

**THE EFFECTS OF TRUST ON PURCHASE INTENTION IN  
INTERNET RETAILING**

**by**

**Onder Cetinasker  
(1505145)**

*Dissertation submitted in partial fulfilment for the Degree of Master of  
Business Administration*

**University of Wales Trinity Saint David**

**London Campus**

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## **Acknowledgement**

I would first like to thank my dissertation supervisor Mr. Richard Small. Mr. Small has consistently helped me with any questions or queries throughout writing this dissertation.

Finally, I would like to thank my family and my partner for their endless love and support to me throughout my education journey. I would not be able to achieve this point without them.

## Table of Contents

|                                                                               |      |
|-------------------------------------------------------------------------------|------|
| Acknowledgement .....                                                         | ii   |
| Abstract .....                                                                | xvii |
| 1. Introduction.....                                                          | 1    |
| 1.1. Research Questions .....                                                 | 4    |
| 1.2. Research Hypotheses .....                                                | 4    |
| 2. Literature Review.....                                                     | 5    |
| 2.1. Internet and Its History .....                                           | 5    |
| 2.2. Marketing in the Internet Environment.....                               | 6    |
| 2.3. Internet Retailing .....                                                 | 8    |
| 2.3.1. Development and Importance of Internet Retailing.....                  | 9    |
| 2.4. Concept of Trust and Factors Affecting Trust in Internet Retailing ..... | 11   |
| 2.4.1. Personal Factors .....                                                 | 13   |
| 2.4.1.1. Internet Experience/Online Shopping Experience .....                 | 13   |
| 2.4.1.2. Previous Knowledge and Experience Regarding a Company.....           | 13   |
| 2.4.1.3. An Individual's Propensity to Trust.....                             | 14   |
| 2.4.1.4. Risk Perception .....                                                | 14   |
| 2.4.1.5. Consumer Satisfaction .....                                          | 15   |
| 2.4.2. Internet-Related Factors.....                                          | 15   |
| 2.4.2.1. Communication (Information Quality) and Website Design .....         | 15   |
| 2.4.2.2. Consumer Privacy and Security .....                                  | 17   |
| 2.4.2.3. Customization .....                                                  | 17   |
| 2.4.2.4. Ease of Use of a Website .....                                       | 18   |
| 2.4.2.5. Social Presence .....                                                | 18   |
| 2.4.3. Business-Related Factors .....                                         | 19   |
| 2.4.3.1. Corporate Reputation .....                                           | 19   |
| 2.4.3.2. Size of a Business .....                                             | 20   |

|                                                                                                   |    |
|---------------------------------------------------------------------------------------------------|----|
| 2.4.3.3. Non-Internet Activities .....                                                            | 20 |
| 3. Previous Studies on The Relationship Between Trust and Consumer Behavior in Internet Retailing | 21 |
| 3.1. Studies About Trust .....                                                                    | 21 |
| 3.2. Studies About Trust and Purchase Intention.....                                              | 23 |
| 3.3. Studies About Trust and Consumer Loyalty.....                                                | 27 |
| 4. Research Methodologies and Results .....                                                       | 30 |
| 4.1. Qualitative Research .....                                                                   | 30 |
| 4.2. Quantitative Research .....                                                                  | 33 |
| 4.2.1. Data Collection Method and Sampling.....                                                   | 33 |
| 4.2.2. Questionnaire Design.....                                                                  | 36 |
| 4.2.3. Confirmatory Factor Analysis Results.....                                                  | 36 |
| 4.2.4. Data Analysis .....                                                                        | 38 |
| 4.3. Results.....                                                                                 | 40 |
| 5. Conclusions and Recommendations .....                                                          | 43 |
| Reference List .....                                                                              | 45 |

### **List of Tables**

|                                                                                                                              |    |
|------------------------------------------------------------------------------------------------------------------------------|----|
| Table 1. Fit indices of the Six Factor Model of Perceived Trust Scale for internet retailing .....                           | 36 |
| Table 2. Cronbach's Alpha Coefficients for Scale Factors .....                                                               | 38 |
| Table 3. Pearson Correlation Analysis Results.....                                                                           | 38 |
| Table 4. The results of the Regression Analysis to Determine the Effect of Consumer Trust Components on Trust Tendency ..... | 39 |
| Table 5. The results of the Regression Analysis to Determine the Effect of Consumer Trust on Trust Tendency.....             | 40 |
| Table 6. Hypotheses Test Results .....                                                                                       | 42 |

### **List of Figures**

|                                                        |    |
|--------------------------------------------------------|----|
| Figure 1. Distribution of Participants by Gender ..... | 34 |
|--------------------------------------------------------|----|

|                                                                                               |    |
|-----------------------------------------------------------------------------------------------|----|
| Figure 2. Distribution of Participants by Age .....                                           | 34 |
| Figure 3. Distribution of Participants by Education Level .....                               | 35 |
| Figure 4. Number of Products Purchased by Participants.....                                   | 35 |
| Figure 5. Six-Factor Confirmatory Factor Analysis, $\chi^2=267,45$ ; Df=6136; $p<0,001$ ..... | 37 |



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Trinity Saint David

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Date: 19/02/2019

2. This dissertation is being submitted in partial fulfilment of the requirements for the degree of Master in Business Administration.

Signed: A. Getuken

Date: 19/02/2019

3. This dissertation is the result of my own independent work/investigation, except where otherwise stated.

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I am satisfied that this work is the result of the student's own efforts.

Signed: R. Small

Date: 21/2/2019

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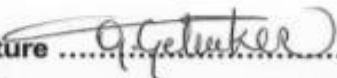
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|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p>Mae'r ffurflen hon i'w llenwi gan bob myfyriwr MA cynnal ymchwil, prosiectau neu gynyrchiadau. Dylai'r ffurflen hon gael ei chwblhau gan y myfyriwr mewn ymgynghoriad â thiwtor y modiwl. Rhaid i bob ffurflen gael ei ystyried gan y Pennaeth Ysgol/Cyfadrn / Gyfadrn. Rhaid i bob ffurflen gael ei gyflwyno i Fwrdd y Gyfadrn Moeseg. Bydd y ffurflen yn cael ei adrodd i'r Pwyllgor Moeseg y BrifYsgol/Cyfadrn os anarferol a / neu y tu allan arfer arferol.</p> |                             | <p>This form is to be completed by all MA students conducting research, projects or productions. This form should be completed by the student in consultation with the module tutor. All forms must be considered by the Head of School/Faculty. All forms must be presented to the Faculty Ethics Board. The form is only to be reported to the University Ethics Committee if it is unusual and/or falls outside of normal practice.</p> |

