

# “Only Famous Companies I Would Ever Buy”: Understanding How People Learn to Trust Web Sites

Emilie W. Gould

Manning School of Business, Acadia University, Wolfville, Nova Scotia, Canada  
emilie.gould@acadiau.ca

**Abstract.** Many studies of e-commerce continue to be constrained by classic marketing concerns like product type. However, new aspects emerge when Fogg’s (2003) Typology of Web Credibility is applied to the development of trust. Results from a set of focus groups with Malaysian students highlight interesting issues associated with process, cultural values, and global inequities in infrastructure. The pilot study reported here will be updated with information from additional focus groups at the HCI International 2007 Conference in Beijing.

**Keywords:** trust; credibility; e-commerce; advertising; cultural values.

## 1 Introduction

I am currently engaged in conducting a series of focus groups with students from three different countries to examine the way they have learned to use (or not use) the web for e-commerce. The results from a pilot study with Malaysian students are reported here; results from additional focus groups will be reported at the HCI International 2007 Conference in Beijing.

## 2 The Malaysian Focus Groups

A pilot study with male and female Malaysian students examined their use of the Internet. All of the students were studying in the United States, but none had lived there more than one year. The students discussed their use of the Internet in Malaysia and how it had changed once they moved to the United States. Trust was a recurrent theme and, for some of them, trust was specifically connected to type of site. The students also identified specific design elements that enhanced credibility in e-commerce sites. In general, their comments corroborated the findings of Fogg’s (2003) Stanford Web Credibility Survey [3]; the ten elements that most enhanced credibility in the second Stanford survey were similar to their own concerns.

However, the students did not define e-commerce sites in a static way; almost all of them described the development of their trust in the Internet and specific web sites as a process that took place over time. Again, I found Fogg’s work useful; his

typology of web credibility appeared to describe the students’ evolution from suspicion to enthusiasm for the web. They first learned to trust the web as a site for commerce and then to trust specific web sites on the basis of reputation, inspection, and interaction.

The focus groups surfaced one last theme. Another barrier to the development of commercial web sites in Malaysia was infrastructure. Limited bandwidth, lack of access to computers, and lack of access to credit all interacted with web credibility. Once these infrastructure constraints disappeared after their arrival in North America, the students began their process of investigation.

## 2.1 Initial Attitudes to e-Commerce

The ten students who participated in the focus groups first learned to use the Internet in Malaysia so that they could communicate with friends, play games, or listen to music. Their first applications were email and IRC. Very few had access to networked computers at home or school so they spent a lot of time in cybercafés.

Although the students said they often logged into chat rooms to talk with strangers (something that might be considered quite risky in the United States), they never used the Internet for e-commerce. That, they felt, was much too dangerous. Students in three of the four groups talked about Internet frauds and claimed to know friends and acquaintances who had lost hundreds of dollars on the Internet. For instance:

**S3:** One of my friends, he tried to buy a Sony camera, J point, ... zero pixel. And he wait for like a month, and then checked back through the web site, and the web site doesn’t exist any longer. So he just lost like three, three hundred something.

Auction sites such as eBay were particularly distrusted because they provided no real controls on sellers. Students were also concerned about the security of their credit card information:

**S3:** You know what I was told when I first used eBay, very good, they say that you know that the Internet is not secure and like that.

[**S4:** agrees] That’s what prevented Malaysian people. **S5:** Maybe we hear more about cases of frauds and stuff. They are listening from the US. Cases of online fraud. So we prefer safer, face-to-face transactions.

Another student had rarely used the Internet; before coming to the United States, it didn’t seem real:

**S10:** Ah, actually, back then in Malaysia, I did not use it much. I don’t know, how they... I don’t believe (group laughs) Ah, because the Internet is like, you know is, like on the air, like. How do you say it? So, I just cannot believe everything I see through the net.

These risks and the insubstantiality of the web were not problems when chatting anonymously with others but they were major factors retarding e-commerce.

Moreover, e-commerce just didn't seem necessary in Malaysia. Two students told me why they thought there weren't many online shopping sites back home:

**S2:** Probably because Malaysia is just a small country and everything is within reach. [**S1:** Yeah] I mean, you know where to get stuff. Here, I mean, you have to shop around. Even the mall here is quite [**S1:** expensive] far out. **S1:** If you want to get something cheap, you know you're supposed to go here (thumps table for emphasis), in Malaysia. And we get all the cheap stuff there. [**EWG:** Oh, really!] [**S2:** Yeah] You do. So there's really no need of online...

**S1:** We get a lot of bargains. [**S2:** agreeing] You can get something for ten bucks and you can bargain. It will go as low as 5 bucks. [**S2:** Right.] That's the beauty of it. [**S2:** I can do that.] You don't need eBay.

