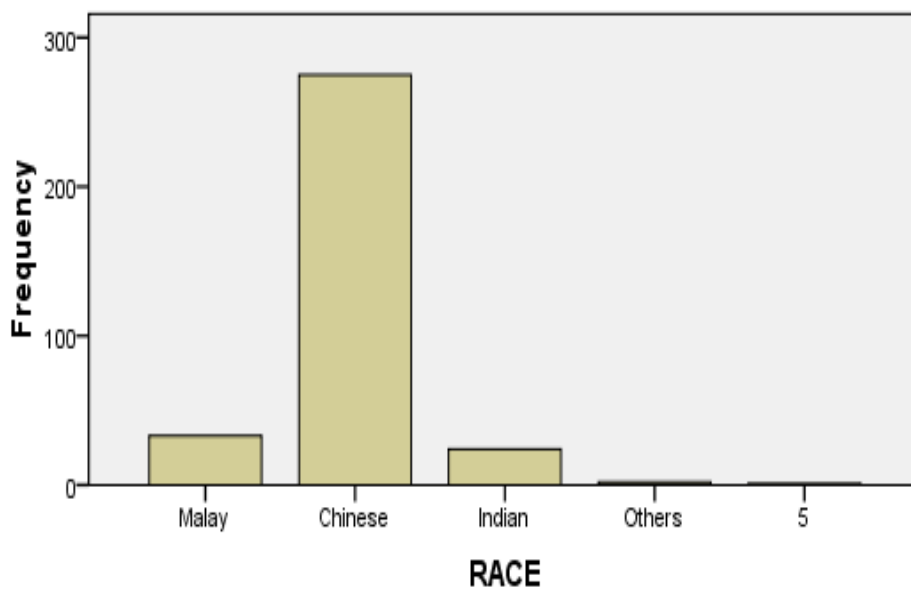


iii. Race

RACE

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Malay	33	9.9	9.9	9.9
	Chinese	275	82.1	82.1	91.9
	Indian	24	7.2	7.2	99.1
	Others	2	.6	.6	99.7
	5	1	.3	.3	100.0
	Total	335	100.0	100.0	

RACE

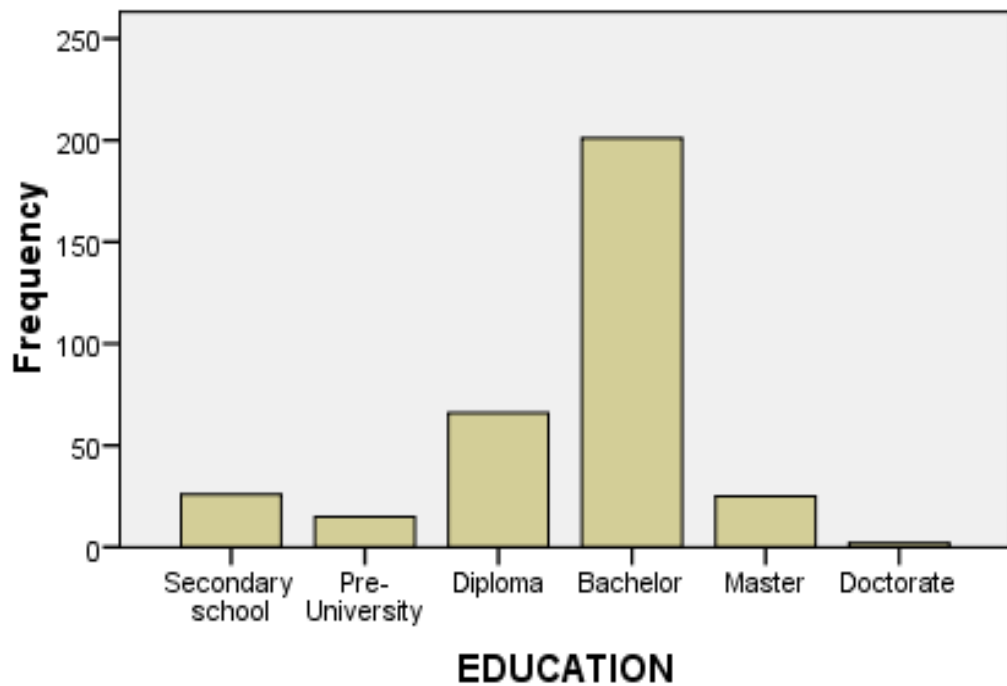


iv. Education level

EDUCATION

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Secondary school	26	7.8	7.8	7.8
	Pre-University	15	4.5	4.5	12.2
	Diploma	66	19.7	19.7	31.9
	Bachelor	201	60.0	60.0	91.9
	Master	25	7.5	7.5	99.4
	Doctorate	2	.6	.6	100.0
	Total	335	100.0	100.0	