ADRAN 1 – MANYLION MYFYRIWR

SECTION 1 - STUDENT DETAILS

|                                                                                   |                                  |                                   |                                      |
|-----------------------------------------------------------------------------------|----------------------------------|-----------------------------------|--------------------------------------|
| Enw Llawn<br>Full Name                                                            | ONDER CETINASKER                 |                                   |                                      |
| Ysgol/Cyfadrn/<br>Cyfadrn<br>School/Faculty                                       | Business School<br>London Campus | Rhif Myfyriwr<br>Student Number   | 1505145                              |
| Tiwtor y Modiwl/<br>Cydlynnydd Rhaglen<br>Module Tutor/<br>Programme Co-ordinator |                                  | Enw'r Gradd<br>Name of Degree     | master of Business<br>Administration |
| Teitl dangosol yr Traethawd Hir:                                                  |                                  | Indicative Title of Dissertation: |                                      |
| The Effects of Trust on Purchase Intention in Internet Retailing.                 |                                  |                                   |                                      |

ADRAN 2 – GWEITHGAREDD YMCHWIL

SECTION 2 – RESEARCH ACTIVITY

| Ydy'r prosiect yn cynnwys:                                         | Does the project include:                                               | Ydy /<br>Yes | Nac<br>ydy/No |
|--------------------------------------------------------------------|-------------------------------------------------------------------------|--------------|---------------|
| Defnyddio holiadur neu offeryn ymchwil tebyg (atodwch gopi drafft) | Use of questionnaire or similar research instrument (attach draft copy) | ✓            |               |
| Defnyddio prawf ysgrifenedig neu gyfrifiadurol                     | Use of written or computerised test                                     |              | ✓             |

|                                                                                                                                                                            |                                                                                                                                                |   |   |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------|---|---|
| Cyfweliad (cysylltwch gwestiynau posibl)                                                                                                                                   | Interview (attach provisional questions)                                                                                                       | ✓ |   |
| Dyddiaduron                                                                                                                                                                | Diaries                                                                                                                                        |   | ✓ |
| Arsylwi ar gyfranogwyr a hwythau'n ymwybodol o hynny                                                                                                                       | Participant observation with their knowledge                                                                                                   | ✓ |   |
| Arsylwi ar gyfranogwyr a hwythau ddim yn ymwybodol o hynny                                                                                                                 | Participant observation without their knowledge                                                                                                |   | ✓ |
| Recordio fideo neu sain                                                                                                                                                    | Video or audio-taping                                                                                                                          |   | ✓ |
| Mynediad i wybodaeth personol neu gyfrinachol heb gydsyniad penodol y cyfranogwyr                                                                                          | Access to personal or confidential information without the participants specific consent                                                       |   | ✓ |
| Defnyddio unrhyw gwestiynau, ysgogiadau prawf, cyflwyniad y gallai rhai cyfranogwyr eu profi fel rhywbeth sy'n achosi niwed / tramgwydd corfforol, meddyliol neu emosiynol | Administration of any questions, test stimuli, presentation that may be experienced as physically, mentally or emotionally harmful / offensive |   | ✓ |
| Cyflawni unrhyw weithredoedd allai achosi embaras neu effeithio ar hunan-barch                                                                                             | Performance of any acts which may cause embarrassment or affect self-esteem                                                                    |   | ✓ |
| Ymchwilio i gyfranogwyr sy'n ymwneud â gweithgareddau anghyfreithlon                                                                                                       | Investigation of participants involved in illegal activities                                                                                   |   | ✓ |
| Gweithdrefnau lle defnyddir twyll                                                                                                                                          | Procedures that involve deception                                                                                                              |   | ✓ |
| Gweini unrhyw sylwedd, cyfrwng neu blasebo                                                                                                                                 | Administration of any substance, agent or placebo                                                                                              |   | ✓ |
| Dull arall o gasglu data neu fformat cyflwyno (esboniwr)                                                                                                                   | Other method of data collection or presentation format (please explain)                                                                        |   | ✓ |

Os 'Na' wedi cael ei dicio ym mhob blwch, dylai'r ffurflen gael ei llofnodi gan Bennaeth yr Ysgol/Cyfadrn / Gyfadrn a'r canlyniad a adroddwyd i'r Pwyllgor Moeseg ar ddiwedd y semester.

Os 'Ydw' wedi cael ei dicio mewn un neu fwy o'r blychau, rhaid i'r myfyriwr gwblhau'r ffurflen hon a'i chyflwyno i diwtor y modiwl. Rhaid i'r ffurflen wedyn yn cael ei ystyried yn y Bwrdd Moeseg Gyfadrn cyn dechrau ar unrhyw waith ymchwil.

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If Yes has been ticked in one or more boxes, the student must complete this form and submit it to the module tutor. The form must then be considered at the Faculty Ethics Board prior to the start of any research.

#### Llofnodau

Os nad oes unrhyw faterion moesegol sylweddol, dylid ffurflen hon gael ei chwblhau a'i llofnodi gan y myfyriwr a'r goruchwyliwr ac yna llofnodi gan Bennaeth yr Ysgol/Cyfadrn.

#### Signatures

If there are no significant ethical issues, this form should be completed and signed by both the student and the supervisor and then signed by the Head of School/Faculty.

Myfyriwr / Student

Dyddiad: / Date:

|                                                                                                     |                               |
|-----------------------------------------------------------------------------------------------------|-------------------------------|
| ONDER CETINASKER<br><del>Dr. Gethin</del>                                                           | 18/02/2019                    |
| Cydlynnydd y prosiect / Tiwtor<br>Project co-ordinator / Tutor<br>Arolygwr / Supervisor<br>R. Small | Dyddiad: / Date:<br>18/2/2019 |
| Pennaeth Ysgol/Cyfadrn / Head of School/Faculty                                                     | Dyddiad: / Date               |
|                                                                                                     |                               |

