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What factors influence online brand trust: evidence from online tickets buyers in Malaysia

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Abstract

This study examines online brand trust and its influencing factors in the specific context of online air ticket buyers in Malaysia. Summarizing academic literature on online brand trust drivers, it was found that there is a need to conduct research on online brand trust. Accordingly our hypotheses is that word-of-mouth, online experience, security/privacy, perceived risk, brand reputation and quality information have significant influence on online brand trust. Our hypothesis is being tested in terms of mentioned variables, on online airline ticket buyers in Malaysia. Using survey methodology, data was collected from 289 online air ticket buyers through questionnaire; validity and reliability tests and causality analysis (multiple regression analysis) had been conducted. According to the findings of the study, security/privacy, word-of-mouth, online experience, quality information and brand reputation appear to have a significant and positive relationship with online brand trust. The results are compared with earlier findings and limitation and further research are discussed. This study provides insightful understanding of consumer's online brand trust.

Key words: Online Brand Trust, Security/privacy, Word-of-mouth, Online Experience, Quality Information and Brand Reputation, Malaysian Internet Users

1 Introduction

All around the world we can see consumers turning to the Internet for their shopping needs and concerns. This has opened a window and business opportunity for all businesses. Online shopping has several benefits over traditional shopping. One of the obvious benefits is the global reach of the Internet whereby consumers can buy goods and services with a wide range of categories anywhere and at any location. Besides, online sellers deliver the goods to the buyer's home, and customers can order as many items as they can afford. Moreover, online store is open 24 hours a day, 7 days a week and 365 days a year, so customers who want to purchase online have no need to hurry or worry about searching parking spaces at any shopping mall. Likewise, past researchers who examined online shopping found some of the most common barriers which hinder online shopping. Among these are security, privacy, and trust [1], [36], [55], [3], [41], [26]. Trust is one of the single most important factors influencing online shopping behaviour [30].

The Internet has changed tourism business by offering new distribution channels. More and more people are buying online and many have become addicted to this activity. Some people enjoy shopping to some extent, while on the other hand some people try to make it simple and as short as possible. Online shopping is best for customers who try to keep their shopping simple and short. Now customers can also book air tickets quickly, conveniently and with substantial price savings. It eliminates the barriers to the availability of competitive ticket price information, intensifies market transparency and gives more power to the e-customer. Airline tickets are the most sold product on the Internet in Malaysia, where as much as 43.8% of online shoppers buy tickets online [58]. But despite the continued growth in online airline ticket sales, many Malaysian consumers are still somewhat reluctant to make online reservations or purchases.

The Malaysian online users at the moment are still in the experimental stage in online brand. They are still exploring the brands online and seeing what these brands can offer them. In the tourism industry, previously 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, with the emergence of Air Asia as the first low cost carrier in Malaysia, the purchasing of air tickets online is becoming more popular among Malaysians due to its convenience and cost-savings.

Several studies on brand trust have been carried out in the past few years. 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 business transactions can be done more effectively if consumers trust the brand and the company [58]. In any business transaction, brand trust is very important for several reasons. For instance, according to Schurr and Ozanne [46], trust creates more favorable attitudes towards suppliers as well as customer loyalties. It also helps partners project their exchange relationships into the future [15]. Trust increases competitiveness, reduces searching and transaction costs, and mitigates opportunism in uncertain contexts [15]. Reast [40], suggests that brands that are trustworthy will benefit more than their less trusted competitors.

With the evolution of new e-business models and the advances in information technology, online trust is also an important phenomenon in both business-to-business (B2B) and business-to-consumers (B2C) transactions. According to Xiling [57], it brings more challenges than solutions for establishing and maintaining trust in the electronic marketplace. A Forrester Research survey in 2000 found that 51% of companies would not trade online with parties they do not trust. Goodwin [8] 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 [9]. 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 [43].

The steady growth of online consumer purchasing in service categories is a driving force that convinces businesses that they should make a firm commitment to Internet branding [7]. 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 [39], [11].

It is essential for online businesses to know what influences online users to trust to purchase products and services online. The objective of this study is to identify factors influencing online brand trust of service industry particularly airline industry in Malaysia. In this study the focus would be on Malaysian Internet users making ticket purchases online. In addition, this study also tries to identify the acceptance and possibility of consumers accepting a particular brand online. It is to find out what makes them view a particular brand as trustworthy.

