THE ANTECEDENTS OF ONLINE BRAND TRUST: MALAYSIAN EVIDENCE

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Abstract. This study empirically investigated the factors that influence consumer's perception of online brand trust in Malaysia. Six hypotheses were developed to test hypothesizing relationships among: security/privacy, perceived risk, word-of-mouth, quality information, good online experience, brand reputation with online brand trust. A survey of 209 respondents was used in this study to test hypothesized relationships. Survey findings indicate that security/privacy, perceived risk, word-of-mouth, quality information and brand reputation appear to have a significant and positive relationship with online brand trust (R^2=0.537). Interestingly good online experience was not found to be significantly influential. The results are compared with earlier findings and implications for further research are discussed.

Keywords: online brand trust, security/privacy, word-of-mouth, online experience, quality information and brand reputation, Malaysia.

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1. Introduction

Nowadays many consumers are turning to the Internet for most of their shopping needs and concerns. This has created many business opportunities. However, online retailing in Malaysia is still in the early stages of development and its full potential has not been reached yet (Chua Phaik Harn *et al.* 2006). According to Economist Intelligence Unit (2006) companies whose business plans relied completely on online operations have found it difficult to survive, especially in the business-to-consumer (B2C) area. In 2005 less than 5% of SMEs in Malaysia were involved in B2C businesses. On the other hand, a higher Internet usage has been noted and this paves the way for possible business

opportunities of the Internet. This is a positive indicator for the Asian online retailers. Companies should try to instill trust in their brands in order to boost the confidence of consumers to buy their services or products.

Research on brand is becoming more important in the marketing arena as firms are facing competitions both locally and globally. Recently researchers have developed many useful constructs and measurements on brand personality, brand community, brand trust and brand attachment (Carrol and Aaron 2006; Thomson and McInnis 2005; Delgado-Ballester 2003; McAlexander *et al.* 2002). An empirical study by Chlivickas and Smaliukiene (2009) have analyzed both emotional and cognitive components of the brand origin. The study mainly tested the direct effects of attributes of local brands on the brand origin of telecoms and food industries in the Baltic Sea region. Another study by Maiksteniene and Auruskeviciene (2008) mainly measured the levels of baby diaper consumer purchase decision involvement in Lithuania. Results show that consumers with differing purchase involvement levels differ in their relative valuation of manufacturer and retailer brands in the same product category. In the present study we are trying to identify the antecedents of online brand trust.

In the past few years several studies on brand trust have been carried out. Scholars are increasingly becoming interested in the issues presented in this area of research due to the fact that consumers are playing the main role for any transactions. For example consumers are willing to transact, and market could function well if consumers trust any brand and the company (Zucker 1986). In any business transaction, brand trust is very important for several reasons. For instance, according to Schurr and Ozanne (1985), trust creates more favorable attitudes towards suppliers as well as customer loyalties. It also helps partners project their exchange relationships into the future (Doney and Cannon 1997). Trust increases competitiveness, reduces searching and transaction costs, and mitigates opportunism in uncertain contexts (Doney and Cannon 1997). Reast (2005) suggests that brands that are trustworthy will benefit more than their less trustworthy competitors.

Online trust is also an important phenomenon in both business-to-business (B2B) and business-to-consumers (B2C). With the evolution of new e-business models and the advances in information technology, it brings more challenges than solutions for establishing and maintaining trust in the electronic marketplace (Xiling and Xiangchun 2005). Forrester Research survey in year 2000 found that 51% of companies would not trade with parties they do not trust over online. Goodwin (1996) points out that trust is the grease that keeps the wheels turning. The reason online consumers have yet to shop online in large numbers is that consumers simply do not trust most web providers enough to engage in "relational exchanges" involving money and personal information (Hoffman *et al.* 1999). Consumers are reluctant to reveal their personal information online. Brands have to establish a certain amount of trust with customers, in order to make the Internet a viable commerce medium. Internet users want to feel that their privacy is being protected. Providing information about how their personal data are used and exploring the possibilities of offering consumers privacy preference are among the issues the consumers think should be addressed (Rubin1995).