|                                                                                                                                                                                                                                                                                                     |                                                                                                                                                                                                                                            |                                                                                                                                                                                                                     |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1.                                                                                                                                                                                                                                                                                                  | <b>Braslun o'r prosiect</b>                                                                                                                                                                                                                | <b>Project outline</b>                                                                                                                                                                                              |
| The effects of trust on purchase intention in internet retailing                                                                                                                                                                                                                                    |                                                                                                                                                                                                                                            |                                                                                                                                                                                                                     |
| 2.                                                                                                                                                                                                                                                                                                  | <b>Disgrifiad</b><br>Rhowch fraslun cryno o'r prosiect, heb unrhyw jargon, ac yn cynnwys beth bydd angen i'r cyfranogwyr ei wneud. Esboniwch unrhyw dermau technegol neu derminoleg sy'n benodol i'r ddisgyblaeth (Uchafswm 300 o eiriau.) | <b>Description</b><br>Provide a brief outline, free from jargon, of the project including what participants will be required to do. Explain any technical terms or discipline specific terminology (Max 300 words.) |
| In this study, the variables of trust in internet retailing were determined by the literature research, and the effects of these variables on trust and the relationship between the trust and purchase intention in internet retailing were determined by quantitative and qualitative researches. |                                                                                                                                                                                                                                            |                                                                                                                                                                                                                     |
| 3.                                                                                                                                                                                                                                                                                                  | <b>Dulliau Arfaethedig:</b><br>Rhowch fraslun o'r dulliau casglu data neu o natur yr amser mewn ymarferiadau (hyd at 500 o eiriau).                                                                                                        | <b>Proposed Methods:</b><br>Outline how the data will be collected or the nature of rehearsal time (up to 500 words).                                                                                               |
| - Qualitative Research: Qualitative research is based on interviews with 5 individuals who shop online.<br>The survey method was used as data collection method. The survey was sent to participants via facebook and linkedin and data was collected via internet.                                 |                                                                                                                                                                                                                                            |                                                                                                                                                                                                                     |
| 5.                                                                                                                                                                                                                                                                                                  | <b>Lledaenu Gwybodaeth / Cynulleidfa:</b><br>Rhestrwch i bwy y rhoddir neu y dangosir copi o'r canlyniadau neu adroddiad / cyflwyniad terfynol.                                                                                            | <b>Dissemination of Information / Audience:</b><br>List to whom a copy of the results or final report / presentation will be given or shown.                                                                        |
| Mr. Richard Small                                                                                                                                                                                                                                                                                   |                                                                                                                                                                                                                                            |                                                                                                                                                                                                                     |
| 6.                                                                                                                                                                                                                                                                                                  | <b>Lleoliad y Prosiect:</b><br>Nodwch bob lleoliad lle y cesglir data neu y cynhelir ymarferiadau / cynhyrchiad.                                                                                                                           | <b>Location of Project:</b><br>Identify all locations where data will be collected or rehearsals/ production will take place.                                                                                       |
| UK and Turkey                                                                                                                                                                                                                                                                                       |                                                                                                                                                                                                                                            |                                                                                                                                                                                                                     |
| 7.                                                                                                                                                                                                                                                                                                  | <b>Cymeradwyaeth Arall:</b> Oes angen cael cymeradwyaeth unrhyw sefydliad arall cyn cychwyn neu gwblhau'r prosiect? Os felly, gan bwy ac a ydy wedi'i sicrhau eisoes?                                                                      | <b>Other Approvals:</b> Is there a requirement for approval from any other organisation / institution prior to starting or completing the project? If so, by whom and has it been obtained?                         |
| NO                                                                                                                                                                                                                                                                                                  |                                                                                                                                                                                                                                            |                                                                                                                                                                                                                     |

**ADRAN 4 – MANYLION CYFRANOGWYR /  
CYNULLEIDFA**
**SECTION 4 - PARTICIPANT / AUDIENCE  
DETAILS**

| Pwy yw'r cyfranogwyr arfaethedig?                                                    | Who are the intended participants?                                                   | Ydw /<br>Yes | Na /<br>No |
|--------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------|--------------|------------|
| Myfyrwyr / staff Y Drindod Dewi Sant                                                 | Students / staff of Trinity Saint David                                              |              | ✓          |
| Oedolion (dros oed 16 ac yn gymwys i gydsynio)                                       | Adults (over the age of 16 and competent to give consent)                            | ✓            |            |
| Plant a phobl ifanc dan oed                                                          | Children / legal minors                                                              |              | ✓          |
| Cleifion neu gleientiaid gweithwyr proffesiynol                                      | Patients or clients of professionals                                                 |              | ✓          |
| Rhywun sy'n cael ei gadw yn y ddalfa neu y mae'r llys wedi cymryd cyfrifoldeb amdano | Anyone in custodial care or for whom the court has assumed responsibility            |              | ✓          |
| Aelod o unrhyw sefydliad lle mae'n bosibl bod angen i unigolyn arall hefyd gydsynio. | A member of any organisation where another individual may also need to give consent. |              | ✓          |
| Eraill: Nodwch: / Others: please identify:                                           |                                                                                      |              |            |

| Nifer, Oed a Ffynhonnell y Cyfranogwyr<br>Rhowch fanylion yr demograffeg y cyfranogwyr /<br>gynulleidfa. |                        | Participant / Audience Number and Age<br>Provide details of the demographics of the<br>participants / audience. |
|----------------------------------------------------------------------------------------------------------|------------------------|-----------------------------------------------------------------------------------------------------------------|
| Nifer o Gyfranogwyr / yn y<br>Gynulleidfa                                                                | Participant/<br>number | Audience                                                                                                        |
| Grŵp oedran y<br>Cyfranogwyr/y Gynulleidfa                                                               | Participant/<br>group  | Audience age                                                                                                    |
|                                                                                                          |                        | Qualitative Research : 5 participants<br>Quantitative Research : 192 participants<br><br>48 and above           |

**ADRAN 5 – RISGIAU YN PROSIECT**
**SECTION 5 – RISKS IN PROJECT**

|                                                                                                                                                                    |                                                                                                                                                                         |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Bydd y diffyg ateb cadarnhaol i bob un o'r cwestiynau hyn yn arwain at y gofyniad eglurhad a gallai arwain at oedi yn eich ymchwil. Dim neu Dim NID yn dderbyniol. | A lack of a positive answer to all of these questions may result in the requirement of further explanation and a delay in your research. None or Nil is not acceptable. |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------|

| Risg Posibl:<br>(corfforol, seicolegol, cyfreithiol, cymdeithasol neu economaidd) |              | Potential Risk:<br>(physical, psychological, legal, social or economic) |              |
|-----------------------------------------------------------------------------------|--------------|-------------------------------------------------------------------------|--------------|
| A oes unrhyw risg bosibl i:                                                       |              | Is there any potential risk to:                                         | Ydw /<br>Yes |
| A                                                                                 | Cyfranogwyr? | Participants?                                                           | Na /<br>No   |
| B                                                                                 | Ymchwilydd?  | Researcher?                                                             |              |

|   |                    |             |  |   |
|---|--------------------|-------------|--|---|
| C | BrifYsgol/Cyfadrn? | University? |  | ✓ |
|---|--------------------|-------------|--|---|

|   |                                                                              |                                                                                    |
|---|------------------------------------------------------------------------------|------------------------------------------------------------------------------------|
| 2 | <b>Rheoli Risg:</b><br>Os oes, beth yw'r risg a sut y bydd yn cael ei reoli? | <b>Management of Risk:</b><br>If yes, what is the risk and how will it be managed? |
|   |                                                                              |                                                                                    |

|   |                                                                                                        |                                                                                                |
|---|--------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------|
| 3 | Os ydych yn delio â phlant ac oedolion sy'n agored i niwed a ydych wedi gwneud cais am dystysgrif DRS? | If you are dealing with children and vulnerable adults have you applied for a DRS certificate? |
|   |                                                                                                        |                                                                                                |