2 Factors Influencing Online Brand Trust

Brand trust is defined as 'the willingness of the average consumer to rely on the ability of the brand to perform its stated function [9]. In this study, brand trust is simply the trust a consumer has in a specific brand, a definition based on Ha, [20]. 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 and pay a premium price for the brand as well as buying its brand extensions. Besides, a consumer who has trust in a brand is also willing to share some information about his or her tastes, preferences and behavior [9], [8] as cited in Horppu et al., [25]. Trust also involves a general expectancy because it cannot exist without some possibilities of being in error [14]. Thus, trust is based on the consumer's belief that the brand has specific qualities that make it consistent, competent, honest, responsible and so on. This is in line with past research on trust [15], [6], [32] that suggest 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.

Drawing on the research on brand trust developed by Delgado et al. [14], we consider that these specific attributions are technical and intentional in nature, which is in line with a two-dimensional idea of trust more commonly found in management and marketing literature [15], [18], [35]. The first dimension of brand trust, reliability, has a 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.

Ha [20] who studied 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, while another researcher believes that people trust a brand based on their own past experience as well as by third party recommendations [51]. This is similar to two of the factors that have been stated by Ha [20] which is word-of mouth and good online experience. In the trust model done by Srivinasan [51] it also shows the use of security in building consumer trust for an e-business. The findings by both researchers' are very similar and the factors they stated are the same too.

Previous research indicates several factors affect online brand trust. These factors are listed in Table 1. Basically the factors can be grouped into Web site factors and consumer factors. The factors and findings pertaining to online brand trust highlighted in some studies are similar. From previous research it seems that trust plays different roles in different contexts. In a large scale empirical study, Sultan et al., [52] 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 that trust mediates the relationship between these determinants and customer action behavior. Nine Web site factors were identified namely as navigation, advice, no error, fulfillment, community, privacy/security, trust seals, brand and presentation, and all these factors influence consumer's trust. Four consumer factors, namely, self-confidence/Internet savvy, past behavior, Internet shopping experience, and entertainment experience also affect trust.

Lack of trust is frequently the key reason why people do not make purchases online [33]. There is no clear distinction between the underlying dimensions and antecedents of online trust in most of the studies on online trust. Although Dayal et al. [12] 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 example, Fogg et al. [16] claim that trustworthiness affects credibility, but these two constructs are blurred and not well differentiated.

Based on previous research and making distinctions among various constructs, Shankar et al. [48] developed a broad conceptual framework of online trust which includes three broad constructs, namely Web site characteristics, user characteristics and other factors that include online medium and variables that are a combination of website and user characteristics. 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. The User characteristics comprises 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 [45] developed a conceptual model of trust in the online environment based on some internal and external factors. In this instance, external factors including product/service characteristics and different markets/cultures/countries are likely to have some effects towards online trust. Clearly, internal factors such as consumer characteristics, past experience, perception of risk, 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 [15], [20], [6], [52], [33].

Table 1: Factors Affecting Brand Trust

Reference	Factors Influencing Online Brand Trust
Ha (2004)	<i>Web purchase-related factors</i> : security, privacy, brand name, word-of-mouth, good online experience and quality of information
Srinivasan (2004)	Security, past experience and third party recommendations
Sultan et al. (2002)	<i>Web site factors</i> : navigation, advice, no error, fulfillment, community, privacy/security, trust seals, brand and presentation. <i>Consumer factors</i> : self-confidence/Internet savvy, past behavior, Internet shopping experience, and entertainment experience.
Lee & Turban (2001)	Trustworthiness of Internet merchant, trustworthiness of Internet shopping medium and contextual factors
Salo and Karjaluoto (2007)	consumer characteristics, product/service characteristics, different markets/cultures/countries, perception of risk and past experience
Dayal et al. (1999)	Security, merchant legitimacy, fulfillment

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 as to how to change the mindset of Malaysian Internet users into purchasing online. In order to understand what influences online users to purchase a certain brand online we must first find out the factors that influence consumers' perception of brand trust online. Malaysians are 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 and Hypotheses

In this study, online brand trust is proposed to have influence from six main factors as shown in Figure 1.