The growth of interest in preferring the Internet as a shopping and information medium has created interest among many researchers. It will be essential for the retailers to know what influences the online users to purchase services online. In this study the focus would be on Malaysian Internet users making purchase transactions online. In addition, this study also tries to identify the acceptance and possibility of a consumer accepting a particular brand online. It is to find out what makes them view a particular brand as trustable.

The steady growth of online consumer purchasing in service categories is a driving force that convinces businesses that they should make firm commitment to Internet branding (Breakenridge 2001). Although there is a larger audience on the Internet, the companies must take into account the consumer's perception of brand trust online. With the rise of e-commerce, online brand trust has often been identified as a critical component and has increased in importance among the Internet users. A number of researchers have suggested that brand trust is a critical factor in stimulating purchases over the Internet (eg. Quelch and Klein 1996; Corbitt *et al.* 2003).

The Malaysian online users at the moment are still in the experimental stage in brand trust online. They are still exploring the brands online and see what these brands can offer them. In the tourism industry, most of the airline travelers are still buying their tickets from traditional agents. The users are not yet convinced of the benefits of the brands that are available online. However, now the purchasing of air tickets online is becoming more popular among the Malaysians due to its convenience and cost-saving.

The findings of this study should assist marketers and academicians in their understanding of the development of brand trust especially in an Internet-based shopping environment. It will also help the retailers to better understand what influences the consumers to purchase certain products or services online. The study also hopes to shed some light on retailers who are trying very hard to achieve success in the competitive online business world. It is important for them to recognize the factors so that they can take the necessary steps to boost their sales. The results of this study should also enlighten marketers in planning their marketing strategies. The online retailers will be more knowledgeable in the brand orientation and the preference of consumers. Online retailers may take the necessary corrective actions to provide better services. This will serve as a platform that will lead to the sustained confidence of the consumers of brands online.

2. Literature Review

Chaudhuri and Holbrook (2001) defined brand trust as 'the willingness of the average consumer to rely on the ability of the brand to perform its stated function. In this study, brand trust is simply the trust a consumer has in a specific brand, a definition based on Ha (2004). For a consumer to establish a relationship with a particular brand, trust is crucial because without trust, development of consumer's commitment to a brand may not be possible. A consumer who trusts in the brand is more willing to remain loyal to it, to pay a premium price for the brand as well as buying new products in the existing or new categories that carries the same brand name, and to share some information about

his or her tastes, preferences and behavior (Chaudhuri and Holbrook 2001; Busacca and Castaldo 2003 as cited in Horppu *et al.* 2008). Considering brand trust as expectancy, it is based on the consumer's belief that the brand has specific qualities that make it consistent, competent, honest, and responsible and so on, which is in line with the research on trust (Andaleeb 1992; Doney and Cannon 1997; Larzelere and Huston 1980). Their research suggests that trust is based on the dispositional attributions made to the partner about his/her intentions, behaviors and qualities. The key issue, then, is to know which specific attributions form brand trust.

Yague-Guillen *et al.* (2003) reported two-dimensional idea of trust such as i) technical and ii) intentional nature, which is more commonly found in management and marketing literature (Doney and Cannon 1997; Ganesan 1994; Morgan and Hunt 1994). Therefore, the first dimension of brand trusts technical or competence-based nature, involving the ability and willingness to keep promises and satisfy consumers' needs. The second dimension comprises the attribution of good intentions to the brand in relation to the consumers' interests and welfare, for example when unexpected problems with the product arise. Consequently, a trustworthy brand is one that consistently keeps its promise of value to consumers through the way the product is developed, produced, sold, serviced and advertised, and even in bad times when some kind of brand crisis arises.

