



**Studio Archetype/Sapient**

# **eCommerce Trust Study**

**A Joint Research Project by**

**Cheskin Research and  
Studio Archetype/Sapient**

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## **Background**

As the Internet develops and matures, its success will largely depend on gaining and maintaining the trust of visitors. This will be paramount to sites that depend on consumer commerce.

The concept of trust is crucial because it effects a number of factors essential to online transactions, including security and privacy. Without trust, development of e-commerce cannot reach its potential.

The factors that produce a sense of trustworthiness need to be identified, in their entirety. Their interactions need to be understood, and their relative importance determined. Understanding the roles of these different factors would allow online retailers to ease consumers' concerns, and could hasten the maturation of Web retailing.

## **Research Objectives**

This research study was undertaken to determine the nature of those elements that communicate "trust" in e-commerce sites, be they transactional or graphical. Specific objectives included the following:

- Obtain consumer and expert feedback in order to identify the elements that communicate trust;
- Develop a "model of the building blocks of trust" based on that feedback;
- Map the relative importance of the most fundamental components that communicate trustworthiness as a guide for builders of sites;
- Learn more about the "state of the art" of Web site design; and
- Explore a range of additional issues related to consumer perspectives on trust and e-commerce.

## Highlights of the Study

### **1. Trustworthiness is a Function of Time and Specific Formal Characteristics of Sites**

In order for trust to occur, individuals first rely on certain forms being followed. Over time, reliance on these forms gives way to a reliance on experience. Such experience is a necessity for true trust to develop.

### **2. Six Fundamental “Forms” Communicate Trustworthiness**

Brand, navigation, fulfillment, presentation, up-to-date technology and the logos of security-guaranteeing firms constitute the essential formal characteristics of Web sites that communicate trustworthiness to visitors. These six forms, in turn, can be divided into a total of 28 components that can be used to communicate trustworthiness.

### **3. E-Commerce Trust Begins in Chaos and Ends in Trustworthiness**

Consumers see the world of the Web as one of chaos, offering both possibilities and threats. Only after they believe they have secured control over their own personal data within the system, are they willing to begin to try out e-commerce. While trust develops over time, communicating trustworthiness must occur as soon as interaction with a site begins.

### **4. Effective Navigation is Generally a Precondition to Communicating E-Commerce Trust and the Perception that Sites Meet Consumer Needs...**

Effective navigation is a necessary pre-condition to successfully communicating the trustworthiness of a site. Having a well-known brand is also tremendously important. Generally speaking, effective navigation combined with a well-known brand is the best way of communicating trustworthiness. Combining strong navigation with effective fulfillment can also achieve this.

### **... and a Lesser-Known Brand Must Have Quality Navigation and Fulfillment to Compete**

For lesser-known brands, navigation of and fulfillment from their Web site play significant roles in establishing trust. Any new Web-based brand MUST build in excellent navigation and fulfillment if it is to be trusted.

### **5. Web-Based Seals of Approval Matter More than Credit Card Brands in Communicating Trustworthiness...**

The presence of credit card symbols do little to communicate trustworthiness, even though they're universally recognized by consumers. In contrast, Web-based “security brand” seals of approval, such as VeriSign, when recognized, DO communicate trustworthiness. Given the choice, smart Web retailers will place security brand logos on their sites.

### **...but Their Technology Matters Even More**

On the other hand, consumers want to see that specific security brands use technologies understood to be important to security, such as encryption. Savvy security brands will work to equate their brands with such technologies, and explicitly mention their use of these technologies.

### **6. The Most Trusted Web Brands Are Well-Known Brands...**

Seven of the 12 most trusted brand names in e-commerce originated on the Web. Regardless of where a brand established itself, however, one key aspect of establishing trust with consumers is the reputation of a brand, together, in many cases, with personal experience.

### **... and the Least-Trusted Sites Aren't Well-Known**

All of the least-trusted sites on the Web originated there. Virtually none are well-known, however. Generally speaking, a site that has never been visited and isn't well-known is unlikely to be a trusted site.

### **7. Trustworthiness Isn't the Most Important Attribute a Site Can Possess, but It's Still Fundamental**

While trustworthiness matters, it's not necessarily the key attribute of a brand in cyberspace. Strong fulfillment and navigation are key, independent of trust issues. In addition, overall value, selection and lower cost all can be more important. Trustworthiness, however, is often communicated when other fundamental needs are met, such as effective fulfillment. Consequently, taking steps that communicate trustworthiness simultaneously satisfies many of the other needs expressed by consumers.

### **8. Effective Navigation Key to Meeting Needs**

Beyond the question of communicating trustworthiness, consumers rely on the quality of navigation, more so than other components, to tell them if a site is likely to meet their needs.

### **9. Clearly-Stated Policies, Limited Information Requests and Guarantees Are Keys to Future Growth**

To maximize growth, brands focusing on e-commerce need to address concerns about security and privacy. Some things that an e-commerce site can do to address security and privacy concerns are:

- Clearly state their policies on security and encryption;
- Ask for only necessary information;
- Provide shipping and return guarantees; and
- Provide good communication with consumers.

## **10. Consumers Expect the Future of E-Commerce to be Like the Present**

Generally speaking, consumers expect that they'll be engaging in e-commerce in much the same ways they are today — buying books, CDs and software. Some product categories, such as jewelry and groceries, are expected to do poorly on the Web.

## **11. Brand Now Matters More than Medium**

Seven of the 12 most trusted sites originated on the Web and have no presence outside of it. In addition, 3 of the five dirt-world sites most trusted by consumers aren't seen as particularly appealing sites from which to purchase.

In addition, some Web-based brands, such as Amazon.com, have established brands with more desirable attributes than their traditional retail competitors. Increasingly, these Web-based brands could snare a significant market share if they choose to open traditional retail outlets. Overall, we found that brand attributes increasingly matter more than the medium in which they are established. This suggests that traditional retailers need to see Web retailers as a far more dangerous threat than they have previously.

## Research Methodology

We developed a four-phase process to acquire the understanding we sought:

- Phase 1: Snapshot of Consumer Attitudes
- Phase 2: Secondary Research
- Phase 3: Expert Interviews
- Phase 4: Quantitative Evaluation

463 Web users and a wide range of experts in the worlds of e-commerce, Web site development and academia contributed to this study.

### Phase 1: Snapshot of Consumer Attitudes

A total of 138 questionnaires on trust were completed by a wide range of consumers. They were then evaluated by a joint Cheskin-Studio Archetype team. The goal of the evaluation was to begin developing a model of the nature of Internet trust. The analysis of a largely open-ended questionnaire involved the following key phases:

1. Identification of key groupings of words and ideas related to all types of trust;
2. Development of a model of the process of trust based on these groupings, as well as other information contained in the questionnaires;
3. Identification of key groupings of words and ideas related to Internet trust; and
4. Development of a model, related to the first, which focuses on the nature and process of Internet trust.

### Phase 2: Secondary Research, Site Review and Analysis

An audit of 60 current e-commerce sites gave the team a perspective on the range of approaches to the issue of trust. Distinct elements and common principles were identified. A model of the building blocks of e-commerce trust principles, begun in Phase 1, was then further refined.

At the same time the site audit occurred, secondary research provided additional insights into the process of developing e-commerce trust.

### Phase 3: Bulletin Board Discussion with Experts in Design, Marketing and Product Development

In this phase, Cheskin and Studio Archetype hosted a bulletin board discussion with experts in the fields of Web site design, marketing and product development. We recruited these individuals from among industry leaders doing significant work in the fields mentioned above. These experts provided the team with additional insights for our developing model.

During the week-long bulletin board, a set of questions were posted. Respondents were asked to go to the board twice a day to add their thoughts to the developing conversation. At the beginning of each day, Cheskin and Studio Archetype reviewed the direction the discussion was taking, and sought to guide it to assure it stayed consistent with the project's goals.