Other students also talked about the convenience of shopping in Malaysia: knowing whom to buy from, feeling the merchandise, and bargaining until you got the best price. Two groups said that Malaysian web sites were intended to get people to come into stores, not to sell merchandise online. These "bricks and clicks" sites should be thought of as advertisements rather than e-commerce. In a 2000 comparison of Malaysian and United States web sites [4], my co-authors Norhayati Zakaria and Shafiz Mohd. Affendi Yusof noted the same issue.

## 2.2 Attributes of Trustworthy Sites

After the students came to the United States, their feelings changed. Most of them began to buy things online and were happy with their experiences. The young woman who had not believed in the Internet said she now surfed the net in her spare time to look for "cute" things. Her friend said it was much more convenient to buy products from web sites than go to American shopping malls.

Three explanations emerged from the focus groups. First, Malaysian students already in the United States told the newcomers that they could trust the general security of the Internet. Second, they saw everyone else at their university using the web. Third, the students evolved their own strategies for selecting or testing certain types of sites.

When the Malaysians began to initiate purchases on their own they tended to buy from a limited number of companies. Sometimes they picked sites that they had heard about from others:

**S5:** People before us use them [sites] and they find trustworthy and they pass it on to us.

But a far more powerful strategy was to buy from "famous," well-established sites.

**EWG:** And are there any characteristics that make you trust [Amazon, eBay, and Overstock] as opposed to some other online companies?

**S10:** No, because it's famous. [Okay] Yeah, it's true. Because Amazon, I mean everybody knows it for its credibility and stuff like that, yeah. That's fine... Only famous companies I would ever buy. If I don't know that company then, I don't really trust them.

Another student emphasized that big companies were inherently more trustworthy.

**S5:** Like for me, I start from big companies first because big companies usually have big stakes and usually they won't betray, they won't easily, they won't certainly commit fraud. And if they do, then I think they will be much more visible. Like, most of my purchases are in Amazon.com. If I purchase from somewhere else, usually it's when it's linked by that site or by any other major sites. I disagree with like searching Yahoo for like stuff and then, go to people's web site, no.

Linking from reputable sites increased confidence. But sometimes students had to buy from unknown sites. Certain products, such as phone cards to Malaysia, are not sold by well-established companies. So the students evolved the strategy of buying something small and evaluating the transaction. If the purchase was successful, they would go back again to that company.

**S2:** I usually stick to one. Once I trust one company, that's it.

**S8:** Or, if we don't know anything, like we just try to buy one, like one time, [**S6:** Yeah] and then we maybe the next time just try the same thing. **S6:** The trust develops, I think.

Certain aspects of site design increased student confidence. Students mentioned the importance of general appearance, security, contact numbers or email addresses, and information on management (rather than information for consumers).

Although well-known companies like Yahoo and Amazon were assumed to be more reputable because they had an incentive not to commit fraud, they must still deploy appropriate sites:

**S1:** I think I trust Yahoo and the Amazon. One, because I know the company and two because of the web site. It looks more professional so I know they have enough, they can pay people enough money to make a really nice web site. Compared to eBay, it's yeah a growing company but I don't really trust it because the web site's kind of flimsy. And I can't, it's hard for me, it's not really user friendly.

This subtheme of “professional-looking” sites came up several times. Malaysian web sites were criticized for not being “developed” (“in its baby stage”), for not using Flash or interactive features, and for not updating themselves on a regular basis. Sometimes the students ascribed these problems to slower networks but they also gave me examples of “good” Malaysian web sites that were highly interactive and well designed. Good sites were attributed to the national Multimedia Super Corridor (MSC) initiative; this program was established in 1996 to make Malaysia a major global player in information technology.

Secure servers were another essential:

**EWG:** ... I mean, how do you say to yourself, I'm going to spend some money on this web site, I'm not going to spend some money on another web site? **S3:** Usually there's a little “s” in the address. That makes me... **S5:** https. [**S3:** Yes] [Okay] **S3:** When there's a little “s” – https – that's secure... **S5:** They meant business when they purchased that.

Having some way to contact someone at the site was also very important to the Malaysian students. They were quite conscious of the presence (or absence) of webmasters. A contact address signified that the company was responsive to customer needs. The existence of a webmaster signified that the company had a real commitment to maintaining the site.

Finally, special types of information enhanced credibility. One student explained why she thought one bank web site was better than another.

**S1:** But the bank I trust most is the bank, is Chase Manhattan Bank. Because they have both JP Morgan and Chase on the same web site. So, for businesses, they go to JP Morgan, for personal, they go to Chase and the Chase web site has also has the investor relations site. They tell me how much they have done for the past few years, who their board members are, so I know who's behind the scenes running the whole thing. So I trust them more.