Srinivasan (2004) believes that people trust a brand based on their own past experience as well as by third party recommendations. While another researcher Ha (2004) who studied on factors influencing consumer perceptions of online brand trust has found that brand trust is affected by the following Web purchase-related factors: security, privacy, brand name, word-of-mouth, good online experience and quality of information. This is similar to two of the factors that have been stated by Ha (2004) which is word-of mouth and good online experience. In the trust model done by Srinivasan (2004) it also shows the use of security in building consumer trust for an e-business. The findings from both researches are very similar and the factors they stated are the same too.

In a large scale empirical study by Sultan *et al.* (2002) uncovered three underlying dimensions of trust, namely, credibility/reliability, emotional comfort and quality of the company. The study reveals that consumer's perceptions of trust are determined by Web site and consumers characteristics, and thus trust mediates the relationship between these determinants and customer action behavior. Nine Web site factors, namely, navigation, advice, no error, fulfillment, community, privacy/security, trust seals, brand and presentation drive trust. Four consumer factors, namely, self-confidence/Internet savvy, past behavior, Internet shopping experience, and entertainment experience also affect trust.

Lee and Turban (2001) proposed that consumer trust in Internet shopping is driven by trustworthiness of Internet merchant, trustworthiness of Internet shopping medium and contextual factors and that individual trust propensity moderated each of the relationships between the antecedents of trust. Lack of trust is frequently the key reason why people do not make purchases online (Lee and Turban 2001). There is no clear distinction between the underlying dimensions and antecedents of online trust in most of

the studies on online trust i.e. although Dayal *et al.* (1999) discuss security, merchant legitimacy and fulfillment as important determinants of online trust, they also allude to them as the core elements of online trust. Elements and determinants of online trust are used interchangeably in many studies. For instance, Fogg *et al.* (2001) claim that trustworthiness affects credibility, but these two constructs are blurred and not well differentiated.

Based on the previous research and differentiate among the different constructs, a model of online trust developed by Shankar *et al.* (2002) included three broad groups namely, Web site characteristics, user characteristics and other factors. Fourteen Web site characteristics are navigation and user friendliness, advice, error-freeness, fulfillment, community, privacy (third party statements), security (credit card protection), trust seals and refund policies, brand, presentation, site longevity, selection of items, timeliness of information, links to other relevant sites. User characteristics are Internet savvy, Internet shopping behavior, entertainment experience, place of Web usage, long-term orientation, predisposition to technology and feeling of control. Other characteristics include online medium, trustworthiness of firm, perceived size of firm, perceived reputation of firm, dependence on the firm, human service, communication, personalization and collaboration.

Assessing the end-user trust in online environment, Salo and Karjaluoto (2007) developed a conceptual model of trust in the online environment based on some internal and external factors. In this instance, external factors including consumer characteristics, product/service characteristics, different markets/cultures/countries, perception of risk and past experience are likely to have some effect towards online trust. Clearly, the internal factors including past experience, trustworthiness, reputation, website quality, perceived usefulness, perceived ease of use, training, trusted seal, experts, peers, legislation, and non-government association have significant effects on online trust (Shankar *et al.* 2002; Lee and Turban 2001; Sultan *et al.* 2002; Ha 2004; Andaleeb 1992; Doney and Cannon 1997).

Although doing business on the Internet has been around for quite some time now, most Malaysians still do not feel comfortable in revealing their personal information online and some just prefer the traditional physical store where they can see the goods or services that they are purchasing. Malaysian consumers prefer to see the goods that they are purchasing before they are willing to pay for them. It is still unclear on how to change the mindset of the Malaysian Internet users into purchasing online. In order to understand what influences the online users to purchase a certain brand online we must first find out the factors that are influencing consumers' perception of brand trust online. Malaysian is very skeptical about revealing their personal information to unknown people especially when it involves money. Indeed, this study is focused on the online trust among consumers in a developing country like Malaysia.