#### ADRAN 6 – MONITRO, ADBORTH A CHYFRINACHEDD

#### SECTION 6 - MONITORING, FEEDBACK AND CONFIDENTIALITY

|    |                                                                                                                                                                                                                                            |                                                                                                                                                                                                                                              |
|----|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1. | <b>Monitro:</b><br>Os ydych yn sylwi ar unrhyw ymddygiad sy'n groes Cod y BrifYsgol/Cyfadrn Ymarfer, unrhyw ganllawiau a gyhoeddir gan y gymdeithas broffesiynol priodol neu weithred anghyfreithlon. Amlinellwch eich strategaeth adrodd. | <b>Monitoring:</b><br>Should you observe any behaviour that contravenes the University's Code of Practice, any guidelines published by the appropriate professional association or is illegal outline the strategy of your reporting action. |
|    |                                                                                                                                                                                                                                            |                                                                                                                                                                                                                                              |

|                                                                                                                    |                                                                                                | Ydw / Yes | Na / No |
|--------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------|-----------|---------|
| A wnewch chi roi gwybod am unrhyw ymddygiad sydd yn erbyn Cod Ymarfer y BrifYsgol/Cyfadrn neu sy'n anghyfreithlon? | Will you report any behaviour that is against the University's Code of Practice or is illegal? |           | ✓       |
| A ydych yn darparu adborth i'r cyfranogwyr?                                                                        | Will feedback be provided to participants?                                                     |           | ✓       |
| A fyddwch yn dogfennu'r 'caniatâd i gymryd rhan yn y prosiect'                                                     | Will you be documenting the 'consent to participate in the project'                            |           | ✓       |

#### ADRAN 7 – STORIO, DIOGELWCH A MYNEDIAD I DDATA

#### SECTION 7 - DATA ACCESS, STORAGE AND SECURITY

|                                                                   |                                                              | Ydw / Yes | Na / No |
|-------------------------------------------------------------------|--------------------------------------------------------------|-----------|---------|
| 1.                                                                | Ydych chi'n gyfrifol am storio a diogelwch y data eu casglu? | ✓         |         |
| 2.                                                                | Sut y bydd y data yn cael ei storio?                         |           |         |
| The data will be stored in a spreadsheet in my personal computer. |                                                              |           |         |

|                                               |                                                                                                |                                                                                       |
|-----------------------------------------------|------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------|
| 3.                                            | Mynediad i Ddata:<br>Pwy fydd yn cael mynediad at y data? A oes unrhyw amodau i gael mynediad? | Data Access:<br>Who will have access to the data? Are there any conditions to access? |
| I am the only one who have access to the data |                                                                                                |                                                                                       |

|                                                                                                                                                                                                                                                                                         |                                                                                                                                         |                                                                                                                                 |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------|
| 4.                                                                                                                                                                                                                                                                                      | Cyfrinachedd / Anhysbysrwydd:<br>Rhestrwch y dulliau a fydd yn cael eu defnyddio i sicrhau cyfrinachedd ac anhysbysrwydd y cyfranogwyr. | Confidentiality / Anonymity:<br>List the methods that will be used to ensure the confidentiality and anonymity of participants. |
| All the information collected from the survey will be kept private and confidential. Once the information has been analysed and the project completed, all the questionnaires will be destroyed. At no time will any individual be identified in any reports resulting from the survey. |                                                                                                                                         |                                                                                                                                 |

## ADRAN 7 – DATGANIAD

## SECTION 7 - DECLARATION

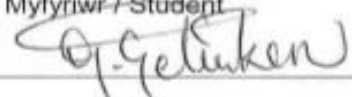
|                                                                                                                                                                                                                                                                                |                                                                                                                                                                                                                                                                                 |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Rhaid i'r adran hon gael ei chwblhau gan bob parti perthnasol cyn y gellir cyflwyno'r cais i'r Bwrdd Moeseg Gyfadran.                                                                                                                                                          | This section must be completed by all concerned parties before it can be submitted to the Faculty Ethics Board.                                                                                                                                                                 |
| <b>Datganiad</b><br>Mae'r wybodaeth a gynhwysir yma yn gywir, hyd eithaf fy ngwybodaeth a'm cred. Rwyf wedi ceisio dynodi unrhyw risgiau a phroblemau sy'n gysylltiedig â'r prosiect / ymchwil neu gynhyrchiad ac rwyf yn cydnabod f'ymrwymadau innau a hawliau'r cyfranogwyr. | <b>Declaration</b><br>The information contained herein is, to the best of my knowledge and belief, accurate. I have attempted to identify any risks and issues related to the project/research or production and acknowledge my obligations and the rights of the participants. |

### Llofnodau

Dylai'r ffurflen hon gael ei chwblhau a'i llofnodi gan y myfyriwr a'r goruchwyliwr lofnodi ac yna gan Bennaeth yr Ysgol/Cyfadrn/

### Signatures

This form should be completed and signed by both the student and the supervisor and then signed by the Head of School/Faculty

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| Myfyriwr / Student<br> | Dyddiad: / Date:<br>18/02/2019 |
| Cydlynnydd y prosiect / Tiwtor<br>Project co-ordinator / Tutor<br>Arolygwr / Supervisor                   | Dyddiad: / Date:               |
| Pennaeth Ysgol/Cyfadrn / Head of School/Faculty                                                           | Dyddiad: / Date                |

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| Rhaid i bob cais am ymchwil ar sail cyfweiliadau gynnwys y dogfennau canlynol:                                                                                                                                                                                                     | All interview based research applications must provide the following pro-forma documents:                                                                                                                                                                                                           |
| <ol style="list-style-type: none"> <li>1. Ffurflen gydsynio ddrafft</li> <li>2. Sampl o'r cwestiynau a ofynnir</li> <li>3. Taflen wybodaeth am yr ymchwil sy'n esbonio'n glir ddiben y prosiect, y deilliannau disgwylledig a'r rheini y dangosir y canlyniadau iddynt.</li> </ol> | <ol style="list-style-type: none"> <li>1. A draft consent form</li> <li>2. A sample of the questions that will be asked</li> <li>3. An information sheet on the research that clearly explains what the project is, what the expected outcomes are and who the results will be shown to.</li> </ol> |

**DYCHWELWCH I'R GYFADRAN MOESeg CYDLNYDD**  
**PLEASE RETURN TO THE FACULTY ETHICS CO-ORDINATOR**

Cadeirydd y Pwyllgor Moseg Gyfadrn /Chair of the Faculty Ethics Committee

Dyddiad: / Date:

## **Abstract**

Since the beginning of the 2000s, the popularity of online shopping has increased rapidly. And nowadays, the effect of internet retailers in the market cannot be ignored. It is important for companies that operate in the internet retailing sector to examine the relationship between the customer trust and purchasing intention. With the understanding of the relationship between the customer trust and purchasing intention, internet retailers will have the opportunity to understand how they can influence the purchasing behaviour of the consumers.

In this study, the variables of trust in internet retailing were determined by the literature research, and the effects of these variables on trust and the relationship between the trust and purchase intention in internet retailing were determined by quantitative and qualitative researches. The variables used in this study are; company reputation, perceived size, perceived security and privacy, perceived ease of use and website visuality and design. The aim of the research with a more specific definition is to evaluate the factors that determine the trust of online consumers in internet retailing and to determine the strength of the relationship between the trust and purchase intention.

Six research questions and six hypotheses were developed and tested in order to reach the aim of this research project. In this study, survey method for quantitative research and interview method for qualitative research were applied. Potential participants of the survey are the consumers live in UK and Turkey who is at least 18 years old and have online shopping experience.