I asked other students if they wanted that kind of information in a web site. One of them said it wasn't always necessary:

**S5:** Maybe because it depends on how deep is our interaction with the company. If we just going to buy stuff online and that's it, then probably we don't need to know much about their corporate infrastructure.

These conversations suggest that some (but not all) of the students wanted to do research to increase their understanding of the organization and build their sense of confidence before they processed the product message for certain types of sites.

One aspect of site design not mentioned by the Malaysians was graphics (except for animation, which was linked to level of technical development). I asked why images of customers were not common on Malaysian sites. I was told:

**S5:** Maybe it is not our style. In terms of television advertisements, we rarely see like people coming to the screen and talking, buy this product and stuff. Here is this. Its advantage. Rarely. Usually what we see is all those animations and the bottle comes springing out, something like that. Rarely people go, come out and speak. That's not, that's not the Malaysian style. And, yeah, usually when they do so, they look stupid. (all laugh) Maybe that's why they don't like to do it. There is always something unstylish about it.

Another student supported this.

**S8:** Like in Malaysia, most of the people are quite shy. I don't know. To put yourself on a web site, maybe that's one of the reasons people don't.

This discomfort with personal images may also derive from prohibitions in Islam. Restrictions on portrayals of the human body are much more stringently observed in Arab countries but, according to Deng, Jivan, and Hassan (1994) [2], the Malaysian government also censors advertising images to protect public decency. Whatever the root cause, this lack of customer images may contribute to an apparent lack of focus on consumers in Malaysian web sites.

### 3 The Stanford Web Credibility Survey and Fogg’s Typology of Computer Credibility

I was struck by the amount of research done by the Malaysians before they would buy anything through the Internet. But many people have told me they investigate online organizations this same way. The 1999 and 2002 results of the Stanford Web Credibility Surveys (Fogg, 2003) [3] show that people in Finland and the United States look for much the same data as the students in my focus groups.<sup>1</sup> Many of the items cited by the Malaysian students match the ten elements that most enhanced site credibility in the second Stanford survey:<sup>2</sup>

1. The site represents an organization you respect
2. The site lists the organization’s physical address
3. The site provides a quick response to your customer service questions
4. The site gives a contact phone number
5. The site sends emails confirming the transactions you make
6. The site looks professionally designed
7. The site gives a contact email address
8. The site is arranged in a way that makes sense to you
9. The site links to outside sources and material
10. The site has been updated since your last visit

On specific items, the differences between the Stanford surveys and the focus groups seem to be differences in degree rather than kind. Similarly, in my thesis research [5], Malaysian evaluators in Malaysia expressed stronger skepticism towards e-commerce (and greater initial suspicions) than United States students.

The focus groups support Fogg’s (2003) typology of computer credibility which grew out of the Stanford studies. Fogg identifies 4 types of web credibility:

|          |   |
|----------|---|
| Presumed | General assumptions in the mind of the perceiver  |
| Reputed  | Third-party endorsements, reports, or referrals   |
| Surface  | Simple inspection or initial firsthand experience |
| Earned   | Firsthand experience that extends over time       |

Some of the specific elements he associates with each type of credibility differ from those mentioned by the Malaysian students. However, as Fogg himself notes, his results could change with a more culturally diverse set of users. In the meantime, his typology describes the process used by the Malaysian students to select e-commerce sites in the United States surprisingly well.

In Malaysia, the Internet was not presumed trustworthy but, in the United States, the students found the opposite presumption. As they began to settle in, senior students told them that certain sites could be used. This reputed credibility gave the newcomers enough confidence to search for books and clothing online and to analyze new sites for themselves. Famous sites had a natural advantage. However, web sites

<sup>1</sup> A list of web design elements was elicited in research studies with 6000 participants and rated by 3000 more respondents.

<sup>2</sup> Elements associated with online newspapers from the original survey are not included.

that looked professional, used secure servers, and provided contact information or the address of a webmaster also met student standards for surface credibility. (Some students also looked for information about company management.) When students were able to purchase good quality items successfully, the sites earned more credibility. Trust also increased if new sites were linked to trusted sites.

#### **4 Moderating Effects and the Role of Cultural Values**

Fogg suggests that variations in the operator, information content, functionality, and design of a web site may all increase or decrease credibility. Similar moderating factors are known to influence preference for different types of ads. In this study, cultural values seemed to play a role.

Deng, Jivan, and Hassan (1994) [2] found that target audience (general audience or youth audience) and product type (used by women or by men and women) determined whether to localize Western ads for Malaysia. Han and Shavitt (1994) [6] found that the context of use (products to be purchased and used by individuals or with others) modified individualistic and collectivist appeals in ads targeted to consumers in Korea and the United States. Zhang and Neelankavil (1997) [9] found similar effects for China. When selling products for personal use, culturally-congruent appeals were not always necessary.