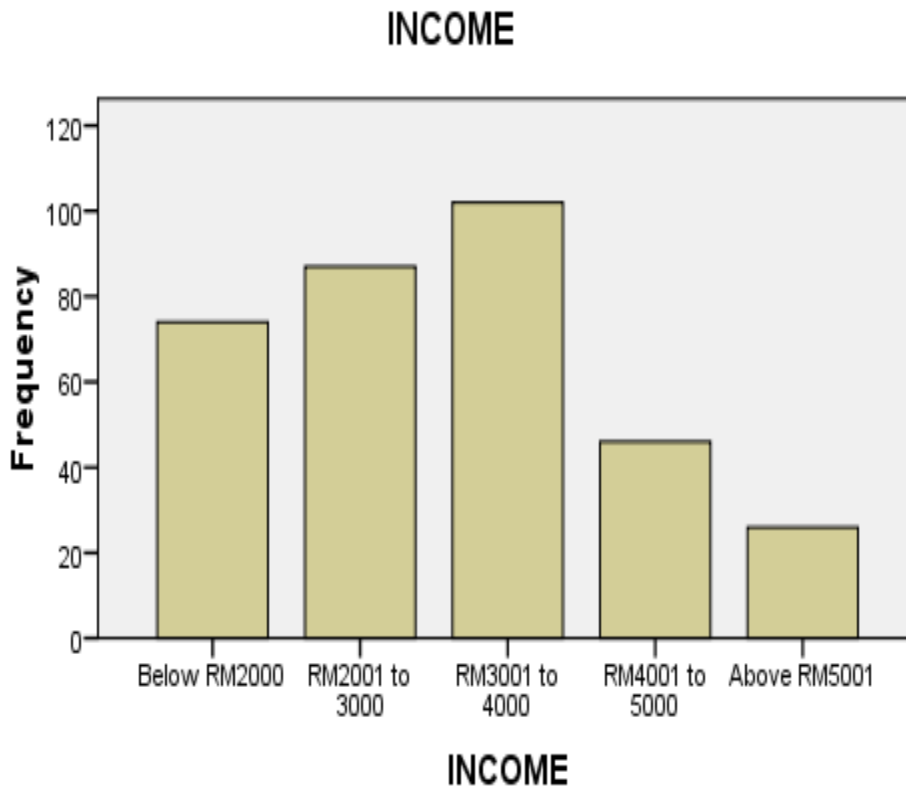
EDUCATION



v. Income level

INCOME

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Below RM2000	74	22.1	22.1	22.1
	RM2001 to 3000	87	26.0	26.0	48.1
	RM3001 to 4000	102	30.4	30.4	78.5
	RM4001 to 5000	46	13.7	13.7	92.2
	Above RM5001	26	7.8	7.8	100.0
	Total	335	100.0	100.0	