The data used in the analysis of the survey study were obtained from the 192 filled questionnaires. Data were analysed with SPSS 25.0 statistical program. The hypotheses were tested by both the results of quantitative research and the results of Confirmatory Factor Analysis and Correlation and Regression Analysis obtained from the survey data. Research results show that there is a positive relationship between perceived ease of use, website visuality and design, perceived privacy and security, company reputation and perceived size and purchase intention.

## **1. Introduction**

With the recent advances in technology, Internet retailing has become increasingly important. As a result of combining the principles of technology management in marketing applications, online shopping has been debated more and more by scientists and researchers.

To increase profitability by providing a competitive advantage in the consumer market, companies determine how to meet customer needs and how to increase customer satisfaction as their primary targets. For this purpose, they refer to different markets.

The companies that want to have profitable markets observe the purchasing behavior and lifestyles of consumers, and they open online stores that can affect these areas. Although all companies set off with this target, they cannot all succeed. This is because a website that does not appeal to consumers is not effective in regards to marketing. Therefore, learning and understanding the behavior of consumers on the Internet is extremely important for companies to develop the right strategies (Cop & Oyan, 2010, p. 99).

Shopping in internet environment means that the behavior of buying goods or services via the internet. Consumers who shop online do not go through the process stages of the traditional shoppers. The process stages of online shoppers are different from those of traditional shoppers. In particular, in the stage of market research, consumers are unable to obtain information effectively as in traditional shopping. Firms try to attract the attention of consumers through their websites. To attract the attention of consumers, companies organize various campaigns, give prizes, make discounts and carry out catchy advertising (Li and Zhang, 2002). While electronic commerce provides consumers with convenience, quick and easy information, more options and time and money savings, some people still do not trust virtual shopping and therefore prefer traditional shopping (Lin, 2007). Although the online shopping market share has increased substantially in recent years, consumers may prefer not to purchase a product they like very much on the Internet due to security problems. (Kircova, 2012, p. 117). The main problem consumers have is to choose from many alternatives. As the results of this, any such choice will

be evident only in the future, consumers face uncertainty, and hence risk. Anyone who has to make a choice and does not know what the result of this choice will be may be anxious. Overcoming this uneasiness and thus the risk is associated with the consumer's will (Taylor, 1974, p. 54).

Given the background, to further develop electronic trading, this study will aim at providing a deeper insight into the interests and desires of consumers as well as their purchasing behaviors.

Some studies on customers' shopping behaviors have been published to this day. Examples of studies testing the two theories that can be considered fundamental to online shopping behavior are Technology Acceptance Model (TAM) (Davis, 1989) and Theory of Planned Behavior (TPB) (Taylor and Todd, 1995). These researches attempted to identify psychological, technological and social factors that affect the online purchasing behavior and purchase intention.

Companies use different methods to ensure that consumers trust their websites and to attract them to virtual shopping. Establishing a bond of trust between customers and the company is the most valuable priority of any company. Trust is an essential factor in promoting online shopping. Winning the trust of consumers in a competitive environment is the most critical condition of profitability and existence for companies. Creating an atmosphere of trust for customers is the most valuable gain of businesses. The reason why customers research the reliability of online shopping is that they want to rely on supply sources. If businesses that want to sell on the Internet do not give enough trust to consumers, it is not possible for them to obtain a place in Internet marketing (Aksoy, 2012).

Trust is difficult to achieve because an individual must first know the aims and intentions of people to trust them. People living or managed in an environment have expectations of other people's behavior. Therefore, trust can be shown as a cultural tradition and an emotional concept (Harridge-March, 2006).

Because trust is an abstract concept, it is not easy to measure it. Trust can also be considered as a moral choice, or as an element that can help to take a behavioral step when a logical choice is required. Since the attitude of each person to trust must be evaluated separately, it is challenging to investigate trust. In other words, trust is a moral system that is not easy to study. For this reason, trust in Internet retailing deserves special attention in both academic and application

contexts. In virtual shopping, consumers care about trust; academics and practitioners accept it. Scientists found elements of trust in virtual shopping. The importance of brand name and reputation has been documented.

The design and ease of use of the websites and the accuracy of information are essential elements. If customers don't like the design of websites or search for products for a long time, they probably give up shopping; if they like websites, the likelihood of visiting the website increases (Collier, 2006). Also, a positive experience is the cause of customer satisfaction and creates trust towards the company. Product information affects trust and purchase intention.

This study focuses on five factors: brand name, website design, consumer experience, product knowledge, and security. Trust is maintained by building relationships with customers. Customer relationship is the basis of marketing and is dependent on consumer loyalty. According to Cyr et al. (2007), customers' purchase intention indicates trust. Customer loyalty and repurchase intention is the assurance of a company's existence and earnings. Therefore, this study examines the effect of trust on purchasing behavior and the effect of customer loyalty on trust and purchase intention.

In the literature, the structural aspects of the process of creating trust have been frequently emphasized in both brand formation and consumer relations management. However, there is a need for further study to examine the relationships between factors and dimensions of trust-building on the Internet, as well as trust and purchase intention. This research will be useful both to marketing professionals and to entrepreneurs who have established an Internet company, as well as to students in business and marketing departments.

A discussion group and survey will be conducted with the participation of consumers who live in the United Kingdom and Turkey, and who shop online. Five participants will join the group discussion and the second research includes a survey of 192 participants. The data was analysed and interpreted in the SPSS (Statistical Package for the Social Sciences) program.

### **1.1. Research Questions**

Research questions are as follows:

- i. How does the reputation of an online company affect consumer trust in online shopping?
- ii. How does perceived size of an online company affect consumer trust in online shopping?
- iii. How does perceived security and privacy affect consumer trust in online shopping?
- iv. How does the ease of use of a website affect consumer trust in online shopping?
- v. How does the visuality and design of a website affect consumer trust in online shopping?
- vi. How does consumer trust affect online shopping?

### **1.2. Research Hypotheses**

H1: There is a positive relationship between a company's reputation and consumer trust in online shopping.

H2: There is a positive relationship between perceived size of a company and consumer trust in online shopping.

H3: There is a positive relationship between perceived security and privacy and consumer trust in online shopping.

H4: There is a positive relationship between the ease of use of a website and consumer trust in online shopping.

H5: There is a positive relationship between the design a website and consumer trust in online shopping.

H6: There is a positive relationship between consumer trust and online shopping.

## **2. Literature Review**

### **2.1. Internet and Its History**

The Internet is all of the computer networks that use a standard communication protocol worldwide (McKnight & Bailey, 2000, p. 5). Henrich defines the Internet as a computer network that provides instant access to a vast amount of knowledge worldwide.

The theoretical background of the Internet dates back to the scientific studies and articles published in the 1800s. These scientific studies talked about the Internet in theory. However, the first study that mentioned www, one of the essential tools of the Internet, was the article titled “As We May Think,” published in 1945 by Vannevar Bush. This study mentions a storage method where images and other information can be stored for a long time (Buckland, 1992: 284-294).

The US’s need for communication and accessing information without any problems that emerged due to the wars/nuclear threats/disputes between the US and Kuba, Russia and Vietnam accelerated the emergence process of the Internet (Hasiloglu, 2007: 19).