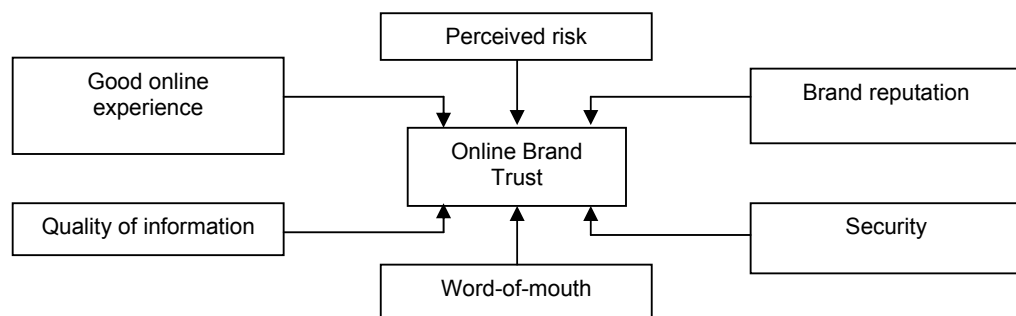


Figure 1: A Schematic Diagram of the Research Model

These factors are identified from an extensive review of the literature which indicates that they are relevant to online brand trust. The influencing factors on online brand trust considered for this study are good online experience, the quality of information provided by the website, word-of-mouth by friends and family, brand reputation, security of the website [20] and perceived risk of purchasing online [42]. In the following sections, the literature on each of the components and their influence on online brand trust are discussed.

The first factor investigated is word-of-mouth communication. In a developing e-commerce economy like Malaysia, word-of-mouth (WOM) has been said to be more 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 [20]. Thus, it is a determinant of brand trust. Many researchers have found that WOM communications do affect brand trust [42], [38]. We assume that positive WOM about a particular brand, helps consumers to cultivate brand trust. Therefore, we hypothesize that:

H1: *There is a positive and significant relationship between word-of-mouth communication and the level of brand trust the consumer has.*

The second factor 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. Security, while a requirement for trust, is prevalent in more advanced e-commerce economies and as such is assumed by many consumers. However, in a developing country like Malaysia, where business transaction online is still in its growth stage, the level of security and consumers' trust in the Internet is still questionable. Moreover there have been some cases of thefts and intrusion on individual privacy through the internet. This would certainly affect consumers' trust on the usage of the Internet and of course the brands that they are purchasing online. Past researches have proven that security influences consumers' brand trust (e.g. [44]; [38] as cited in Ha [20]. Ha [20] has found that consumers tend to associate higher security feelings with a higher level of brand trust. Based on these findings, this study therefore posits that:

H2: *There is a positive and significant relationship between the level of security/privacy a website provides and the level of brand trust the consumer has.*

Another factor affecting brand trust is consumers' perceived risk. Consumers' trust in 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 [20] 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. Therefore, it is hypothesized that:

H3: *There is a negative and significant relationship between perceived risk and the level of brand trust the consumer has.*

Consumers' satisfaction and loyalty develops as a result of the consumers' positive experience with the brand [21] which will positively affect brand commitment and re-purchase intentions [17] and improves the brand reputation [47]. According to Alba and Hutchinson [2], consumers' brand experience refers to their knowledge of and familiarity with a brand or brand category. Ha and Perks [21] 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 [37] as cited in Ha, [20] but the relationship in the context of e-commerce is still unclear. Therefore, we hypothesize that:

H4: *There is a positive and significant relationship between good online experience and the level of brand trust the consumer has.*

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 [20], [29] which will influence their level of trust. This leads to the hypothesis that:

H5: *There is a positive and significant relationship between perceived quality of information and the level of brand trust the consumer has.*

Another factor that determines consumers' online brand trust is brand reputation. Generally, the better the reputation of the brand, as perceived by 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 [29], is one of the factors that facilitates the development of brand awareness or familiarity which will lead to higher level of brand trust. Thus, we hypothesize that:

H6: *There is a positive and significant relationship between perceived brand reputation and the level of brand trust the consumer has.*

4 Methodology

An empirical study was designed to test the research framework and the abovementioned hypotheses. We will briefly address here some methodological issues related to the data collection (section 4.1) and the measurement of variables (sections 4.2).