#### **Phase 4: Consumer Involvement**

The purpose of this phase was to quantify the results of the earlier research and to tie the developing model of the building blocks of trust to specific design options. Using what was learned from the earlier phases, eight commercial Web sites were selected by Studio Archetype and Cheskin that represented the "strong" and the "weak" for the three key components of Web trust that were identified in earlier research: brand, fulfillment and navigation. Those sites and their trust-component status are shown below:

<b>Web site</b>	<b>Brand</b>	<b>Fulfillment</b>	<b>Navigation</b>
Fashionmall.com	Lesser known	Weak	Weak
GolfWeb.com	Lesser known	Strong	Weak
Levi.com	Better known	None	Weak
Sharperimage.com	Better known	Strong	Weak
Books.com	Lesser known	Weak	Strong
Reel.com	Lesser known	Strong	Strong
Amazon.com	Better known	Weak	Strong
Barnesandnoble.com	Better known	Strong	Strong

In order to conduct the research, Studio Archetype and Cheskin built the first "virtual Web site laboratory" of its kind. A total of 315 consumers, recruited primarily via Lycos and regional bulletin boards, visited the lab and were sent to evaluate one of the eight sites on a variety of criteria, designed to determine the relative importance of the different components. They were then asked a wide variety of questions related to the trustworthiness of the site they visited, as well as questions concerning the importance of "seals of approval," such as Verisign, and the reputations of over one hundred prominent sites.

Basic demographics of respondents for this Phase included:

- 56% male, 44% female;
- Average age of 30 years;
- Average income of \$38,000;
- Average Web usage of 20 hours/week; and
- 34% of the respondents have never purchased anything on the Web.

The data from the interviews were collected by Studio Archetype and analyzed by Cheskin.

## Detailed Findings I: Developing a Model of Trust

The qualitative questionnaires, secondary research, Web-expert BBS and quantitative research led to a range of insights into the nature of trust and the communication of trustworthiness as described below. The key issues we sought to address were:

1. What is “Trustworthiness?”
2. What are the Components of e-commerce trust?
3. How does e-commerce trust develop?
4. What is the relative importance of some of the key components in communicating trustworthiness?

### 1. “Trustworthiness” Is About Experience Over Time

First and foremost, it’s important to recognize that “Trust” is understood by most consumers to be a dynamic process. Trust deepens or retreats based on experience. The trusting process begins when an individual perceives indications — “forms” — that suggest a firm may be worthy of trust. These indications can include behaviors such as manners, professionalism and sensitivity.

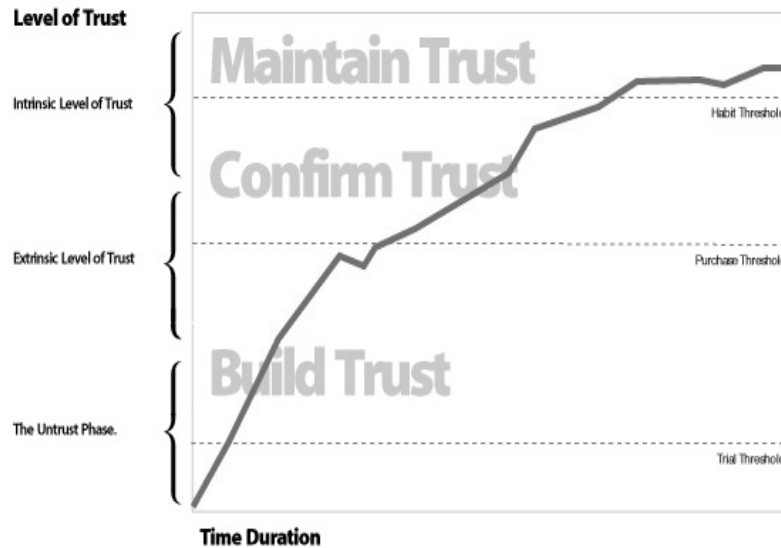
Both consumers and firms understand that these forms are designed to represent trustworthiness. These formal claims to trustworthiness become strengthened over time and are eventually transformed into “character traits,” such as dependability, reliability and honesty.

As it becomes clear that “character” underlies the forms, one will be willing to participate in more informal transactions. When only forms are known, one will only engage in formal, written contracts with a firm. However, as one begins to rely on a sense that a “trustworthy character” underlies the firm’s behavior, one will require progressively less new information.

Respondents believe that commercial relationships require far less knowledge of trustworthiness than loving relationships. In large part, this is because trust in more intimate relationships involves more valued personal assets than money, such as self-respect, desirability and worthiness as a lover or spouse.

Because less valuable assets are at stake in a commercial relationship, consumers generally don’t expect to ever know if a firm possesses the “character” that might make it worthy of deeper levels of trust. Still, experience over time in a commercial relationship is vitally important in making transactions smoother, simpler and more likely to become habitual.

The process of deepening trust is shown graphically below.



## 2. E-Commerce Trust Is Communicated by Six Primary Components

Because time is key to deepening trust, Internet trust is still relatively shallow. Consequently, the “forms” that suggest trustworthiness are the main determinants of whether someone will take a chance. There are six types of such forms:

1. **Seals of Approval** — Symbols, like VeriSign and Visa, designed to re-assure the visitor that security has been established. The companies that provide these seals of approval are referred to in this report as “security brands.”
2. **Brand** — The corporation’s promise to deliver specific attributes and its credibility based on reputation and the visitor’s possible previous experience.
3. **Navigation** — The ease of finding what the visitor seeks.
4. **Fulfillment** — Clearly indicates how orders will be processed, and provides information on how to seek recourse if there are problems.
5. **Presentation** — Design attributes that connote quality and professionalism.
6. **Technology** — State of the art connotes professionalism, even if it’s difficult to use.

Internet security and privacy are issues of personal control over personal information. Satisfying most people regarding these issues is the first and most necessary step in beginning the trust-building process. After control has been established, the other forms must be addressed. Addressing these forms without control will lead to failure.

*The concerns that consumers should have is how is the information gathered through the transaction going to be used for or against them. . . . It's not so much how or what my information is going to be used for but do I have choice in how it is going to be used and will I be involved either through permission or economic incentives in the uses of the information that I supply? In other words, will I be assured the information will work for me as opposed to against me. This kind of trust seems to follow the [eCommerce Trust] model that is outlined in the [eCommerce Trust] Web site. It is something that I will only be comfortable with over time, over a series of transactions. (Skip Walter, Founder of Simplifications.com)*

*Fear around money and transactions will probably be surpassed by fear around personal information, identity, and attention. If I lose \$20, I'll be pissed but I won't spend weeks trying to resolve it. The time lost isn't worth it and the money can be recovered. Personal information, once released is hard to reclaim and protect. As every aspect of your personal life becomes available online, you'll care much more about it and look for people and services you can trust to protect, hold, and maintain it. (Sean White, CTO of WhoWhere.com)*

*Many people are uncomfortable with giving their credit card info. But this will inevitably change as more people do it and realize that it's safe to do. The press, I think, has made more of a "story" about this than it deserves. Although, I must admit, I only know from industry press and colleagues at e-commerce companies that online credit card transactions really are more secure than paper. (Steve Glenn, CEO of Peoplelink.com)*

### ***Building Blocks of Trustworthiness***

The six primary components break down into a total of 28 different ways in which trustworthiness may be established. Each are briefly addressed below.