These findings support the notion that people can be both independent and interdependent (Markus and Kitayama [7]). As a result, individualistic appeals for personal use products often succeed with nominally collectivist people.

A year 2000 content analysis [4] I did with Norhayati Zakaria and Shafiz Mohd. Affendi Yusof found fundamental differences in online information in Malaysian and United States web sites. We hypothesized that Malaysians viewed their interactions with web sites in a relational perspective related to their cultural values. The necessity of establishing personal relationships seemed to be limiting the growth of e-commerce. By contrast, the focus groups show that Malaysian students in the United States are quite capable of coming to trust web sites. Yet the amounts of their online purchases remain small, mainly for books, music, and clothing. Except when discussing fraud, none of the students talked about using online banks or buying expensive electronics or computer products online. Perhaps type of site moderates the requirement for information about the organization. How might this happen?

Triandis (1995) [8] says that collectivists are more cautious about joining groups than individualists. Once committed, they remain loyal – even to the point of putting group interests ahead of their own. As a result, they try to gather a great deal of information before committing themselves. Individualists often join more groups than collectivists but rarely let these memberships impede their self-interest or freedom of action; if it suits them, they will leave one group and join another.

Buying a product for personal use is not like joining an organization. Most of the products cited by the Malaysian students are used alone. Even clothing, often viewed as public in the West, is hidden under traditional dress by many Malay women. But putting money in a bank or selecting a university is much more like joining a group. Each requires a longer term commitment and involves a much greater element of risk. Some of the people in the focus groups specifically cited the importance of

identifying organizational information about bank web sites. This may be because Malaysians are more conscious that their investments have an impact on their extended families. Researching a university from its web site could be similar.

## 5 The Importance of Infrastructure

Finally, the focus groups surfaced the importance of infrastructure on the development of trust. When I asked students why commercial web sites had not taken hold in Malaysia, many cited infrastructure problems. Limited bandwidth, lack of access to computers, and lack of access to credit all made e-commerce more difficult in Malaysia than the United States. Bin, Chen, and Sun [1] reported similar problems in the People’s Republic of China in 2003.

Until 2000, ISDN lines were relatively uncommon in Malaysia. Low-speed networks limited interactivity because sites took a long time to download and process information. Two students complained about the bandwidth problem:

**S3:** I think that’s the reason why most people won’t create web sites that really use Flash or something is because it really takes time to load. You can’t really, can’t enjoy that. **EWG:** You can go out and drink a whole bottle of water. **S5:** Or we could have lunch.

Other students reminded me that parts of the country remain off the net. One student from East Malaysia mentioned villages near his hometown that lack electricity (let alone network connections). Another said that poor people have to use cybercafés. But cybercafés also cost money. Even though the government’s Vision 2020 and MSC initiatives are building up Malaysia’s technical infrastructure, the consensus was that e-commerce will remain limited until everyone has access to adequate service.

A third problem concerned Malaysia’s economic infrastructure. Credit cards are hard to get. Two focus groups said lack of access to credit had slowed the development of e-commerce.

**S4:** Big gap between US and Malaysia is the, the use of credit cards. Yeah. [**S3:** agrees] In Malaysia, we, we don’t use credit cards that much compared to here, so I think that’s the difference in, in, in the purpose of building a web site in Malaysia and the US.

**S8:** I mean it’s hard to get credit approval too. **EWG:** Oh, is it? **S8:** I think so. Yeah. (All laugh) **S7:** Like not at our age, right. We don’t have,... **S6:** Yeah, we don’t, like here, we can apply and we usually get one credit card but like in Malaysia I have to use my father’s. (All laugh)

Banks do not approve young people for credit cards and even older people seem reluctant to use them to replace cash. One student mentioned that his father preferred to send personal checks for mail-order purchases rather than provide his credit card number.

A final problem was hinted at but not strongly stated. Censorship has existed in Malaysia and may reinforce distrust of the web. One student made the point that you don’t always know the real source of information on the Internet. She was referring



to a spoofing incident, but all the students reported that they were more engaged by the medium since coming to the United States because they were able to read uncensored material reflecting a variety of views. When I asked students for the best Malaysian web sites, each focus group told me to look at [malaysiakini.com](http://malaysiakini.com) – an online newspaper that has battled censorship in the past.

## 6 Conclusion

Additional research is continuing with Chinese (PRC), Canadian, and Caribbean students to look at the determinants of trust for different groups of people. These results will be reported at the HCI International 2007 Conference.

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