3. Theoretical Framework

In this study, six factors have been identified, based on past research, as factors influencing online brand trust namely good online experience, the quality of information pro-

vided by the website, word-of-mouth by friends and family, brand reputation, security of the website (Ha 2004) and perceived risk of purchasing online (Salo and Karjaluoto 2007). The first factor to be investigated in this study is security/privacy. In making business transactions online, it is important for consumers to feel secure in giving personal information including credit card details. This would certainly affect their trust on the brands that they are purchasing online. Past research have proven that security influences consumers' brand trust (e.g. Reichheld and Schefter 2000; Salisbury *et al.* 2001 as cited in Ha 2004). Ha (2004) has found that consumers tend to associate higher security feelings with a higher level of brand trust.

Another factor affecting brand trust is consumers' perceived risk. Consumers' trust on a brand is influenced by the level of risk that they perceived inherent in the product. In the context of this research, consumers' perceived risk can be classified in terms of economic risk, that is monetary loss from a buying decision made online; performance risk, that is when products or services purchased online do not meet consumer expectations (Ha 2004) and purchasing risk, that is, consumers feelings of insecurity in making a purchase online. The amount of risk that consumers perceived in online purchase transaction would certainly affect the level of trust that they may have in a particular brand.

Word-of-mouth (WOM) has been said to be very influential on consumer behavior than other forms of marketing communications such as advertising and publicity. WOM has been shown to influence awareness, expectations, perceptions, attitudes, behavioral intentions and behavior (Ha 2004). Thus, it is a determinant of brand trust. Many researchers have found that WOM communications do affects brand trust (e.g. Reichheld and Schefter 2000; Parasuraman *et al.* 1988). We assume that positive WOM about a particular brand helps consumers to cultivate brand trust.

According to Ha and Perks (2005) consumers' satisfaction and loyalty develops as a result of the consumers' positive experience with the brand which will positively affects brand commitment and re-purchase intentions (Fullerton 2005) and improves brand reputation (Selnes 1993). Alba and Hutchinson (1987) study reveals that consumers' brand experience refers to their knowledge of and familiarity with a brand or brand category. Ha and Perks (2005) defined brand experience as displaying a relatively high degree of familiarity with a certain subject area. There is some evidence that brand trust may be positively related to customer experience (Papadopoulou *et al.* 2001 as cited in Ha 2004) but the relationship in the context of e-commerce is still unclear.

A good website usually delivers relevant and quality information which will provide consumers with a positive experience. This will induce consumers to establish a bond between the consumers and the brand on the website. Besides, providing quality information will increase consumers' knowledge and awareness as well as their perception of the brand (Keller 1998) which will influence their level of trust.

Another factor that determines consumers' online brand trust is the brand reputation. Generally, the better the reputation of the brand, as perceived by the consumers, the higher should be the level of trust that consumers have on the brand. Brand reputation

is related to brand name which according to Keller (1998) is one of the factors that facilitate the development of brand awareness or familiarity which will lead to higher level of brand trust.

Based on the above discussion, we represent the research model in the following regression equation:

$$y = \beta_1 SP + \beta_2 PR + \beta_3 WOM + \beta_4 OE + \beta_5 QI + \beta_6 BR,$$

where y = brand trust online, SP = Security and Privacy, PR = Perceived Risk, WOM = Word-Of-Mouth, OE = Online Experience, QI = Quality Information, and BR = Brand Reputation.

4. Hypotheses of the study

The general research aim of this paper is to understand the relationship between various influencing factors on consumer trust of online brand in the Malaysian context. This objective was addressed through quantitative analysis. After looking at the literatures, this research posits six hypotheses were derived to examine the objective of this study:

H1: Security/privacy positively influences online brand trust

H2: Consumers' perceived risk negatively influences online brand trust.

H3: Word-of-mouth communications positively influences online brand trust

H4: Good online experience positively influences online brand trust

H5: Quality of information positively influences online brand trust

H6: Brand reputation positively influences online brand trust.