<b>SEALS OF APPROVAL</b>	<b>Information about other companies that specialize in assuring the safety of Web sites</b>
Network Level 1	Icons symbolizing security of the computer network as a whole, such as TRUSTe, or VeriSign
Network Level 2	Text accompanying the icons
Technology Level 1	Icons symbolizing commerce-enabling functions, such as MS Commerce Server, ICAT, IBM e.business mark, and Browser compatibility marks
Technology Level 2	Text accompanying the icons
Merchant Level 1	Icons symbolizing merchant service security like MasterCard, VISA, Amex
Merchant Level 2	Text accompanying the icons
<b>BRAND</b>	<b>Importance of the company's reputation in choosing to do business with them</b>
Overall Brand Equity	Consumer awareness of what this company does for consumers outside of the Web
Web Brand Equity	How well the company's Web site fits with consumers' sense of what the company is about generally
Benefit clarity	On one's first visit to the site, how easy it is to discern what the site is promising to deliver
Portal/Aggregator Affiliations	Mention of an affiliation to portals and aggregators such as Yahoo, eXcite, ivillage, Lycos, etc.
Co-op third Party Brands	Promotion of "third-party" quality brands
Relationship Marketing	Sending updates and other notices to consumers
Community Building	Facilitating interactions between individual shoppers
Depth of Product Offering on the Site	How many varieties of product types the site contains
Breadth of Product Offering on the Site	How many types of products the site contains
<b>NAVIGATION</b>	<b>The ease of finding what the visitor seeks</b>
Navigation Clarity	Terminologies for navigation and content are apparent for the user to differentiate
Navigation Access	The navigation system placement is consistent, persistent and easy to find.
Navigation Reinforcement	There are prompts, guides, tutorials, instructions to aid and inform the user to perform transaction and or search task on the site.
<b>FULLFILLMENT</b>	<b>The process one works through from the time a purchase process is initiated until the product is received</b>
Protection of Personal Information	The information one provides is guaranteed to be used for no purpose other than what one gave it for, without their approval
Tracking	The site provides feedback or a confirmation number once the order is placed
Recourse	The transaction process allows for recourse if one has a problem at any time during the process
Return Policy	How clearly the return policy is explained
Simplicity of Process	How simple it is to buy something
<b>PRESENTATION</b>	<b>Ways in which the look of the site, in and of itself, communicates meaningful information to you.</b>
Clarity of Purpose	The visuals/layout effectively convey the idea and the purpose of the site. Consumers would know they can purchase products when they get to the site
Craftsmanship	The degree to which, when one first views the homepage, one believes that the Web site developers were skilled in their efforts
Resembles other Trusted Sites	How much the site resembles others consumers have come to trust
<b>TECHNOLOGY</b>	<b>The ways in which the site technically functions</b>
Functionality	Overall, how well the site seems to work
Speed	How quickly each page, text and images appears

### 3. A Model of E-Commerce Trust

Below is a simple model that describes the major components involved in the development of trustworthiness for Web sites.

#### A Model to Understand eCommerce Trust



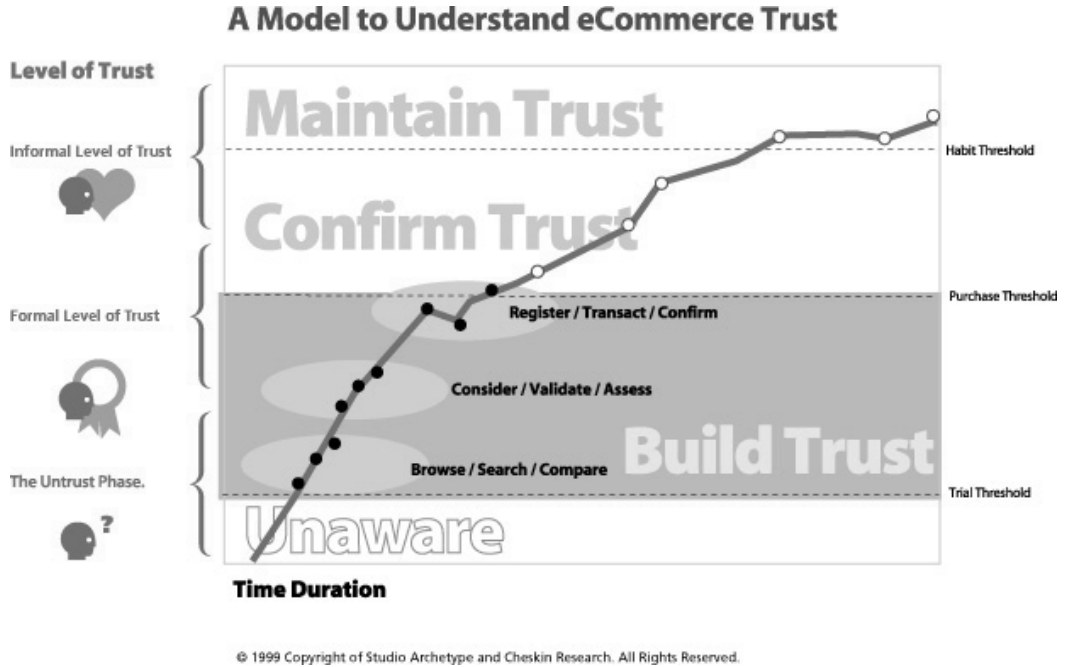
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Consumers new to e-commerce sense a kind of chaos in the Web, where information is vulnerable to hackers, technology is unreliable, and good intentions may lead to unpredictable results. This perception of chaos leads to a desire for control, particularly of personal information.

For current e-commerce users, control is still a fundamental concern. However, for whatever reason, be it experience, psychographics, etc., these individuals can be assured, to their satisfaction, that they retain some control over their own personal information.

Seals of approval (symbols like Verisign and Visa) seek to re-assure the visitor that control has been established. Once a sense of security has been established, a visitor's focus changes to the five signifiers of trust: brand, navigation, fulfillment, presentation and technology. Interestingly, "technology" often is key in producing a sense of legitimacy for the "seals of approval."

The chart below depicts the development of trust for Web sites.



The six different major components that communicate trustworthiness interact with each other in complex ways. The quantitative research sought to determine how three of them — brand, navigation and fulfillment — interact. The findings are discussed below.

**4. Effective Navigation Is the Key to e-Commerce Trust**

Effective navigation and a well-known brand, when viewed as isolated elements, both communicate trustworthiness. Fulfillment, viewed in isolation, has relatively little impact.

When they’re viewed as interacting elements, though, the picture changes. Strong navigation can best be understood as the foundation of communicating trustworthiness. Generally speaking, effective navigation needs to be joined to either a well-known brand or effective fulfillment if consumers are going to perceive the site as trustworthy. As long as effective navigation is one of two components in place, a site is significantly more likely to be considered trustworthy than a site with only one component in place, or a well-known brand with strong fulfillment but weak navigation.

However, even when a site has a well-known brand, is easily navigable and offers a simple transaction process, it still may not be considered more trustworthy than sites without all three components in place. For instance, a site with a well-known brand, strong navigation and strong fulfillment (Barnes and Noble) was found to be less trustworthy than a site of another well-known brand with poor navigation but strong fulfillment (Sharper Image). Furthermore, this site (Barnes and Noble) was considered less trustworthy than the site of a well-known brand with strong navigation but poor fulfillment (Amazon.com).

In short, even if a company can combine a well-known brand, strong navigation and strong fulfillment, it can't ensure that its site will be perceived as trustworthy if its brand isn't considered trustworthy.

Often, a well-known Web-based brand can be considered more trustworthy than well-known dirt-world brands. Among the well-known brands studied, there was one Web-based brand, Amazon.com, and three dirt-world brands, Levi's, Sharper Image, and Barnes and Noble. Amazon.com had similar awareness levels as the dirt-world brands and was able to establish as much or greater trust than the other brands.

*To a certain degree, the amount of "shlockiness" of a site -- its graphics, text, what's written, etc. -- the more I'd question it's trustworthiness if they asked me for card info. (Steve Glenn, CEO of Peoplelink.com)*

*A trustworthy site would be solid and no nonsense. It should feel sturdy and strongly branded. Design is a great way to communicate that. Consumers trust the design of "official looking" objects like money and legal documents and trust the feel of a bank. (Andrew Cramer, CEO of Online Partners.com Inc.)*

*Mature, well designed sites feel more stable and thus more trustworthy (not fly-by-night). (Sean White, CTO of WhoWhere.com)*

### **Lesser-Known Brands Must Build Sites with Strong Navigation and Fulfillment**

Since newer brands, by definition, are lesser-known, the only way they can compete with better-known brands is to make sure that both navigation and fulfillment work well for visitors. For these brands, navigation and fulfillment are equally important in building trust. As navigation or fulfillment improves, so does trust.