The first concrete steps of the Internet were taken by the US in 1969 with ARPANET (Advanced Research Projects Authority Net). In the 1990s, ARPANET laid the foundations for the collection of computers in other countries of the world on a shared network (Kircova, 2002: 16).

After a while, surfing the Internet has become much more complicated due to the rapid development of the Internet and the number of websites. After the search engines, the Internet experienced the fastest development between 2000 and 2010. The use of the Internet has increased due to the social networks entering the lives of people with Web 2.0 technology (Ekici, 2013: 10).

The online communication made possible by the Internet has not only enabled the shortening of business processes but also accelerated the flow of data between individuals. The Internet is therefore considered to be the fastest and most effective means of communication today.

## **2.2. Marketing in the Internet Environment**

In addition to providing information for consumers, the Internet offers home shopping (Forsythe & Shi, 2003, p. 868). Thanks to the Internet that eliminates geographic boundaries, the markets where buyers and vendors come together have gained a different dimension. Nowadays, all kinds of products and services that can be purchased through traditional shopping can be purchased online. Online companies regard the whole world as their target audience and expand the size of their business activities. Besides, online sales have led to a competitive advantage for companies thanks to the decline in inventory costs and the fast operating capacity (Cop & Oyan, 2010, p. 100).

Although online shopping offers consumers easy and fast access to information and time and price-related advantages, consumers still have worries about online shopping. The reason for these worries is the perception that traditional shopping is less risky than online shopping. In other words, the reason why consumers prefer not to do online shopping is their perception of risk (Hong & Yi, 2012, p. 1305).

The elements of marketing mix like product, price, distribution, and promotion had to be re-evaluated and structured together with the emergence of marketing on the Internet (Mucuk, 2006, p.246).

Thanks to the online sales and marketing activities, the static customer communication made through communication tools such as TV and radio has changed and became more dynamic (Gul and Boz, 2012). Users saw ads on the Internet, which is a new means of communication, shared these ads with their friends on social networks like Facebook or Twitter, made positive or negative comments about the ads on the relevant pages, shared their own ad videos on related pages, and evaluated the advertised ads (Calli et al., 2009). A communication process that takes place in a static plane between a person (company) and a lot of persons (customers) in the traditional process is transformed into a medium in hypermedia computer-mediated environments between many people (company-customers) where dynamic and personal messages enriched with images, video, audio, text elements can be created. This change brought about by Internet technologies is described as the 'information revolution.' As in the industrial

revolution, the information revolution will undoubtedly change the economy, the structure of the industries, consumer behaviors, and politics quickly and in-depth (Calli et al., 2009).

The Internet is a useful tool that facilitates the process of reaching the goods and services, the process of reaching the existing and potential customers, and the relations of companies with their customers and that provides customers with the information about the products and services they are searching. Since the Internet has enabled the establishment of relations between people living in different locations, it has brought new opportunities and dynamics to marketing activity (Gul and Boz, 2012). Factors that are very important in traditional retailing such as physical space have lost their importance in Internet retailing, and new marketing elements have emerged (Gul and Boz, 2012).

Along with the Internet, a new medium, distribution channel and competitive means were born in marketing. Internet retailing has also changed the size of competition for businesses that serve traditionally. Through websites, companies started both their corporate activities and to work in the marketing field. Companies are becoming more transparent by providing information about themselves on their corporate websites. Thanks to their work on marketing and sales on websites, companies offer products and services independent from the physical environment (Ozguven, 2011).

Consumer needs change over time. Companies that want to increase customers' satisfaction levels by meeting their changing needs adapt their marketing methods to changing needs. With the opportunities offered by the Internet, companies' target markets have grown, and the relationship between consumers and businesses has gained a different dimension. Businesses have understood that they can meet the demands and expectations of consumers more effectively with a one-to-one relationship. For this reason, businesses use the marketing method to establish closer relations with consumers (Cop and Oyan, 2010).

Online shopping reduces costs, increases advertising and promotional opportunities, and reduces the importance of sales staff. In other words, online marketing is becoming more advantageous. Due to these rich possibilities, many online businesses are being established, and unfortunately, most of these businesses fail. (Aksoy, 2012.) There is a need for in-depth knowledge of issues such as security, customer trust and customer demand for successful online marketing activities.

### **2.3. Internet Retailing**

Internet retailing is the retailing where companies promote their goods and services via the Internet by communicating with their customers. It is also called Electronic Retailing or online retailing. Many studies conducted in recent years, where the importance of the Internet has increased steadily, have noted that Internet retailing and Internet entrepreneurship will dominate the retailing market and the majority of consumers will shop online (Levy and Weitz, 2012: 58).

The most basic concept that defines the Internet is the virtual environment. Physical concepts such as workplaces, employees, warehouses and production sites exist on a different basis in online business models. The only tool that advertises a business to the consumer on the Internet is the website of that business (Kircova, 2015: 11).

In Internet retailing, goods or services are offered to the customer by vendors on the Internet. Consumers place their orders on the Internet. Payments are usually done in the same way as traditional methods (i.e., pay at the door, payment by credit card or money order, mobile payment or PayPal and similar payment tools). The most-selling products on the Internet where all kinds of products and services can be purchased are apparels, books, electronic products, and tourism services. The Internet is also used to effectively market non-physical products such as software, e-music, e-books (Zentes et al., 2011: 71). The online sales of such products are easy and save a lot of time because consumers can obtain the product instantly. Internet retailing enables many different pricing strategies.

Internet retailing is, therefore, more advantageous than traditional retailing (Zentes et al., 2011: 76-77). Due to strategies such as low price, instant discounts, and personalized price, and exclusive shopping clubs, daily opportunity sites, online auction websites, and price comparison opportunities that have arisen in recent years, consumers tend to prefer online shopping more and more.

In online shopping, consumers do not feel the pressure they feel in traditional shopping when they are at a store. Therefore, consumers can shop much more freely regardless of time and place (Seker kaya and Cengiz, 2010: 33).

### **2.3.1. Development and Importance of Internet Retailing**

Because of the many benefits it offers, the Internet has become a communication channel that has changed the lives of users. Some of the benefits of the Internet can be listed as ease of access to information, flexibility and speed, the ability to share a lot of information instantly, and cost-effectiveness. The Internet has therefore proven its effectiveness with applications in many business areas, namely in education, banking, service and production (Doherty et al., 2010: 945-946).

Retailing is one of the sectors that benefit most from the Internet and Internet-based services. The Internet has stood out as a new retailing channel due to the advantages it offers such as two-way communication, collecting necessary data for market research, detailed information about the customer profile and the market, promotional benefits, rich content, and flexibility.

The first practical examples of electronic trading emerged in the mid-1990s. However, the early predictions regarding the developments that electronic trading would undergo in the coming years date back to much earlier. The projections that consumers could find the products they want without spending any physical effort through new computer-based technologies were recorded by experts who observed developments in retailing in the 1960s and 1970s (Doddy and Davidson, 1967).

Internet retailing was perceived as a compelling alternative to traditional retailing after goods and services could be readily offered to consumers with the widespread use of the Internet and after observing the positive results of additional benefits resulting from the ability to store the information related to customers (Alba et al., 1997: 46-47).