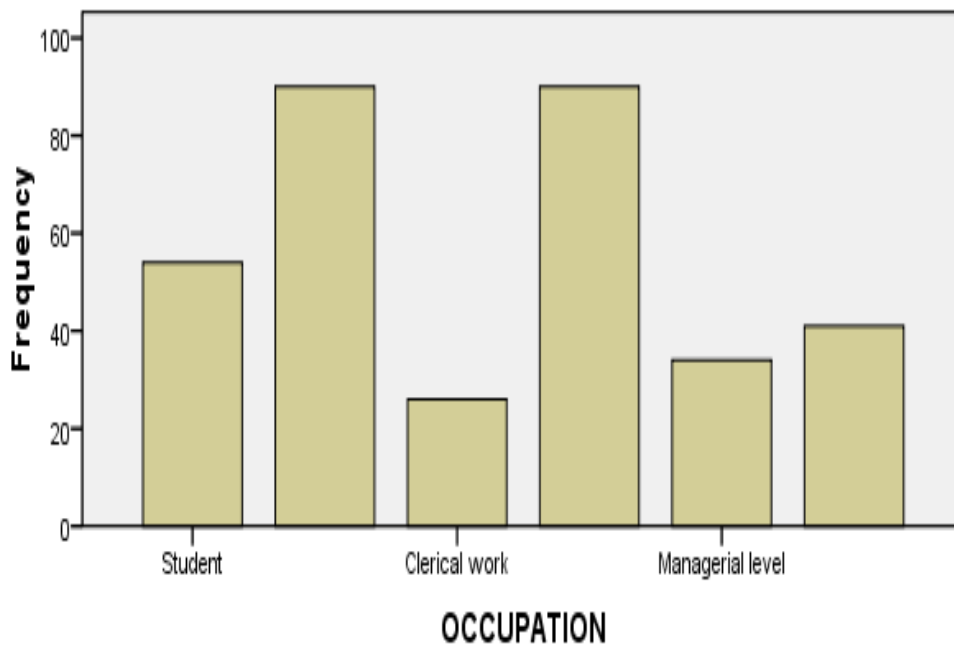


vi. Occupation

OCCUPATION

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Student	54	16.1	16.1	16.1
	Office Administration	90	26.9	26.9	43.0
	Clerical work	26	7.8	7.8	50.7
	Professional/Technical	90	26.9	26.9	77.6
	Managerial level	34	10.1	10.1	87.8
	Others	41	12.2	12.2	100.0
	Total	335	100.0	100.0	

OCCUPATION



c. Descriptive Analysis: Measurement of Central Tendency of Various Constructs

	N	Minimum	Maximum	Mean	Std. Deviation	Variance	Skewness		Kurtosis	
							Statistic	Std. Error	Statistic	Std. Error
CPQ1	335	1	5	3.83	.763	.583	-.358	.133	.561	.266
CPQ2	335	1	5	3.82	.867	.752	-.559	.133	.305	.266
CPQ3	335	1	5	3.59	.824	.679	-.287	.133	.371	.266
CPQ4	332	1	5	3.59	.852	.725	-.265	.134	.178	.267
CPAVG	335	1	5	3.71	.693	.480	-.171	.133	.631	.266
PSQ1	335	1	5	3.54	.817	.668	-.130	.133	-.157	.266
PSQ2	335	1	5	3.44	.863	.744	-.162	.133	-.043	.266
PSQ3	333	1	5	2.94	.883	.780	-.041	.134	-.059	.266
PSAVG	335	1	5	3.41	.543	.294	.160	.133	1.531	.266
PSYQ1	335	1	5	3.87	.802	.644	-.487	.133	.481	.266
PSYQ2	335	1	5	3.83	.910	.828	-.574	.133	.062	.266
PSYQ3	334	1	5	3.90	.814	.662	-.484	.133	.201	.266
PSYAVG	335	1	5	3.75	.636	.405	-.431	.133	.955	.266
PPQ1	335	1	5	3.91	.831	.690	-.436	.133	-.173	.266
PPQ2	335	1	5	3.74	.928	.862	-.461	.133	-.087	.266
PPQ3	335	1	5	3.84	.814	.663	-.400	.133	.091	.266
PPAVG	335	1	5	3.81	.699	.489	-.348	.133	.342	.266
PEUQ1	335	1	5	3.83	.753	.567	-.513	.133	.696	.266
PEUQ2	335	1	5	3.82	.745	.555	-.573	.133	.854	.266
PEUQ3	335	1	5	3.79	.785	.617	-.503	.133	.438	.266
PEUAVG	335	1	5	3.81	.587	.344	-.471	.133	1.701	.266
PWDQQ1	335	1	5	3.54	.753	.567	-.191	.133	.166	.266
PWDQQ2	335	1	5	3.58	.777	.604	-.420	.133	.168	.266
PWDQQ3	335	1	5	3.76	.764	.584	-.418	.133	.439	.266
PWDQAVG	335	1	5	3.67	.571	.326	-.481	.133	1.584	.266
TPQ1	335	1	5	3.77	.779	.607	-.574	.133	.767	.266
TPQ2	335	1	5	3.43	.808	.653	-.157	.133	.140	.266