4.1 Sample and Data Collection

Data for this study was gathered in March 2009 by primary data collection method through consumer survey administered among participants in a Malaysian Association of Tour and Travel Agents (MATTA) fair in Malaysia.

In this MATTA fair, air tickets to all destinations around the world are sold at a relatively cheap price and this has attracted a big crowd including students. Data for this study was gathered through personal administered questionnaire which were conveniently distributed among the MATTA fair participants. The product category chosen for this study is 'airline service' (e.g. Malaysia Airlines, Air Asia) as this was the main product offering at the MATTA fair apart from tour packages. Currently, 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. Selling tickets online, the airline industry gains economies of scale and tremendously reduces their operating costs. Target respondent for this study was anybody who buys airline tickets 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 316 respondents who were eligible for the study, 297 (93.99%) agreed to complete the survey. However, 8 were discarded due to incomplete responses; the final sample was 289 for an effective response rate of 91.45 percent. The majority of respondents were male (57.8%) and Chinese were the highest contributors of the total respondents (75.8 percent). Their age ranged from 16 to 50 with mean age of about 28.3 years old. Most of them were undergraduate students representing 75.1 percent of the total sample. In this study most of the respondents were students because students are the most suitable group to be considered as young consumers [50] and young tend to be the first ones who embrace advanced technology. If it's something new and better (and affordable) they want it.

4.2 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. [53]. Some items of independent variables were developed by the researchers, while some were adopted or modified from previous research [20], [10], [49], [28]. 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.

5 Results and Data Analysis

This section starts with a discussion of general usage pattern of Internet by the respondents of the study (see Table 2). The validity and normality of the data will also be discussed here in this section.

5.1 Frequency of Internet use

This study examines how frequent respondents use the Internet in a week and in a month. The frequency table shows that the majority of respondents access the internet everyday (76.1 percent). Only 12.8 percent of the respondents access the Internet once a week while 7.3 percent goes online once in two weeks. There are only 9 respondents that access the Internet once a month constituting 3.1 percent. 2 respondents also access the internet less than once a month with 0.7 percent of total respondents.

5.2 Time Spent (per Session)

The amount of time the respondents normally spend on the Internet is shown in Table 2. As it clearly shows, most of the respondents (39.4%) use the Internet for 1 to 3 hours. There is only 14.9% who spend more than 2-4 hours. Other than that, 28.7% normally use the Internet for more than 4 hours and finally 17.0% spend less than 1 hour.

Table 2: Usage of Internet

	Frequency	Per cent
<i>Frequency of cyber café use</i>		
Everyday	220	76.1
Once in a week	37	12.8
Once in two weeks	21	7.3
Once a month	9	3.1
Less than once a month	02	0.7
<i>Time spend (per session)</i>		
Less than 1 hour	49	17.0
1-2 hours	114	39.4
2-4 hours	43	14.9
More than 4 hours	83	28.7

5.3 Reasons to Browse the Internet

Table 3 clearly depicts the reasons our sample respondents browse the Internet. In this section of the questionnaire the respondents are allowed to tick as many as applicable to them. The number one reason chosen for browsing the internet is entertainment where 65.7 percent out of the 289 respondents ticked the reason. This is followed by searching for information with 61.9 percent. This might be due to the fact that since most of the respondents are students they frequently browse the internet to search for information for their assignments.

54 percent of the respondents chose education as the reason to browse the internet while 48.1 percent chose pleasure. However, it is interesting to note that only 7.3 percent of the respondents chose online shopping (physical goods) as the reason for going online and this figure is not very encouraging particularly compared with Malaysia's neighbor, Singapore. This figure is considered low when compared with a Singaporean study conducted by Teo [54] where he reported that eight out of ten Singaporeans have purchased online.