The benefits of online shopping for consumers can be listed as follows (Grewal and Levy, 2008: 450-451);

- The ability to shop at any time
- The ability to shop without traveling
- The ability to reach a broader product range than traditional shopping

- The ability to compare the different prices of the same product
- Lower prices
- Fast delivery

The benefits of online shopping for companies can be listed as follows (Heinemann and Schwarzl, 2010: 210-211);

- Opportunity to expand the existing customer portfolio by accessing global markets
- Reduces costs like store rent and inventory cost
- The ability to focus on target markets
- Personalized and real-time pricing
- Monitoring and recording of purchasing behaviors of consumers and using them in future activities
- Long tail marketing

Although online shopping offers advantages to both consumers and companies, it is possible to talk about its disadvantages or risks. The risks for customers can be summarized as follows (Grewal and Levy, 2008: 450-451);

- Consumers may feel worried about security
- High risk of fraud
- Does not allow consumers to examine products physically
- Risk of inaccurate information about the product due to image and color quality problems caused by the device where the shopping is done
- Problems with delivery and return
- Lack of human relations and close communication in the shopping experience

The risks for companies can be summarized as follows (Heinemann and Schwarzl, 2010: 213);

- Workload and risks on personal data protection, which has been gaining more importance
- Investments required for online stores
- High price competition on the Internet,
- Legal sanctions.

## **2.4. Concept of Trust and Factors Affecting Trust in Internet Retailing**

The difference between a customer's benefit from the consumption of a product and the difficulties the consumer will face in this process is equal to the value of a marketing program for the consumer. The difference is expected to be positive. The consumer determines a benefit for the purchase both before and after the consumption. This value also shows the satisfaction level of the consumer. One of the most critical parameters that consumers will use when calculating the benefits of shopping is trust. If a consumer trusts a vendor, he/she will make the purchase decision more easily. Trust is an indispensable factor for the sale of a product and for ensuring continuity in sales (Aksoy, 2006).

Companies or individuals need to rely on the government, credit card companies, insurance companies, stores or any other manufacturer (Aksoy, 2006). The most powerful tool of marketing is trust (Reast, 2005). Trust plays a vital role in predicting consumers' future behaviors by examining their previous purchasing behaviors. Trust is more important in the Internet environment than it is in the physical environment because the Internet environment has more uncertainties. Trust in online shopping is particularly important, as consumers cannot see the activities of vendors. When a consumer does not trust an online sales website anymore, he/she will probably not do any shopping from that website anymore. Consumer trust is vital for Internet retailing as it indicates consumers' propensity to purchase and their behaviors in Internet retailing (Roca et al., 2009).

In online shopping, customers must use their personal information, such as addresses and telephones. Therefore, unauthorized use of personal information and the risk of losing money can cause concerns to consumers. Consumers cannot be sure whether companies' online product quotes are fair, because they cannot physically control the products they purchase. This leads to concerns about products in customers. It is challenging to fix the relationship between the vendor who are not thought to be reliable and the buyers who do not trust them (Harridge-March, 2006).

There is a positive relationship between the brand name and reputation and trust. Companies with high brand recognition and reputation are usually successful in Internet retailing. If consumers have previously shopped from the company that they are going to shop online and have knowledge about it, the risk potential for consumers is reduced. Although it is difficult for companies that lack high brand recognition to succeed in Internet retailing, they can still increase their sales in the long run by gaining the trust of online consumers (Harridge-March, 2006). According to the results reported by Rodgers et al. (2005) research, experienced customers pay attention to the quality of the system and service. Loyalty occurs when experienced customers are satisfied. For a successful and sustainable commercial relationship, customer loyalty is as important as trust. As good relationships with customers continue, trust continues. Customers' loyalty to a company and its repurchase intention is the assurance that the company will continue its commercial activities.

The consumer's repurchase intention determines the level of customer loyalty on the Internet. Customer loyalty on the Internet, also called e-loyalty, shows the possibility of a customer purchasing again from a specific company. Internet retailers aim to create customer loyalty by creating the purchase intention in a customer at one shopping experience.

Consistent with the way trust is handled in the literature, factors affecting trust will be discussed and explained in three sub-headings in this part. These headings are personal factors, the Internet-related factors, and business-related factors.

### **2.4.1. Personal Factors**

Personal factors include Internet experience/online shopping experience, familiarity with the business, propensity to trust, risk perception and satisfaction sub-headings.

#### **2.4.1.1. Internet Experience/Online Shopping Experience**

In any activity on the Internet, an individual's competence and experience in using the Internet plays an important role. The perception of uncertainty is inversely proportional to the experience of consumers: as the experience increases, the uncertainty perception decreases and the consumer's propensity to trust increases. The ability of individuals to use computers and the Internet is defined as the Internet experience (Beldad et al., 2010, 861). There is a positive relationship between the consumer's Internet experience and online shopping (Corbitt et al., 2003). Researchers state that the propensity to trust the technology and trust in online shopping is affected by consumers' Internet experience.

For Internet users with moderate Internet experience, the trust relationship between Internet experience and online shopping is considered to be positive whereas, for those with a high level of Internet experience, this relationship is negative. In other words, consumer trust increases as Internet experience increases, however, when this trust level reaches a certain point - when users have more information about the Internet and the risks it contains- the privacy and security concerns of users increase, and their trust levels can decrease (Aiken and Bousch, 2006, 313).

#### **2.4.1.2. Previous Knowledge and Experience Regarding a Company**

Previous knowledge and shopping experience that a user has regarding a company enable him/her to feel closer to that company. This is because people who consider their past experiences tend to trust people and institutions that they had experiences with and were not disappointed at. Consumers experiencing satisfying experiences have no difficulty in trusting again and are inclined to show their same behaviors again (Beldad et al., 2010: 867). Therefore, the situation of the individual is interpreted as a situation in which complexity and uncertainties

decrease (Grabner-Krauter et al., 2006: 239). Otherwise, if the previously acquired experience is negative, the individual will tend not to trust.

#### **2.4.1.3. An Individual's Propensity to Trust**

The propensity to trust other people varies according to the individual's personality traits and past experiences. Some consumers tend to trust and shop even if they don't have enough information about the Internet retailer whereas some consumers may need to have more information to shop (Beldad et al., 2010: 861). Previous studies on this subject have demonstrated that there is a positive relationship between an individual's propensity to trust and trust behavior (Teo and Liu, 2007). While individuals perceive the qualities of an Internet retailer, they add their trust attitudes to their perception.

#### **2.4.1.4. Risk Perception**

The amount of the risk that a consumer considers to be present in purchasing behavior prior to the decision to purchase is defined as risk perception. When a consumer is not sure whether his/her expectations are met before the purchasing behavior, that consumer tends to perceive risks in that purchasing process. The nature of the shopping medium, retailer-related issues or product preferences may be the source of the uncertainty that causes risk perception (Hong and Cha, 2013).