*There are some simple things that I think may affect the sense of trustworthiness in Web site design that have nothing to do with transactions, security etc. Is the site complete? If it looks even a little bit like it's "under construction" I get the sense that it's flaky - e.g., having pictures of some items and others with no pictures and captions like "no picture available at this time" just looks flaky. The more coherent, elegant, and buttoned-up the overall look of the site is, the more trustworthy it seems - sort of like a "real" store — bad decor and broken windows don't build trust. (Brenda Laurel, VP of Design for Purple Moon)*

*I only do business with entities that I can believe or "authenticate" who they say they are. These same expectations I bring to my Internet experience. Technically, these transaction elements can be supported. Very, very few Web sites support robust enough technology to give me enough confidence in the risks I may want to chance. It doesn't matter to me if the site looks like dirt... if its well engineered, maintained, and run by a solid, reputable outfit...I'll consider "trusting" their services. How these desired site attributes get communicated is a good question for discussion. (Kirk Bailey, Manager of IT Security Policy for The Regence Group)*

## Detailed Findings II: Other Aspects of Trust

In addition to exploring the relative importance of some components in the communication of trustworthiness, we also investigated a range of other issues related to the trust people place in Web sites and their components. The questions we asked were as follows:

1. How do security brands effect perceived trustworthiness?
2. What are the most and least trusted sites on the Web?
3. How important is trustworthiness?
4. How can a site suggest that it will meet consumer needs, and in what ways does this suggestion also communicate trustworthiness?
5. More generally, what qualities do consumers want in an e-commerce Web site, and what relationship, if any do these qualities have to the components of trust?
6. What sorts of products and services do consumers want to purchase on-line?
7. What is the current status of e-brands vs. dirt-world brands?

### 1. Web-Centered Security Brands DO Matter

#### *When They're Known...*

Security brands that relate specifically to the Internet, such as VeriSign, BBB Online, and two different TRUSTe symbols, are not well-known to consumers. However, for those people who DO know them, the symbols enhance trustworthiness.

For instance, only one-third of the respondents were aware of the VeriSign symbol. Of those familiar with it, however, over one-half said that it would increase their trust. For the Netscape Key and VeriSign, people who purchase on the Web considered them more trustworthy than those who have not purchased on the Web before.

#### *...and Web-Based...*

Credit card symbols, be they American Express, Visa, MasterCard, or Discover, while most familiar to respondents, had little trust-enhancing effects on the sites they grace. For example, the American Express symbol was recognized by almost all respondents, but only one-fifth said that it would increase their trust of a site it was on.

The charts below indicate the relationship between familiarity and trust, particularly for Web-based security brands. The charts clearly show that the most familiar brands — the credit card companies — have far less trustworthiness than VeriSign and TRUSTe, given their relative familiarity.

**The Marks that Matter Most**

<b>Symbols, Trust – by Those Familiar with Symbol</b>			
	<b>Percent Stating*</b>		
	<b><u>Familiar With</u></b> (Sample Sizes)	<b><u>Increase Trust</u></b> (315)	<b><u>Increase Trust by those familiar</u></b> (Varied)
	(315)	(315)	(Varied)
	%	%	%
VeriSign	36	25	53
BBB Online	18	16	36
TRUSTe1	23	12	31
TRUSTe2 (blue circle)	10	9	30
Visa (Spinning)	83	24	27
Netscape Key	40	12	24
Safe Secure Shopping Guarantee	20	9	22
Virtual Emporium	3	2	22
Excite Certified Merchant	33	10	21
American Express	84	18	19
RSAC	19	4	17
Cybercash	27	5	15
MasterCard	79	13	14
Handshake	23	4	14
Excite Guarantee	11	4	14
Visa (word)	70	11	13
Microsoft	58	9	13
Lycos (Top 5% seal)	30	5	12
IBM	19	4	11
MasterCard ShopSmart	34	6	10
PublicEye	6	9	10
Discover	72	7	8
BizRate	8	3	4
Ascend	12	2	3
iCAT	13	1	2
Shop.org	4	3	0
e-merchant	0	0	-

Question: Next, please select the two symbols that would increase your trust the most if you saw either of them on a Web site.  
\* Caution: Small base size.

**The Marks that Matter Most**

<b>Symbols, Familiarity and Trust – Traditional vs. Web</b>			
	<b>Percent Stating*</b>		
	<b>Familiar (315) %</b>	<b>Increase Trust (315) %</b>	<b>Increase Trust by those familiar (varied) %</b>
<b>(Sample Sizes)</b>			
<b>Traditional Brands</b>			
Visa (Spinning)	83	24	27
American Express	84	18	19
BBB Online	18	16	36
MasterCard	79	13	14
Visa (word)	70	11	13
Microsoft	58	9	13
Discover	72	7	8
MasterCard ShopSmart	34	6	10
IBM	19	4	11
<b>Web-Originated Brands</b>			
VeriSign	36	25	53
Netscape Key	40	12	24
TRUSTe1	23	12	31
Excite Certified Merchant	33	10	21
Safe Secure Shopping Guarantee	20	9	22
TRUSTe2 (blue circle)	10	9	30
PublicEye	6	9	10
Lycos (Top 5% seal)	30	5	12
Cybercash	27	5	15
Handshake	23	4	14
RSAC	19	4	17
Excite Guarantee	11	4	14
BizRate	8	3	4
Shop.org	4	3	0
Ascend	12	2	3
Virtual Emporium	3	2	22
iCAT	13	1	2
e-merchant	0	0	0
Question: Of the symbols shown below, please check all those you are familiar with or have seen before.			
Question: Next, please select the two symbols that would increase your trust the most if you saw either of them on a Web site.			

### The Marks that Matter Most

	Percent Stating*		
	Familiar (315) %	Increase Trust (315) %	Increase Trust by those familiar (varied) %
<b>(Sample Sizes)</b>			
<b><u>Merchant Seals</u></b>			
Visa (Spinning)	83	24	27
American Express	84	18	19
BBB Online	18	16	36
MasterCard	79	13	14
Visa (word)	70	11	13
Excite Certified Merchant	33	10	21
Discover	72	7	8
MasterCard ShopSmart	34	6	10
Lycos (Top 5% seal)	30	5	12
Excite Guarantee	11	4	14
BizRate	8	3	4
Shop.org	4	3	0
iCAT	13	1	2
e-merchant	0	0	0
<b><u>Technology/Network Seals</u></b>			
VeriSign	36	25	53
Netscape Key	40	12	24
TRUSTe1	23	12	31
Microsoft	58	9	13
Safe Secure Shopping Guarantee	20	9	22
TRUSTe2 (blue circle)	10	9	30
PublicEye	6	9	10
Cybercash	27	5	15
Handshake	23	4	14
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RSAC	19	4	17
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Question: Of the symbols shown below, please check all those you are familiar with or have seen before.			
Question: Next, please select the two symbols that would increase your trust the most if you saw either of them on a Web site.			

**Overall, if a site wants to use these symbols to suggest their trustworthiness, they would be better off including symbols for VeriSign, TRUSTe, and other Web-based security brands than to include credit card brands.**

#### *... But Security Technology Matters More than Security Brand*

Respondents were more familiar with identification and privacy techniques, such as “Cookies” and “Encryption,” and less familiar with specific companies that use these techniques to offer security, such as “VeriSign,” “TRUSTe,” “DigiCash” and “SoftCart.”

Given the greater familiarity with the technologies than the security brands, companies like TRUSTe or VeriSign might enhance their credibility by associating their names with a security or privacy technique, such as encryption, in their logo design.

*I'm a security professional that has paid responsibilities to be careful and evaluate these environments. It's hard for me to imagine most data interchange/transaction Web sites as something I would consider "trustworthy." I don't care how they design it or dress it up to appeal to "feelings of trust." I only "trust" the sites that I have audited or know have been audited and reviewed for their risk management practices, systems deployment and business reputation. There is no initial basis for me to "trust" something electronic no matter who is running it. So...regarding what some of the other contributors have stated regarding the value of "WebTrust" type programs... I agree and support that approach as a solid first step. Reasonable risk management has got nothing to do with design elements or promotional efforts. I believe that the eventual use of licensed third party certificate authorities that support and enforce X.509 type of certificate/digital signature and PKI infrastructure tools will be a big reason for the future success of business on the Internet. Several U.S. States (Utah, Washington, Minnesota, etc.) have anticipated this by passing "Electronic Authentication" statutes. (Kirk Bailey, Manager of IT Security Policy for The Regence Group)*

*Consumers should demand -- and sites should provide -- clear explanations of what they're doing with consumer's info. Organizations like eTrust will help guide orgs and will help consumers become smarter about what to expect, but I'm betting it'll be a bit till their message takes. (Name Withheld by Request)*

*An experiment I'm doing is how much of the setting up of a company infrastructure - legal, accounting, Web site, etc can I do with vendors on the Web. Many of these companies are quite small and I've never heard of them and they are in another state. Seeing the Online Better Business Bureau icon set a part three of the companies from the 50 or so that showed up on my first search. Then what set those companies apart is who'd been published in magazines like Inc. or had some "neutral" party talk about their capabilities. The Better Business Bureau gave me a place where I could check for complaints. (Skip Walter, Founder of Simplifications.com)*

### **3. The Most and Least Trusted Web Brands**

#### *The 12 Most Trusted E-Commerce Sites Studied*

Respondents evaluated the trustworthiness of a total of 102 of some of the highest profile sites on the Internet.\* Overall, the research showed that the most trusted brands are well-known brands, be it on the Web or in other settings. The most trusted sites were:

1. Yahoo!
2. Wal-Mart
3. Netscape
4. Infoseek
- 5-6. Blockbuster Video and Excite
- 7-9. Borders, Amazon, and USA Today
- 10-12. Dell, Internet Explorer and Lycos.