5. Methodology

5.1. Sample and Data Collection

Data for this study was gathered in March to April 2009 by primary data collection method through consumer survey administered among working people in Malaysia. Working people were chosen because they are the ones who normally own a credit or debit card and online transaction requires the usage such as cards. Buying online, credit card is the single most common payment method in the world. Data for this study was gathered through personal administered questionnaire which were conveniently distributed among the working people in different place in Selangor. The product category chosen for this study is 'airline service' (e.g. Malaysia Airlines, Air Asia) as airline service is highly demanded and tickets are commonly purchased through Internet in Malaysia. The airline industry is chosen because it is one of the most competitive and strategic industries in the world using the Internet to its fullest extent.

Through selling tickets online, the airline company gains economies of scale and tremendously reduces its operating costs. Target respondents for this study were anybody who buys airline ticket online. Respondents were initially screened as to whether they

had current access to the Internet and have experience in purchasing air tickets online, before being asked to participate in the study.

Of the 252 respondents who were eligible for the study, 224 (88.88%) agreed to complete the survey. However, 15 were discarded due to incomplete responses; the final sample was 209 for an effective response rate of 93.30 percent. Table 1 shows demographic information of the respondents. The majority of the respondents were female (61.7 percent), Chinese group was the highest contributors of the total respondents (50.72 percent). Their age ranged from 24 to 55 with mean age of about 37.8 years old. Most of them were bachelor degree holder representing 60.8% of the total sample.

Table 1. Demographic background of the respondent

	Frequency	Per cent
Gender		
Male	80	38.3
Female	129	61.7
Age group (years)		
24 years and below	37	17.7
25–34	114	54.5
35–44	45	21.5
45–54	10	4.8
55 years and above	3	1.4
Race		
Malay	72	34.46
Chinese	106	50.72
Indian	28	13.39
Others	3	1.43
Educational level		
Diploma and below	72	34.5
Undergraduate	127	60.7
Master Degree and Ph.D.	9	4.3
Others	1	0.5

5.2. Measures

An extensive literature review was performed in order to identify various factors influencing online brand trust. Then, questionnaires were developed and divided into three parts. The first part deals with general usage patterns of the Internet. Part 2 includes dependent and independent variables of the study. The dependent variable was online brand trust. The modified scale was developed based on Swan *et al.* (1988). Some items

of independent variables were developed by the researchers, while some were adopted or modified from previous research (Ha 2004; Chen 2006; Shim *et al.* 2001; Jarvenpaa *et al.* 1999). All items used response categories of 1 (strongly disagree) to 6 (strongly agree) focusing on factors influencing online brand trust. Final part includes a number of demographic information of the respondents.

Table 2 shows the number of items measuring each variable and the Cronbach's alpha for scale reliability obtained for our sample. Reliability from our sample showed a reasonable level of reliability ($\alpha > 0.60$). The complete measurement of variables is available in the Appendix.

Table 2. Reliability Analysis

Variables	No. of Items	Coefficient Alpha
Online Brand Trust Security/privacy	5 6	0.799 0.816
Perceived Risk	3	0.771
Word-of-mouth	4	0.887
Good online experience	3	0.741
Quality of information	3	0.773
Brand reputation	3	0.834

5.3. Test for content and construct validity of the study

Content validity was tested by experts of two academicians, two research fellows at the Graduate Business School (Universiti Teknologi MARA, Malaysia), and three online retailers in Malaysia as suggested by Hair *et al.* (1998). Their feedback, both positive and negative, helped shaped the final version of the questionnaire.

To test the construct validity a factor analysis was conducted on all the independent variables in order to develop factors that help in explaining the role of experience and reference group in online brand trust.