Table 3: Reasons to browse the internet

Reasons	Frequency	Per cent
Business/work	57	19.7
Entertainment	190	65.7
Online shopping (physical goods)	21	7.3
Communication	103	35.6
Search Information	179	61.9
Education	156	54
Pleasure	139	48.1
Service	65	22.5

5.4 Test of Content and Construct Validity

Validity measures the degree to which items on the research instrument actually relate to the content of the area or issue under investigation [23]. The content validity of the research instrument used in this research relates to the extent to which it examines various influencing factors on consumers trust factors on online air ticket buying. Hair et al. [23] suggest that the best way in which to ensure content validity is to subject the instrument to judgmental validation by experts in the area. In this case the experts were two academicians, two research fellows at the Graduate Business School (Universiti Teknologi MARA, Malaysia), and three online retailers in Malaysia. Their feedback, both positive and negative, helped shaped the final version of the questionnaire.

Factor analyses were conducted on all the independent variables and dependent variable in order to develop factors that help in explaining the determinants of online brand trust. As suggested by Hair et al. [22], six factors were identified from 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 [22] and Alfansi and Sargeant [5]. The rotated factor matrix is displayed in Table 4. The six factors identified explain 55.7 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 [4]. In our survey, the Kaiser-Meyer-Olkin (KMO) measure of sampling adequacy score (0.88) was well above the recommended 0.5 level [34]. Moreover, the Bartlett's test of sphericity indicated that there was adequate correlation among the chosen variables ($X^2_{(210)} = 14.44, p < 0.01$)

Table 4 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 ($\alpha > 0.60$).

5.5 Normality of Data and Multi-collinearity

This study involves a sample of 289 respondents and therefore, the Central Limit Theorem could be applied and hence there is no question on normality of the data. The impact of multicollinearity is a concern for interpreting the regression variate [23]. Highly collinear variables can distort the results substantially and thus not generalisable. Two common measures for assessing the multicollinearity are the tolerance and variance inflation factor (VIF) values. A common cut-off threshold is a tolerance value of 0.10, which corresponds to a VIF value above 10 [23]. In the current study, the tolerance values of all variables are above 0.10. Likewise the VIF value is less than 10, thus further confirming that multicollinearity problem is not a concern (see Table 5). The acceptable Durbin – Watson range is between 1.5 and 2.5. In this analysis, the Durbin – Watson value of 1.640, 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: Exploratory Factor Analysis and Scale Reliability

Items	Loading	Reliability
Quality of Information		0.838
Websites usually provide in-depth information.	.679	
Websites provide me with information that benefits me.	.809	
The information from this brand websites always catches my attention.	.745	
Security/Privacy		0.822
I felt secure in providing personal information for purchasing airline tickets online	.563	
Websites of airlines company has adequate security features	.734	
I feel that my privacy is protected when I'm purchasing ticket online.	.683	
I trust airlines websites with respect to my credit card information.	.676	
Assures me that I will not be placed on mass mailing lists	.826	
Assures me that my personal information will not be shared with other marketing organizations	.722	
Perceived Risk		0.682
My monetary loss resulting from purchasing this airline ticket from the website is high	.765	
My expected failure of service performance if I buy service from the airline website.	.766	
I do not think it is safe to buy service from this airline website	.716	
I felt the risk associated with buying from this airline website is high		
Word-of-Mouth		0.640
I find information given by my friends and relatives about this online airlines brand trustworthy	.600	
I know someone who had bad experiences with this brand online.	.669	
Many of my friends and relatives recommended me to purchase my airline ticket online.	.451	
I trust what my friends and relative says about this online brand providing reliable information	.549	
Online Experience		0.800
My experiences with purchasing online were always satisfactory.	.679	
All my previous online airline ticket purchases have gone well	.606	
Brand Reputation		0.697
The airline website has a good reputation.	.621	
The airline website gives good value and service.	.754	
The airline website usually has a reputation of not keeping their contractual promises.	.446	
Online Brand Trust		0.708
I feel very comfortable purchasing this brand online.	.803	
I purchase a lot of this brand's services online.	.650	
Consider this airline is my first choice if I buy same services through online.	.761	
This airline brand is a name I can always trust.	.859	
This airline brand always delivers on what they promise.	.780	