Respondents were generally familiar with the brands for these sites. Usage of the sites varied from being widely used, such as Yahoo! (77%), to having little usage, such as Blockbuster Video (9%).

#### *The 15 Least Trusted E-Commerce Sites Studied*

The least trustworthy sites are predominantly lesser-known Web-based brands with low usage among respondents:

105. Monster Board
- 96-104. Spinner, Cyberkids, The Well, JenniCam, Carpoint, @Home, Drugstore.com<sup>1</sup>, Cyberian Outpost, The Palace
- 91-95. Internet Shopping Network, Peapod, Cybercash, LookSmart, AutobyTel

Not surprisingly, familiarity with a brand does not always communicate trust. For instance, 1-800-Flowers, NBC and Barnes and Noble were almost universally known, but had average trust scores.

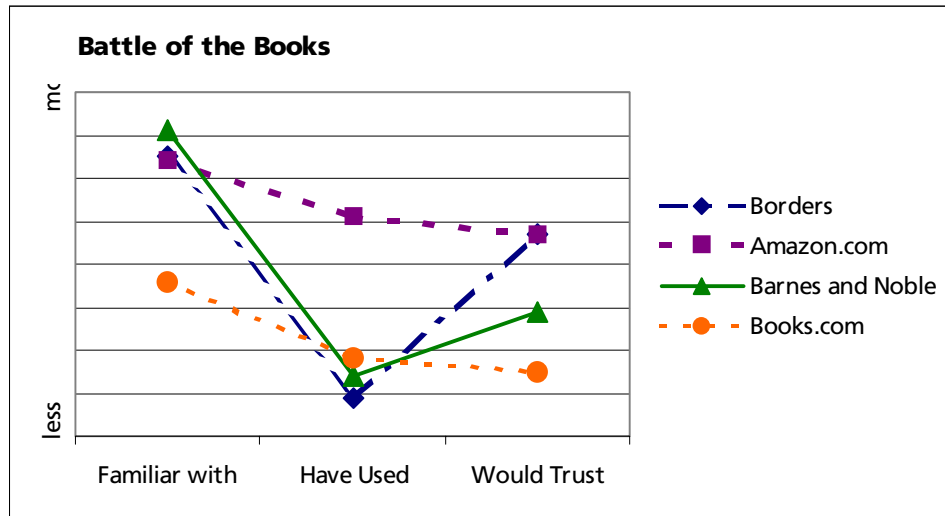
\* For a complete list of brands, please see Appendix.

<sup>1</sup>Drugstore.com had not yet launched their e-commerce site at the time of this study.

**Brand Battles by Industry**

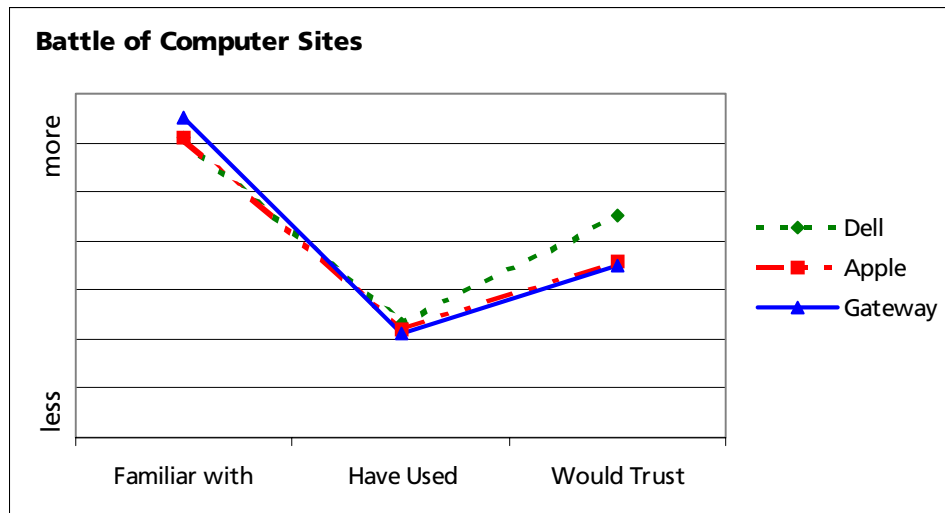
Book Sellers

Four book sites were tested: Amazon, Barnes and Noble, Books.com and Borders. Most respondents were familiar with three of the four book sites, Barnes and Noble, Borders and Amazon; most respondents were not aware of Books.com. Amazon was used by about half of respondents. Very few respondents had used Borders, Barnes and Noble or Books.com. Borders and Amazon were considered the most trustworthy book sites; Books.com was the least trusted.



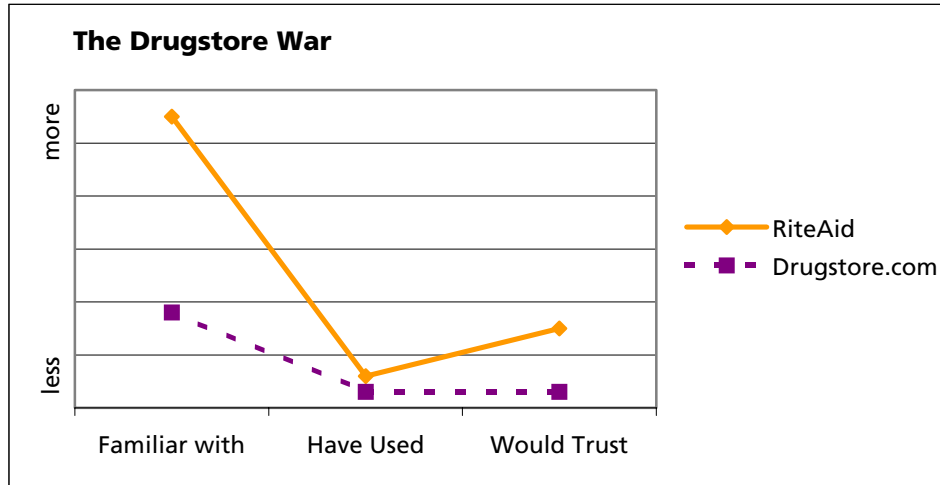
Computer Sites

The three computer sites tested, Apple, Dell and Gateway, were comparable in familiarity, usage and trustworthiness. For all three of the computer brands, there was a strong relationship with familiarity of the brand and the trustworthiness of the site. However, only Gateway had a strong correlation with usage of the site and trust.