TPQ3	335	1	5	3.53	.717	.514	.009	.133	.026	.266
TPQ4	335	1	5	3.52	.788	.622	-.259	.133	.367	.266
TPAVG	335	1	5	3.56	.601	.361	-.183	.133	1.012	.266
RAQ1	335	1	5	3.63	.889	.791	-.641	.133	.410	.266
RAQ2	335	1	5	3.73	.850	.723	-.492	.133	.443	.266
RAQ3	335	1	5	3.83	.921	.848	-.512	.133	-.192	.266
RAQ4	335	1	5	3.68	.980	.959	-.331	.133	-.552	.266
RAAVG	335	1	5	3.72	.631	.399	-.317	.133	.760	.266
PIQ1	335	1	5	3.70	.759	.576	-.548	.133	1.001	.266
PIQ2	335	1	5	3.64	.753	.568	-.259	.133	.037	.266
PIQ3	335	1	5	3.39	.846	.717	-.082	.133	-.116	.266
PIQ4	335	1	5	3.60	.827	.684	-.450	.133	.591	.266
PIAVG	335	1	5	3.58	.615	.379	-.233	.133	1.087	.266
Valid (listwise)	N 329									

Appendix 4.3 Reliability Analysis

a. Company reputation

Reliability Statistics

Cronbach's Alpha	N of Items
.855	4

b. Perceived size (Q2&Q3)

Reliability Statistics

Cronbach's Alpha	N of Items
.778	2

c. Perceived security

Reliability Statistics

Cronbach's Alpha	N of Items
.852	3

d. Perceived privacy

Reliability Statistics

Cronbach's Alpha	N of Items
.875	3

e. Perceived ease of use

Reliability Statistics

Cronbach's Alpha	N of Items
.792	3

f. Perceived website design quality

Reliability Statistics

Cronbach's Alpha	N of Items
.780	3

g. Online Trust

Reliability Statistics

Cronbach's Alpha	N of Items
.780	4

h. Purchase Intention

Reliability Statistics

Cronbach's Alpha	N of Items
.773	4

Appendix 4.4 Pearson Correlation Analysis

Correlations

		CPAVG	PSAVG	PSYAVG	PPAVG	PEUAVG	PWDQAVG	TPAVG	PIAVG
CPAVG	Pearson Correlation	1	.655**	.671**	.672**	.571**	.458**	.457**	.357**
	Sig. (2-tailed)		.000	.000	.000	.000	.000	.000	.000
	N	335	335	335	335	335	335	335	335
PSAVG	Pearson Correlation	.655**	1	.668**	.543**	.474**	.467**	.439**	.423**
	Sig. (2-tailed)	.000		.000	.000	.000	.000	.000	.000
	N	335	335	335	335	335	335	335	335
PSYAVG	Pearson Correlation	.671**	.668**	1	.819**	.631**	.508**	.488**	.414**
	Sig. (2-tailed)	.000	.000		.000	.000	.000	.000	.000
	N	335	335	335	335	335	335	335	335
PPAVG	Pearson Correlation	.672**	.543**	.819**	1	.705**	.498**	.479**	.406**
	Sig. (2-tailed)	.000	.000	.000		.000	.000	.000	.000
	N	335	335	335	335	335	335	335	335
PEUAVG	Pearson Correlation	.571**	.474**	.631**	.705**	1	.713**	.507**	.459**
	Sig. (2-tailed)	.000	.000	.000	.000		.000	.000	.000
	N	335	335	335	335	335	335	335	335
PWDQAVG	Pearson Correlation	.458**	.467**	.508**	.498**	.713**	1	.456**	.442**
	Sig. (2-tailed)	.000	.000	.000	.000	.000		.000	.000
	N	335	335	335	335	335	335	335	335
TPAVG	Pearson Correlation	.457**	.439**	.488**	.479**	.507**	.456**	1	.591**