As suggested by Hair *et al.* (1995), six factors were identified for the factor analysis using the eigen value criteria that suggest extracting factors with an eigenvalue of greater than 1.0. In conducting the factor analysis we followed Hair *et al.* (1995) and Alfansi and Sargeant (2000). The rotated factor matrix is displayed in Table 3. The six factors identified explain 70.46 percent of the total variance. The extraction method used was principal axis factoring with Varimax rotation. This method has been widely accepted as a reliable method of factor analysis (see, Alexander and Colgate 2000). In our survey, the Kaiser-Meyer-Olkin (KMO) measure of sampling adequacy score (0.86) was well above the recommended 0.5 level (Malhotra 1999). Moreover, the Bartlett's test of sphericity indicated that there was adequate correlation among the chosen variables ($X^2_{(209)} = 24.21$, $p < 0.01$).

Table 3. Factor Analysis showing the combined impacts of the independent variables

Conditions	Factors/variables	Factors					
		1	2	3	4	5	6
Security/privacy	Security 1		0.691				
	Security 2		0.813				
	Security 3		0.730				
	Security 4		0.633				
	Security 5		0.626				
	Security 6		0.407				
	Security 7		0.299				0.687
Risk	Risk 1					0.489	
	Risk 2					0.837	
	Risk 3					0.833	
	Risk 4						
Word-of-mouth	WOM 1	0.838					
	WOM 2	0.833					
	WOM 3	0.841					
	WOM 4	0.727					
Online experience	Online experience 1					0.561	
	Online experience 2						0.461
	Online experience 3						0.646
Quality information	Quality of Info 1			0.786			
	Quality of Info 2			0.737			
	Quality of Info 3			0.528			
Brand reputation	Brand reputation 1				0.768		
	Brand reputation 2				0.777		
	Brand reputation 3				0.806		

Extraction Method: Principal Axis Factoring. Rotation Method: Varimax with Kaiser Normalization.

However one item of security/privacy, one item of good online experience loaded together with other items and not meaningful and we decided to remove from all subsequent analysis.

5.4. Normality of Data and Multi-collinearity

This study involves a relatively large sample (209 respondents) and therefore, the Central Limit Theorem could be applied and hence there is no question on normality of the data. Two major methods were utilized in order to determine the presence of multicollinearity among independent variables in this study. These methodologies involved calculation of both a Tolerance test and Variance Inflation Factor (VIF) (Kleinbaum *et al.*

1988). The results of these analyses are presented in Table 4. As can be seen from this data, i) none of the Tolerance levels is < or equal to 0.01; and ii) all VIF values are well below 10. Thus, the measures selected for assessing independent variables in this study do not reach levels indicating multicollinearity. The acceptable Durbin – Watson range is between 1.5 and 2.5. In this analysis, the Durbin – Watson value of 1.946, which is within the acceptable range, shows that there were no auto correlation problems in the data. Thus, the measures selected for assessing independent variables in this study do not reach levels that indicate the existence of multicollinearity.

Table 4. Test of Collinearity

Variable	Tolerance	VIF
Security/privacy	0.663	1.509
Perceived Risk	0.543	1.842
Word-of-mouth	0.628	1.592
Good online experience	0.700	1.428
Quality of information	0.569	1.759
Brand reputation	0.580	1.723

6. Hypotheses Testing

Table 5 presents results of a multiple regression analysis used to evaluate the strength of the proposed relationship. Six hypotheses were formulated and all the variables retain after filtering with factor analysis. The individual hypothesis was tested using a multiple regression prediction model following the guidelines established by Hair *et al.* (1998) with online brand trust as the dependent variable. The results obtained, as shown in Table 5, revealed that H1, H2, H3, H5, and H6 were found to be positive and significant in the prediction model. Effects of perceived risk were tested by H4, which was rejected by this test. This result indicates that online good experience would not affect online brand trust. The results provide support for hypotheses H1, H2, H3, H5, and H6, that is, the relationship between security/privacy ($\beta = 0.126$; $p < 0.05$), perceived risk on online brand trust ($\beta = -0.146$; $p < 0.05$), word-of-mouth on online brand trust ($\beta = 0.208$; $p < 0.01$), quality of information with online brand trust ($\beta = 0.215$; $p < 0.01$) and brand reputation ($\beta = 0.220$; $p < 0.001$) with online brand trust.