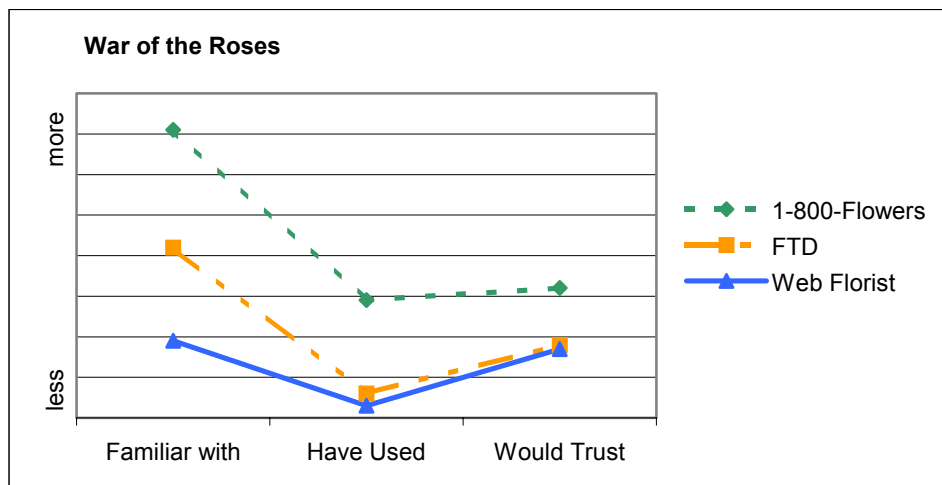
The Drugstore War

A dirt-based drugstore, Rite Aid, and a Web-based drugstore, Drugstore.com, were tested for familiarity, usage and trust. Although more people were familiar with the dirt-based drugstore than the Web-based, neither Web site was widely used or trusted. Considering that Drugstore.com hasn't yet done business on the Web, the percentage who say they've used it is open to question.



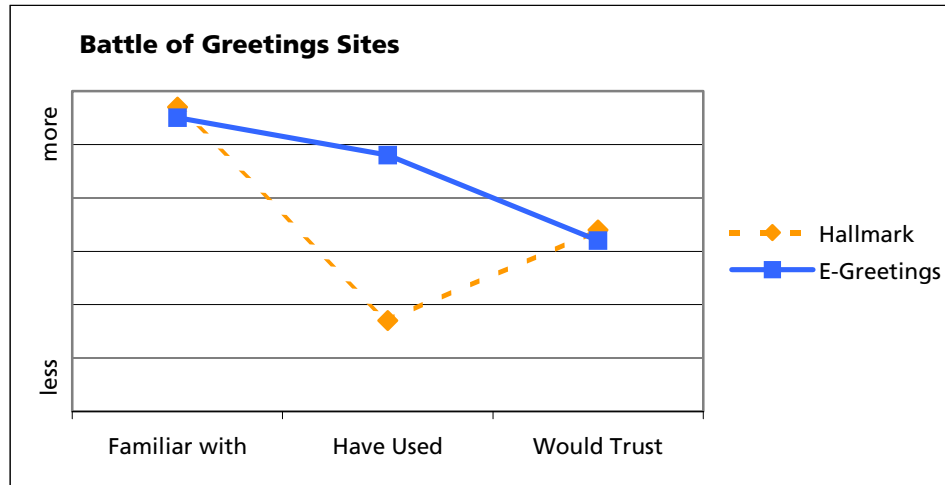
The War of the Roses

Out of the three Web florists tested, more respondents were familiar with, have used, and would trust 1-800-Flowers more than FTD or WebFlorist. In addition, for the 1-800-Flowers site, there were strong relationships between: 1) familiarity of the brand and trust, and 2) usage of the Web site and trust.



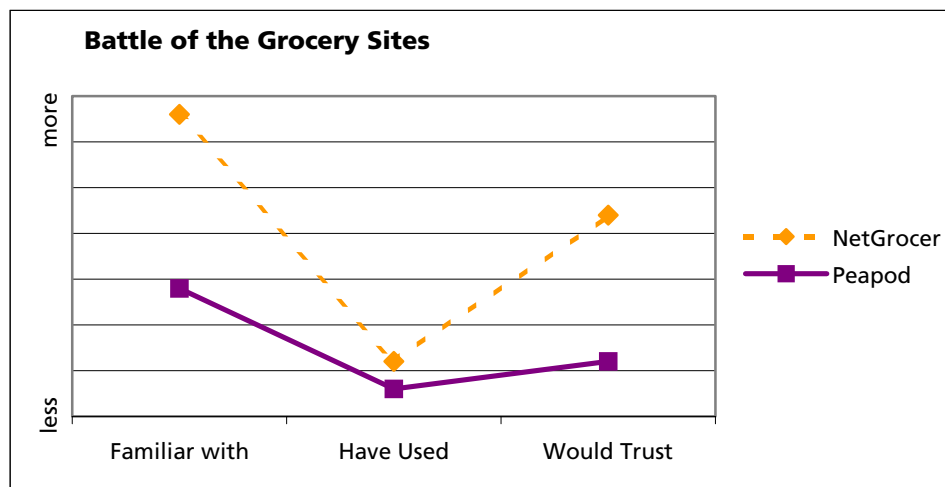
Greeting Sites

Although awareness and trust for Hallmark and E-Greetings were similar, more respondents have used the E-Greetings Web site than the Hallmark Web site. For E-Greetings: 1) familiarity of the brand and trust, and 2) usage of the Web site and trust were highly correlated. This was not true for Hallmark.



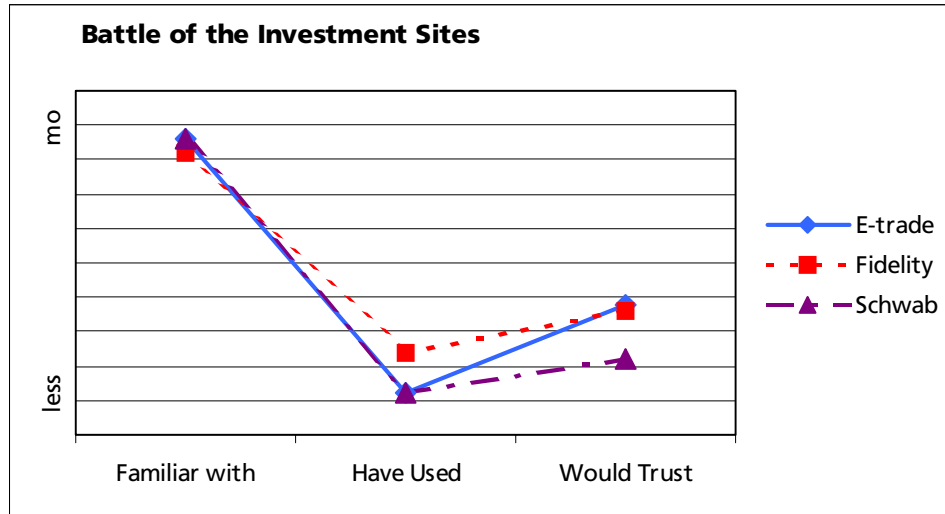
Grocery Sites

Neither of the grocery sites tested, NetGrocer and Peapod, had high familiarity, usage or trust. NetGrocer had higher familiarity and trust, but both NetGrocer and Peapod had similarly low usage.



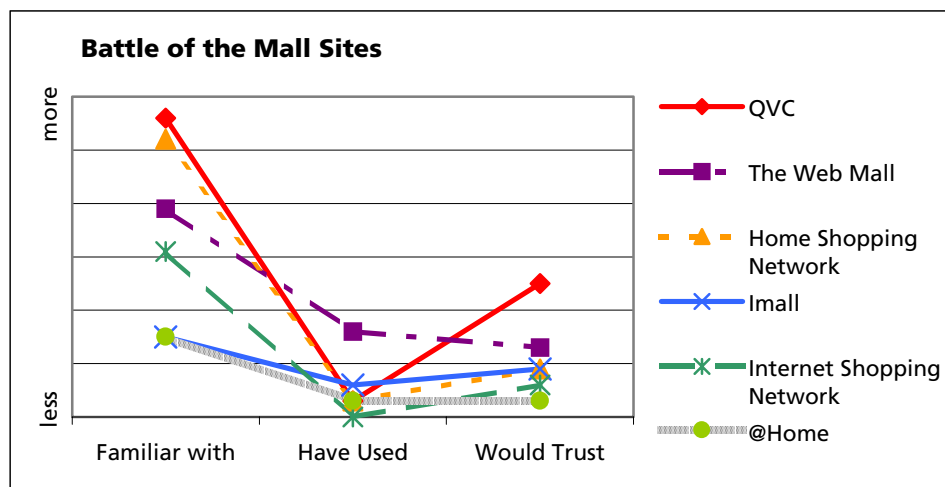
Investment Sites

Two of the investment sites, Fidelity and Schwab, originated in the dirt-world and one investment site, E-Trade, started on-line. All three of these investment sites had comparable awareness, usage and trust. Fidelity's trust is strongly linked to both familiarity and usage; E-trade's trust is related to the usage of its Web site; while Schwab's trust is linked to the familiarity of the brand.