	Sig. (2-tailed)	.000	.000	.000	.000	.000	.000	.000	.000
	N	335	335	335	335	335	335	335	335
PIAVG	Pearson Correlation	.357**	.423**	.414**	.406**	.459**	.442**	.591**	1
	Sig. (2-tailed)	.000	.000	.000	.000	.000	.000	.000	
	N	335	335	335	335	335	335	335	335

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

Appendix 4.4 Multiple Regression Analysis (STEPWISE METHOD)

Model Summary^e

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.507 ^a	.257	.255	.519
2	.551 ^b	.304	.300	.503
3	.563 ^c	.417	.411	.499
4	.573 ^d	.438	.420	.495

a. Predictors: (Constant), PEUAVG

b. Predictors: (Constant), PEUAVG, PSYAVG

c. Predictors: (Constant), PEUAVG, PSYAVG, PWDQAVG

d. Predictors: (Constant), PEUAVG, PSYAVG, PWDQAVG, CPAVG

e. Dependent Variable: TPAVG

ANOVA^e

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	30.827	1	30.827	114.597	.000 ^a
	Residual	89.040	331	.269		
	Total	119.867	332			
2	Regression	36.457	2	18.229	72.119	.000 ^b
	Residual	83.410	330	.253		
	Total	119.867	332			
3	Regression	37.972	3	12.657	50.849	.000 ^c
	Residual	81.895	329	.249		
	Total	119.867	332			
4	Regression	39.361	4	9.840	40.091	.000 ^d
	Residual	80.507	328	.245		
	Total	119.867	332			

a. Predictors: (Constant), PEUAVG

b. Predictors: (Constant), PEUAVG, PSYAVG

c. Predictors: (Constant), PEUAVG, PSYAVG, PWDQAVG

d. Predictors: (Constant), PEUAVG, PSYAVG, PWDQAVG, CPAVG

e. Dependent Variable: TPAVG

Coefficients^a

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	1.584	.187		8.462	.000
	PEUAVG	.519	.049	.507	10.705	.000
2	(Constant)	1.282	.192		6.668	.000
	PEUAVG	.339	.061	.331	5.591	.000
	PSYAVG	.264	.056	.279	4.720	.000
3	(Constant)	1.125	.201		5.589	.000
	PEUAVG	.231	.074	.226	3.113	.002
	PSYAVG	.249	.056	.264	4.466	.000
	PWDQAVG	.170	.069	.161	2.467	.014
4	(Constant)	1.066	.201		5.295	.000
	PEUAVG	.198	.075	.193	2.632	.009
	PSYAVG	.177	.063	.187	2.792	.006
	PWDQAVG	.163	.068	.155	2.384	.018
	CPAVG	.130	.055	.150	2.378	.018

a. Dependent Variable: TPAVG

Excluded Variables^e

Model	Beta In	t	Sig.	Partial Correlation	Collinearity Statistics	
					Tolerance	
1	CPAVG	.248 ^a	4.415	.000	.236	.674
	PSYAVG	.279 ^a	4.720	.000	.251	.602
	PSQAVG_NEW	.162 ^a	3.354	.001	.182	.936
	PPAVG	.241 ^a	3.679	.000	.198	.503
	PWDQAVG	.192 ^a	2.878	.004	.156	.492
2	CPAVG	.156 ^b	2.461	.014	.134	.514
	PSQAVG_NEW	.096 ^b	1.902	.058	.104	.824
	PPAVG	.062 ^b	.707	.480	.039	.271
	PWDQAVG	.161 ^b	2.467	.014	.135	.487
3	CPAVG	.150 ^c	2.378	.018	.130	.513
	PSQAVG_NEW	.077 ^c	1.515	.131	.083	.800
	PPAVG	.087 ^c	.991	.322	.055	.268
4	PSQAVG_NEW	.068 ^d	1.343	.180	.074	.796
	PPAVG	.045 ^d	.506	.613	.028	.256