Table 5. Regression Results

Variables	Beta	t-value	p-value
Security/privacy	0.126	2.172	0.031
Perceived Risk	–0.146	2.289	0.023
Word-of-mouth	0.208	3.510	0.001
Good online experience	0.079	1.399	0.163
Quality of information	0.215	3.447	0.001
Brand reputation	0.220	3.568	0.000

Dependent Variable: Online Brand Trust

7. Discussion

This study was carried out to investigate the factors that influence Internet user's online brand trust. The study depicted that perceived security/privacy has a significant effect on online brand trust. This result supports the earlier findings by Ha (2004) and Srinivasan (2004). It is evident that security and privacy have to be vital components of effective commercial Web sites. In addition to that, security and privacy are then directly related to trust, which remains a competitive advantage in the online environment. According to the results, many of the respondents perceived the Internet to be insecure and thus they are reluctant to entrust their personal or financial information to the online retailers. Although there are some who do not worry about their privacy being invaded but online retailers must instill brand trust in order to banish the sense of insecurity among the consumers.

From the results of this study, perceived risk has a significant and negative effect on online brand trust. This means that the lower the perceived risk the higher the level of brand trust the consumer will have. This result is in line with previous studies done by other researchers (Ha 2004; Jarvenpaa *et al.* 1999; Hoffman *et al.* 1999). This might be the reason why the results are significant. When the respondents do have actual experience in purchasing service online, their perception will tend to be different from those who actually had experiences before.

It is also interesting to note that the respondents in this study feel that their monetary loss resulting from purchasing online is high. They also expect that the Web site would fail to perform their service after they purchased it. Their confidence on Web sites is not relatively high. This might be due to the fact that most of the respondents are working people who do not go online regularly and the Internet seems like an unfamiliar channel for them. In fact most of them think it is risky to buy from the websites.

The study also confirmed that word-of-mouth has a significant affect on level of brand trust. The relationship is a positive relationship which means the better the word-of-mouth the higher the level of brand trust the consumer has. The results are similar to those in the literature and word-of-mouth does indeed prove to be a powerful marketing tool. In this study, the respondents agree that information about brands online given by their friends and relatives are trustworthy. Recommendation by friends and relatives also prove to be effective in promoting brand trust. At the end of the day, it all comes down to the trust that the respondents have in their friends and relatives. When we think of trust information in the real world instead of online, word-of-mouth information is considered to be very important. Word of mouth is probably the most powerful form of communication in the business world. It can either hurt a company's reputation or make it.

From the results of this study, it is found that good online experience has no direct and significant effect on online brand trust. This result contradicts with those of previous studies done by other researchers studies like those carried out by Salo and Karjaluoto (2007); Ha (2004); Srinivasan (2004); Venkatesh *et al.* (2002) have generally shown that good online experience has a positive and significant influence on the level of brand

trust online. This contradicting result might be due to the fact that not many of the respondents actually shop online. They do not see it as a factor that will affect online brand trust because they do not have good experience. Most of the items under this factor indicate expectation of failure of service when they purchase the service from the airline website. This might be the reason why the results are contradictory. When the respondents do not have much experience in purchasing service online, their perception will tend to be different from those who actually have much prior experience. However, the positive sign of the beta shown in the regression results indicates that if there is a relationship it will be a positive one. This means that the higher the good experience online the higher the level of brand trust the consumer will have and vice versa.

The acceptance of both H5 (quality information) and H6 (brand reputation) is in agreement with a wide range of previous findings (Ha 2004; Venkatesh *et al.* 2002; Lee and Turban 2001; Sultan *et al.* 2002; Andaleeb 1992; Doney and Cannon 1997). The study result indicating that quality information and brand reputation have a positive effect upon level of online brand trust. All of the previous studies suggest that the better the quality of information a web site provides, the higher the level of brand trust the consumer has. Similarly the results also show a positive relationship between brand reputation and level of online brand trust, which means a better brand reputation, will lead to a higher level of brand trust. Hence, brands must be very careful to maintain their good reputation at their sites in order to sustain brand trust and create customer loyalty.