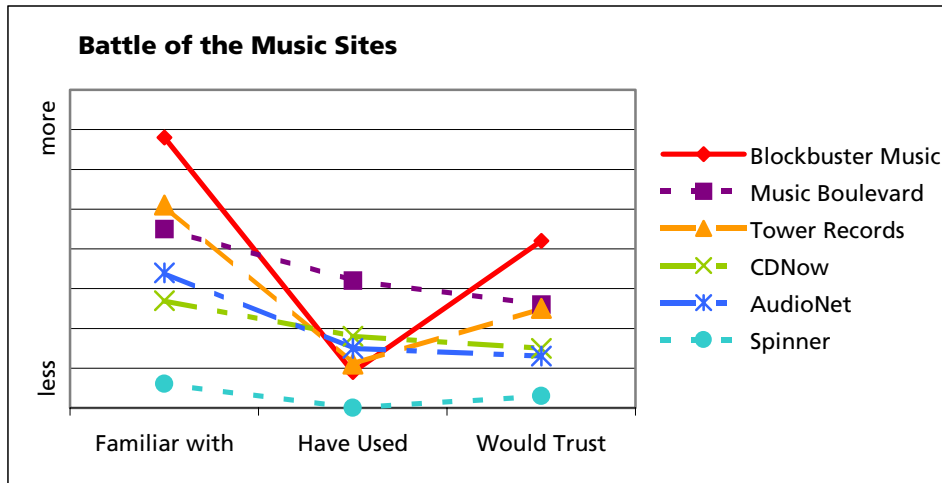
Battle of the Malls

Six Web malls were tested: @Home, Home Shopping Network, Imall, Internet Shopping Network, QVC and The Web Mall. Respondents were most familiar with QVC and Home Shopping Network. However, usage and trust of these Web malls were universally low.



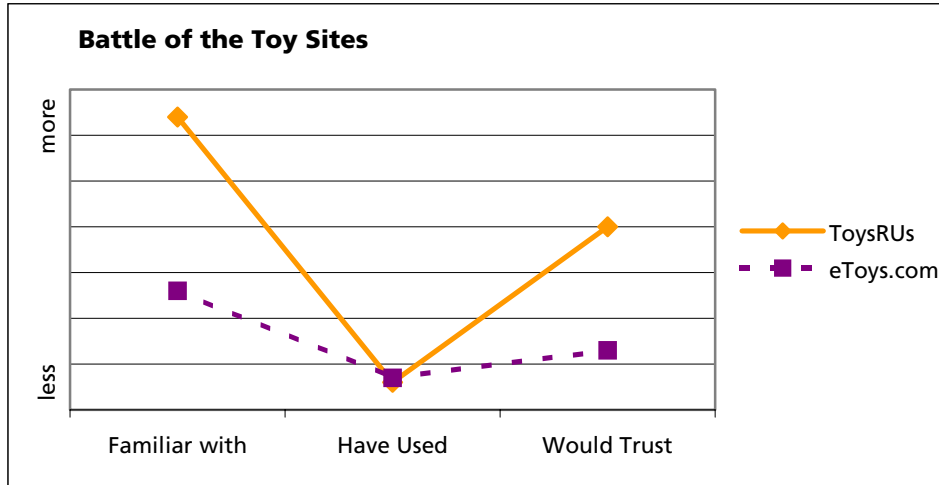
Music Sites

AudioNet, Blockbuster Music, CDNow, Music Boulevard, Spinner and Tower Records were the six different music sites tested. Blockbuster Music was the most familiar and trusted music site, although usage of the site was very low. Even though awareness and trust was not as high as Blockbuster Music, Music Boulevard was the most used music site. Tower Records' awareness and trust was similar to Music Boulevard and its usage was similar to Blockbuster Music. For all three of these sites, there was a strong relationship between familiarity and trust. The remaining three sites, CDNow, AudioNet and Spinner, had low awareness, usage and trust.



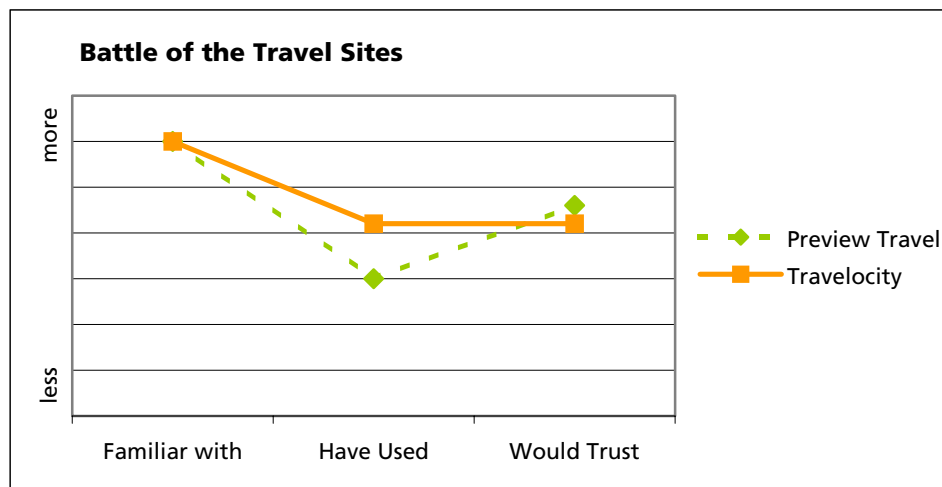
Toy Sites

One traditional brand, ToysRUs, and one Web-based brand, eToys, were tested. More respondents were familiar with and would trust ToysRUs than eToys, however, usage of the two sites were similarly low. For both of these toy sites, there was a strong relationship between familiarity with the brand and trust of the Web site.



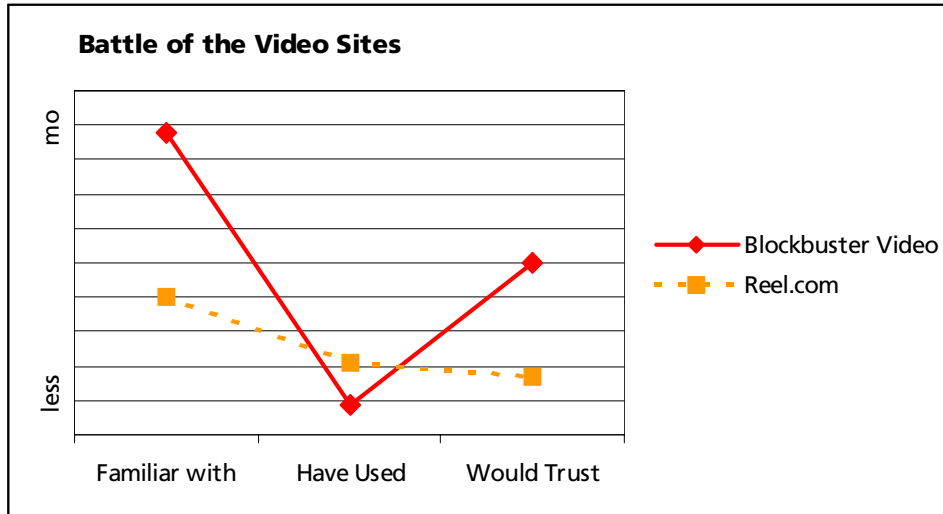
Travel Sites

Two Web-based travel agents were tested, Preview Travel and Travelocity. Familiarity, usage and trust were similar for these two travel sites. For both of these e-travel agents, trust of the site was strongly linked to usage.



Battle of the Video Sites

Two video sites were tested; one was dirt-based, Blockbuster Video and the other was Web-based, Reel. Familiarity and trust was higher for Blockbuster Video, but Web site usage was higher for Reel. For both of these sites, there was a strong relationship between familiarity with the brand and trust for the site.



One Last Interesting Finding

For many of these categories (drugstores, greetings, toys and video), one dirt-world brand was tested against one Web-based brand. Oftentimes, the dirt-world brand had more awareness than the Web-based brand, but the Web-based brand had more usage. Also, the dirt-world brand was at least as trustworthy as the Web-based brand.