a. Predictors in the Model: (Constant), PEUAVG

b. Predictors in the Model: (Constant), PEUAVG, PSYAVG

c. Predictors in the Model: (Constant), PEUAVG, PSYAVG, PWDQAVG

d. Predictors in the Model: (Constant), PEUAVG, PSYAVG, PWDQAVG, CPAVG

e. Dependent Variable: TPAVG

Appendix 4.5 Simple Regression Analysis

The Relationship between Online Trust and Online Purchase Intention

Coefficients^a

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	1.425	.164		8.708	.000
	TPAVG	.605	.045	.591	13.357	.000

a. Dependent Variable: PIAVG

Model Summary^b

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.591 ^a	.349	.347	.497

a. Predictors: (Constant), TPAVG

b. Dependent Variable: PIAVG

ANOVA^b

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	44.104	1	44.104	178.406	.000 ^a
	Residual	82.322	333	.247		
	Total	126.426	334			

a. Predictors: (Constant), TPAVG

b. Dependent Variable: PIAVG

Appendix 4.6 Multicollinearity Analysis test

Coefficients^a

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
	B	Std. Error	Beta			Tolerance	VIF
1 (Constant)	.534	.197		2.711	.007		
CPAVG	.104	.053	.120	1.954	.052	.445	2.249
PSAVG	.028	.068	.026	.418	.677	.447	2.235
PSYAVG	.106	.062	.112	1.716	.087	.392	2.553
PEUAVG	.126	.069	.123	1.829	.068	.368	2.716
PWDQAVG	.069	.063	.066	1.092	.276	.462	2.166
PIAVG	.396	.047	.405	8.409	.000	.719	1.390

a. Dependent Variable: TPAVG

Item-Total Statistics

	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item-Total Correlation	Cronbach's Alpha if Item Deleted
CPAVG	22.02	8.441	.731	.884
PSAVG	22.32	9.326	.677	.890
PSYAVG	21.98	8.464	.809	.875
PPAVG	21.92	8.204	.791	.877
PEUAVG	21.92	8.868	.759	.881
PWDQAVG	22.06	9.329	.633	.895
TPAVG	22.17	9.390	.574	.901

Appendix 4.7 Factor Analysis

a. Company Reputation

KMO and Bartlett's Test

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.	.807
Bartlett's Test of Sphericity	Approx. Chi-Square
	583.542
	df
	6
	Sig.
	.000

Communalities

	Initial	Extraction
CPQ1	1.000	.725
CPQ2	1.000	.706
CPQ3	1.000	.662
CPQ4	1.000	.708

Extraction Method: Principal Component Analysis.

Total Variance Explained

Component	Initial Eigenvalues			Extraction Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	2.801	70.019	70.019	2.801	70.019	70.019
2	.504	12.610	82.629			
3	.374	9.338	91.967			
4	.321	8.033	100.000			

Extraction Method: Principal Component Analysis.

Component Matrix^a

	Component
	1
CPQ1	.852
CPQ4	.841
CPQ2	.840
CPQ3	.813

b. Perceived size

KMO and Bartlett's Test

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.487
Bartlett's Test of Sphericity	Approx. Chi-Square	149.605
	df	3
	Sig.	.000

Communalities

	Initial	Extraction
PSQ1	1.000	.809
PSQ2	1.000	.802
PSQ3	1.000	.993

Extraction Method: Principal Component Analysis.

Total Variance Explained

Component	Initial Eigenvalues			Extraction Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	1.603	53.449	53.449	1.603	53.449	53.449
2	1.000	33.340	86.789	1.000	33.340	86.789
3	.396	13.211	100.000			

Extraction Method: Principal Component Analysis.

Component Matrix^a

	Component	
	1	2
PSQ2	.895	.001
PSQ1	.879	-.189
PSQ3	.169	.982

c. Perceived Security

Correlation Matrix

		PSYQ1	PSYQ2	PSYQ3
Correlation	PSYQ1	1.000	.605	.743
	PSYQ2	.605	1.000	.641
	PSYQ3	.743	.641	1.000

KMO and Bartlett's Test

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.715
Bartlett's Test of Sphericity	Approx. Chi-Square	462.676
	df	3
	Sig.	.000

Communalities

	Initial	Extraction
PSYQ1	1.000	.795
PSYQ2	1.000	.712
PSYQ3	1.000	.821

Extraction Method: Principal Component Analysis.