Table 5: Test of Collinearity

Variable	Tolerance	VIF
Security/privacy	.617	1.621
Perceived Risk	.788	1.269
Word-of-mouth	.964	1.037
Good online experience	.472	2.119
Quality of information	.372	2.686
Brand reputation	.448	2.230

6 Hypotheses Testing

Table 6 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. [22] with online brand trust as the dependent variable. The results obtained, as shown in Table 6, revealed that H1, H2, H4, H5, and H6 were found to be positive and significant in the prediction model. Effects of perceived risk were tested by H3, which was rejected by this test. This result indicates that perceived risk would not affect online brand trust. The results provide support for hypotheses H1, H2', H4, H5, and H6, that is, the relationship between security/privacy ($\beta = -.159$; $p < 0.01$), word-of-mouth on online brand trust ($\beta = .122$; $p < 0.01$), good online experience on online brand trust ($\beta = .147$; $p < 0.05$), quality of information with online brand trust ($\beta = .138$; $p < 0.05$) and brand reputation ($\beta = .159$; $p < 0.01$) with online brand trust.

Table 6: Regression Results

Variables	Beta	t-value	p-value
Word-of-mouth	.122	2.979	.003
Security/privacy	.159	3.112	.002
Perceived Risk	-.053	1.176	.240
Good online experience	.147	2.515	.012
Quality of information	.138	2.108	.036
Brand reputation	.159	3.112	.002

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 confirmed that word-of-mouth has a significant effect on level of brand trust. The relationship is a positive one which means the more word-of-mouth communications the brand has, 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 having 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. Word of mouth can either hurt a company's reputation or make it.

The study also shows that perceived security/privacy has a significant effect on online brand trust. This result supports the earlier findings by Ha [20] and Srinivasan [51]. It is evident that security and privacy have to be vital components of effective commercial Web sites. In addition, 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.

The findings of the study show that, perceived risk has no direct and significant effect on online brand trust. This result contradicts with those of previous studies done by other researchers [24], [20], [27]. Previous studies found that perceived risk has a significant influence on online brand trust. However, this is not found in this study. 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 the 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 negative sign of the beta shown in the regression results indicates that if there is a relationship it will be a negative one. This means that the lower the perceived risk the higher the level of brand trust the consumer will have and vice versa.

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

Studies like those carried out by Sato and Karjaluo [45]; Ha [20]; Srinivasan [51]; Venkatesh et al. [56] have generally shown that good online experience has a positive and significant influence on the level of online brand trust. This research therefore further proves the earlier findings that showed respondents are satisfied with their previous experience on purchasing and this proves to be very important in promoting online brand trust.

The acceptance of both H5 (quality information) and H6 (brand reputation) is in agreement with a wide range of previous findings [15], [20], [6], [52], [33], [56]. The results of this study indicate that quality information and brand

reputation have a positive effect on the 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 develop and sustain brand trust.

8 Limitations and Future Research Directions

Like other empirical studies, this study is not without its limitations. The sample size itself is relatively small. The study can be strengthened by increasing the sample size and including participants in other geographical areas. There are several unexplored areas of online brand trust that present fertile opportunities for future research relating to online trust. Some of these can be investigated empirically with the availability of data that may not be very difficult to collect. With an increased sample size, a more detailed empirical analysis among the independent variables and the variables that have multiple categories can be performed. 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 Implications

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 retailers to better understand what influences consumers to purchase certain products or services online. Although this study is based on the air line industry, 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. Online retailers will be more knowledgeable in the brand orientation and the preference of consumers. They may take the necessary corrective actions to provide better services. This will serve as a platform that will lead to sustained confidence of the consumers in buying online.

10 Conclusions

The research was done using a theoretical framework developed based on previous studies. The multiple regression analysis shows that security/privacy, word-of-mouth, good online experience, quality of information and brand reputation are significant elements affecting online brand trust in the airline industry in Malaysia. The model explains 54% of the variance in online brand trust. This information is particularly helpful for online retailers who have yet to convert non-loyal consumers to loyal consumers. Until then, experiences and stories of online shopping failures will continue to put off some potential consumers from purchasing products and services through online. Trust is also very crucial in order to compete among business organizations in today's global business world.

Finally, understanding consumers' perception on online brand trust is not an easy task and will always create challenges to most online retailers. Those 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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