**4. Trust Isn't Everything...**

Five of the twelve most trustworthy sites originated in the dirt-world. Interestingly, while these sites were ranked highly trustworthy, they weren't necessarily considered especially desirable sites from which to purchase, compared with the brands originating on the Web, with the exception of USA Today and Dell.

In short, **establishing trustworthiness on the Web is often less important than other brand attributes, particularly establishing a track record in cyberspace.** Essentially, some needs simply matter more than trust.

The four top reasons people say they purchase products online are:

- Convenience;
- Ease of use;
- Good prices; and
- Wide product selection.

Any one or all of these may be more important to a purchase decision than trustworthiness of a site. However, clearly, enhancing the perceived trustworthiness of a site significantly enhances the ability of a site to compete.

*So e-commerce is not just about the up front process of finding, selecting, and transacting. It's about all the backend processes of delivering, installation and support. Again, Amazon goes to great lengths to give the appearance of being easy to deal with on the returns end as well. (Alan Webber, Editor of FastCompany)*

*Many people are uncomfortable with giving their credit card info. But this will inevitably change as more people do it and realize that it's safe to do. The press, I think, has made more of a "story" about this than it deserves although I must admit, I only know from industry press and colleagues at e-commerce companies that online credit card transactions really are more secure than paper. (Steve Glenn, CEO of Peoplelink.com)*

### **... But it's A Lot**

Only 10% of the respondents perceived little or no risk when purchasing on the Web. For the rest, issues of trust, particularly about security of personal information, were mentioned as important concerns. For other people, concerns about security, privacy, providing personal information and lacking a credit card are reasons for not purchasing on the Web. For instance, 23% of respondents felt threatened by hackers and 16% were concerned about people or firms obtaining and abusing their personal information.

On the other hand, most respondents felt some level of comfort with supplying personal information on the Web.

- About half felt that they could do something to protect their privacy when purchasing items on the Web.
- Only a fourth said that supplying personal information on an e-commerce site is too risky.

### **Important Information They're Willing to Provide**

- When making an e-transaction, respondents felt they needed to provide their home address, e-mail address and home phone number.
- Date of birth, mother's maiden name and place of birth were considered less necessary to provide.

*I think people will have more confidence when their fears can be reduced...How secure is my credit card or other personal information; will someone "sniff" my transaction? How private is the information I'll be providing? Will my name, e-mail address, or other personal information be given or sold to others? (Robert Jones, Licensed WebTrust CPA)*

## **5. Navigation Also Communicates that a Site Can Meet Consumer Needs**

As has been noted, trustworthiness is only one of several aspects to e-commerce that consumers take into account. Still, the key components of communicating trustworthiness — brand, navigation and fulfillment — influence perceptions of the Web site meeting consumers' overall needs. Strong navigation not only communicates trustworthiness, it also increases consumers' perceptions that a Web site can meet their needs, whether or not a brand is well-known and when fulfillment is weak.

Overall:

- For lesser-known brands, navigation significantly impacts perceptions of the Web site meeting consumer's needs, while fulfillment has no impact.
- For better-known brands, navigation plays an important role in increasing the perception that a Web site can meet consumer needs, but only when fulfillment is weak.

## **6. What Consumers Want in a Web Site Relates to Its Trustworthiness**

Respondents said the following components of trustworthiness were important to them:

- A clearly stated return policy (fulfillment);
- Stated and authenticated policies of security and encryption (seals of approval);
- The ability to back out of a transaction (fulfillment); and
- Efficient and easy navigation.

*From a design perspective: Brenda Laurel, VP of Design for Purple Moon mentions in a previous post about the importance of completeness, and to maintain a "coherent, elegant, and buttoned-up" look when presenting an e-commerce environment. I think it is important to treat screens that handle the online transaction with a very conservative look, so that customers may achieve a sense of security, knowing that the most sensitive actions - the point of sale - is treated with utmost care. (Andy Mardesich, Web Developer for Zip2.com)*

*Trust goes hand in hand with the transactional experience... Do we as merchants provide great product information? Do we deliver on our shipping promises? Can I return the product with no questions asked? (Stuart Spiegel, General Manager at IQVC.com)*

*As the number of interactions with an online vendor grows, the thing that is of paramount importance is how quickly and often do they communicate with me through multiple means (email, their Web site infobase, or phone calls if appropriate) to let me know the status of my transactions. And as part of that how well are those transactions managed. The rule of thumb is does the information flow to me naturally, or do I have to keep going to get the information. In the case of two online vendors who were establishing company registrations for me, one company always communicated with me at each step. The other company I had to harass through email and phone to find out where my processing was. Guess who will get future business and be the company that is linked to from my Web site? (Skip Walter, Founder of Simplications.com)*

## **7. What Consumers Say They Want to Buy On-line**

Respondents are planning to increase their purchases from the Web. The items they expect to be buying more of include the items currently doing best in e-commerce: music, books, and computer software and hardware. Respondents were less sure that automobiles, jewelry and groceries would continue to be sold on the Internet.

As it happens, the four sites we investigated in these categories (Peapod, NetGrocer, Autobytel and Carpoint) aren't well-trusted sites. It may be that respondents are uncomfortable buying these products because they don't trust the sites, or perhaps they don't trust the sites because they doubt the benefits of buying these particular products due to their special nature — either expensive and complex (jewelry) or perishable (groceries).

Items respondents would like to purchase online include meal delivery/restaurant items and graduate degrees.

## **8. Brand Matters More than Medium**

One measure of the appeal of e-brands relative to their physical world competitors is the likelihood that a visitor would choose to visit a physical store branded by Amazon.com or another e-brand. The research found that many e-brands have now succeeded in winning over consumers relative to their physical world competitors in overall appeal. The likelihood of a consumer visiting a store was not dependent on the medium through which he or she became aware of the brand. For instance, respondents were just as likely to say they would go to Borders as they would go to Amazon.com, if there were a retail store in their area. Respondents were significantly less likely to say they would go to Barnes and Noble than Amazon.com.

In short, better-known e-brands now possess sufficient equity to operate in the physical world, if they choose to do so.

*Trust can be conveyed in the design of a site, through familiar references built-in to the visual communication, ranging from recognizable, even branded style-guide forms, to endorsements (two thumbs up!). . . . Our medium is devoid of such longevity, and so every entity is a new and relatively unproven new entrant. Nonetheless, even among new online retailers there are markers for longevity, and educating consumers as to the likelihood of longevity for an online entity is a key process in garnering trust. (Andy Halliday, VP Commerce at Excite)*

## **Appendix**

### E-Commerce Sites Studied

The sites below were selected for inclusion in this study based on the following criteria:

- a desire for a mix of sites from a variety of industries;
- a preference for e-commerce sites offering less expensive products; and
- simple curiosity about the perceived trustworthiness of some sites that have attracted media attention.

-

@Home	Internet Shopping Network	WhoWhere
1-800-Flowers	JC Penney	Women.com
777Film	JenniCam	Worldcom
ABC.com	Kodak	Yahoo
Amazon.com	Lands End	
Apple	LookSmart	
AT&T	Lycos	
AudioNet	Monster Board	
Auto By Tel	MSN	
Barnes and Noble	MSNBC.com	
Blockbuster Music	Music Boulevard	
Blockbuster Video	NBC.com	
Books.com	NetGrocer	
Borders	Netscape	
CareerPath	New York Times	
Carpoint	Nickelodeon	
CBSsports.com	Office Max	
CDNow	Pathfinder	
Cnet	Peapod	
CNN	Pointcast	
CompuServe	Preview Travel	
Cybercash	Prodigy	
Cyberian Outpost	Purple Moon	
Cyberkids	QVC	
Dell	RealAudio	
Disney	Reel.com	
Drugstore.com	REI	
ebay	RiteAid	
E-greetings	Schwab	
ESPN.Sportszone	Sidewalk.com	
eToys.com	Spinner	
E-trade	Sportsite	
Excite	Sprint	
Fidelity	The Palace	
FTD	The Sharper Image	
Gap	The Web Mall	
Gateway	The Well	
GayNet	Tower Records	
GeoCities	ToysRUs	
Godiva	Travelocity	
Hallmark	Tripod	
Home Shopping Network	USA Today	
Hotwired	UUNet	
Imall	Wal-Mart	
Infoseek	Web Florist	
Internet Explorer	WebCrawler	