Total Variance Explained

Component	Initial Eigenvalues			Extraction Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	2.328	77.589	77.589	2.328	77.589	77.589
2	.418	13.946	91.535			
3	.254	8.465	100.000			

Extraction Method: Principal Component Analysis.

Component Matrix^a

	Component
	1
PSYQ3	.906
PSYQ1	.892
PSYQ2	.844

d. Perceived Privacy

Correlation Matrix

		PPQ1	PPQ2	PPQ3
Correlation	PPQ1	1.000	.705	.679
	PPQ2	.705	1.000	.726
	PPQ3	.679	.726	1.000

KMO and Bartlett's Test

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.741
Bartlett's Test of Sphericity	Approx. Chi-Square	517.934
	df	3
	Sig.	.000

Total Variance Explained

Component	Initial Eigenvalues			Extraction Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	2.406	80.210	80.210	2.406	80.210	80.210
2	.324	10.795	91.005			
3	.270	8.995	100.000			

Extraction Method: Principal Component Analysis.

Component Matrix^a

	Component
	1
PPQ2	.906
PPQ3	.895
PPQ1	.886

e. Perceived Ease of Use

KMO and Bartlett's Test

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.685
Bartlett's Test of Sphericity	Approx. Chi-Square	311.699
	df	3
	Sig.	.000

Communalities

	Initial	Extraction
PEUQ1	1.000	.667
PEUQ2	1.000	.777
PEUQ3	1.000	.680

Extraction Method: Principal Component Analysis.

Total Variance Explained

Component	Initial Eigenvalues			Extraction Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	2.124	70.809	70.809	2.124	70.809	70.809
2	.525	17.489	88.298			
3	.351	11.702	100.000			

Extraction Method: Principal Component Analysis.

Component Matrix^a

	Component
	1
PEUQ2	.882
PEUQ3	.824
PEUQ1	.817

f. Perceived website design quality

KMO and Bartlett's Test

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.686
Bartlett's Test of Sphericity	Approx. Chi-Square	286.635
	df	3
	Sig.	.000

Communalities

	Initial	Extraction
PWDQQ1	1.000	.751
PWDQQ2	1.000	.707
PWDQQ3	1.000	.628

Extraction Method: Principal Component Analysis.

Total Variance Explained

Component	Initial Eigenvalues			Extraction Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	2.085	69.514	69.514	2.085	69.514	69.514
2	.540	17.989	87.504			
3	.375	12.496	100.000			

Extraction Method: Principal Component Analysis.

Component Matrix^a

	Component
	1
PWDQQ1	.866
PWDQQ2	.841
PWDQQ3	.792

g. Online Trust

KMO and Bartlett's Test

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.	.755
Bartlett's Test of Sphericity	Approx. Chi-Square
	382.702
	df
	6
	Sig.
	.000

Communalities

	Initial	Extraction
TPQ1	1.000	.463
TPQ2	1.000	.595
TPQ3	1.000	.676
TPQ4	1.000	.696

Extraction Method: Principal Component Analysis.

Total Variance Explained

Component	Initial Eigenvalues			Extraction Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	2.430	60.740	60.740	2.430	60.740	60.740
2	.676	16.898	77.637			
3	.536	13.397	91.035			
4	.359	8.965	100.000			

Extraction Method: Principal Component Analysis.

Component Matrix^a

	Component
	1
TPQ4	.834
TPQ3	.822
TPQ2	.771
TPQ1	.680

h. Purchase Intention

KMO and Bartlett's Test

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.	.747
Bartlett's Test of Sphericity	Approx. Chi-Square
	379.033
	df
	6
	Sig.
	.000

Communalities

	Initial	Extraction
PIQ1	1.000	.693
PIQ2	1.000	.686
PIQ3	1.000	.471
PIQ4	1.000	.559

Extraction Method: Principal Component Analysis.

Total Variance Explained

Component	Initial Eigenvalues			Extraction Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	2.409	60.228	60.228	2.409	60.228	60.228
2	.674	16.842	77.070			
3	.576	14.392	91.461			
4	.342	8.539	100.000			

Extraction Method: Principal Component Analysis.

Component Matrix^a

	Component
	1
PIQ1	.833
PIQ2	.829
PIQ4	.747
PIQ3	.686