8. Limitations and Future Research Directions

We recognize that our study has two main limitations. First, this study was conducted with working people only and may not reflect the views of other non-working people in Malaysia. Thus, in order to reveal behavioural differences, it would be interesting to repeat study in different groups such as non-working people. Secondly, this study only covers Klang Valley in Malaysia only with relatively small sample size. Thus, the respondent might not reflect the whole scenario in Malaysia. We would suggest strengthening by increasing the sample size and including participants in other geographical areas. Furthermore, no studies have been made on online brand trust in Malaysia, thus, there are no proven examples that can be followed or referred. This limitation also leads the researchers to face difficulty when collecting extra information that can give a support to the current studies. Therefore, the researchers have to study the previous researches, which more focused on developed country as well and come out with new framework of the research. Finally, potential correlations between some of the independent variables (e.g. gender, race, working experiences, educational level) need to be reported in a future study.

9. Conclusion

The purpose of this study is to investigate factors affecting on online brand trust in the working people of Klang Valley in Malaysia. This study also contributes to and extends our understanding of the Internet as a medium for commercial use in the service arena,

identifying the rationales for trust on online purchasing. From a managerial viewpoint, the findings provide support for investment decisions, and for decisions relating to the development of Internet services that address and take the concerns and needs of companies into consideration.

The research was done under theoretical framework developed based on the previous study. The multiple regression analysis shows that security/privacy, perceived risk, word-of-mouth, quality of information and brand reputation are significant elements affecting online brand trust in the airline industry in Malaysia. The model explains 53 per cent of the variance in online brand trust.

This information is particular helpful for online retailers who have yet to convert non-loyal consumers to loyal consumers of their brands. Until then, experiences and stories of online shopping failures will continue to put off some potential consumers from purchasing the brand online. Trust is also very crucial in order to compete among business organizations in today's global business world.

Finally, understanding consumers' perception on brand trust online is not an easy task and will always create challenges to most online retailers. Online retailers should develop effective plans and strategies by taking into account the various factors that were explained in this study. In order to achieve success, online retailers must take into account the demographic variables and other factors related to the Malaysian online consumer market. In short, the online retailers should have a thorough understanding of the factors influencing consumers' perception of online brand trust.

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PASITIKĖJIMO INTERNETINĖS PREKĖS ŽENKLU PRAEITIS: MALAIZIJOS PAVYZDYS

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Santrauka

Straipsnyje empiriškai tiriami veiksniai, kurie daro įtaką pirkėjo suvokimui apie pasitikėjimą internetinės prekės ženklu Malaizijoje. Buvo iškeltos šešios hipotezės hipotetiniam ryšiui nustatyti tarp: saugumo ir privatumo, suvokiamos rizikos, kokybės informacijos, geros internetinės patirties, prekės ženklo reputacijos bei pasitikėjimo internetinės prekės ženklu. Hipotetiniam ryšiui patikrinti buvo apklausti 209 respondentai. Rezultatai parodė, kad tarp saugumo ir privatumo, suvokiamos rizikos, kokybės informacijos ir prekės ženklo reputacijos kriterijų bei pasitikėjimo internetinės prekės ženklu yra reikšmingas teigiamas ryšys ($R^2 = 537$). Tačiau buvo nustatyta, kad gera internetinė patirtis neturi didelės reikšmės. Rezultatai palyginti su anksčiau atliktais tyrimais bei aptarti tolesnių tyrimų pasiūlymai.

Reikšminiai žodžiai: pasitikėjimas internetinės prekės ženklu, saugumas ir privatumas, internetinė patirtis, kokybės informacija ir prekės ženklo reputacija, Malaizija.

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