Studies show that consumers face a certain level of risk before each purchase decision. In the past when online shopping was not introduced into our lives, shopping methods such as shopping by mail were, for consumers, methods that contained more risks than traditional shopping method. With the advent of online shopping, the risk for this channel started to increase. The risk perception level of all users for online shopping is not equal: some users may have a higher perception of risk than others. Consumers feel worried about the unauthorized use of personal and financial information they share while shopping and the fear of losing money. Furthermore,

consumers may feel anxious about online shopping because they cannot physically examine the product they intend to purchase from the online store (Harridge-March, 2006: 748).

#### **2.4.1.5. Consumer Satisfaction**

The expected and actual performance rating of a consumer following his/her purchase experience is called consumer satisfaction. Consumer's satisfaction level is used to explain the behavior of a consumer after the purchase process. Consumer satisfaction shows the success of a company in the processes they manage. Moreover, it has a positive effect on the company in terms of repurchase rates and acquisition of loyal customers (Casalo et al., 2010: 250).

Pavlou (2003) stated that there is a positive relationship between consumer satisfaction and trust and this relationship helps consumers who are satisfied with their online shopping experience to create the trust needed to repurchase from an Internet retailer. Empirical studies on this subject have shown that consumer satisfaction from previous shopping experiences affects consumer trust (Beldad et al., 2010: 867).

#### **2.4.2. Internet-Related Factors**

Internet-related factors include information quality, customization, privacy/security, ease of use and social presence subheadings.

##### **2.4.2.1. Communication (Information Quality) and Website Design**

Consumers can visit a website to collect information about a product, as well as to shop. The website of an Internet retailer informs consumers about the company's level of reliability (Kim et al, 2004: 399).

Consumers' perceptions regarding currency, availability, and accuracy of the information provided by an Internet retailer about their online products and shopping process are expressed as information quality (Kim et al., 2007: 549).

Consumers expect the information transmitted to them to be accurate. They also expect that the information provided by an Internet retailer about their products to be accurate (Bart et al., 2005). Therefore, consumers tend to trust the websites which they think contain current and accurate information. Since there is no chance to examine the product physically, the detailed and accurate information on the products facilitates the purchasing decision of a consumer (Beldad, Jong and Steehouder, 2010: 861). Due to the above reasons, consumers' beliefs about the quality of information are important factors that affect their propensity to trust.

Perceived website quality (Kim et al., 2004: 413), which provides preliminary information for potential consumers, is the perception of consumers about a website. This is related to how much useful information the website contains and how reliable the shopping processes it offers are. An effective e-commerce website allows for easy completion of transactions as well as personalizing transactions in a shorter time and includes well-organized information about products. A high-quality website suggests that the business is well equipped and increases the consumer's intention to do business with that business. Mcknight et al. (2002) emphasized the significant effect of perceived website quality on trust. If a consumer thinks a website is of good quality, the trust level of that consumer will be higher. Poor quality websites can cause loss of customers, increased costs and reduced profits. Therefore, it is necessary to understand how the quality of a website affects consumers' intentions to use that site (Liao et al., 2006: 471). Since there is no possibility to touch and feel the products sold online, c need more detailed and precise information during the decision-making process. In light of this information, e-commerce sites should not only provide quality content but should also maintain and improve the quality of their websites (Liao et al., 2006: 479).

#### **2.4.2.2. Consumer Privacy and Security**

The control power that individuals have as to how and with whom they will share their personal information is called privacy. Unauthorized use of personal information is a risky element that online shopping contains. The legal protection of consumer privacy or the policies of the companies in this regard is not sufficient to address this concern. Information systems should also be reassuring for the consumer (Flavian and Guinaliu, 2006: 603-604). For these reasons, Internet retailers should take all kinds of security measures to protect consumers.

Privacy concerns caused by online transactions include the recording of personal and financial information received during the sale process and the risk of unauthorized use of this information (Belanger et al., 2002: 248).

As well as the shortcomings in terms of privacy, security vulnerabilities are also an issue that affects the consumer. The technological infrastructure required for the protection of financial information shared during online shopping should be considered.

Another issue that affects consumers is the adverse situations caused by security vulnerabilities. Attention should be paid to the technological infrastructure required to protect financial information shared during online purchases (Flavian and Guinaliu, 2006: 603-604). Consumers pay attention to security elements such as encryption, authentication and a digital signature that the company uses when shopping online (Belanger et al., 2002: 249).

Since the information that is shared during online shopping and obtained by third parties will probably be used for malicious intentions, companies need to plan accurately the security tools they will use when making Internet retailing investments. Consumers' belief in the adequacy of the security tools will make them feel safe about shopping from the company (Roca et al., 2009: 99).

#### **2.4.2.3. Customization**

The customization of services and communication for consumers by companies is called customization (Srinivasan et al., 2002: 42).

If an online company designs and offers goods and services in a way tailored to customers, consumers' propensity to trust will increase. The services offered by companies with this capacity are also of good quality. Personal information about the customer is required for the customization of goods and services during the implementation phase. For consumers who are concerned about privacy during online shopping, this can lead to negative feelings and should be considered (Beldad et al., 2010: 865). For consumers, whose level of concern is lower, receiving a more personalized service with the information that they willingly or unwillingly give is an element that increases their trust towards the company (Nowak and Phelps, 1995).

#### **2.4.2.4. Ease of Use of a Website**

In Internet-based services, the search functions of a website and the site map, i.e., the structure of the site, focus on the general design and operation processes. The ease of use provided by a website is effective in building trust (Bart et al., 2005). A study investigating different types of online stores reported that the ease of use of a website as perceived by its users increased trust in that online store (Bart et al., 2005). One of the critical factors that reduce consumers' risk perception is the ease of use offered by a website. One of the factors that reduce the risk perception of consumers regarding privacy and security issues is the usage features offered by that website. The ease of use offered by online stores also accelerates the purchase decision (Featherman et al., 2010: 222).

#### **2.4.2.5. Social Presence**

Due to the nature of the virtual environment, online transactions are perceived as riskier than face-to-face relationships and shopping. This is because face-to-face communication and visual cues are an important element for consumer trust. To build trust in online shopping, it may be necessary to simulate interpersonal signs or cues that exist in physical communication. Social presence refers to the extent to which human characteristics in interpersonal relations are reflected in computer-mediated communication (Beldad et al., 2010: 865). That is, social

presence is a psychological variable that reflects a subjective experience of closeness and relatedness in communication through a particular mediator (Bente et al., 2008: 293).

The theory of social presence posits that high perception of the social presence of selected shopping channel especially in complex situations with many uncertainties or in situations where the person is very interested may direct the individual's preferences (Weisberg et al., 2011: 83). The individual will prefer a channel that reflects this experience.

### **2.4.3. Business-Related Factors**

Business-related factors include corporate reputation, business size, and activities outside the Internet subheadings.

#### **2.4.3.1. Corporate Reputation**

Reputation is the sum of the general evaluations of a person/organization in a community or the references of that community. Corporate reputation can be the result of a holistic assessment of an individuals' sense of trust, their personal experiences and references. Reputation can also be associated with an individual or a group alone. In the case of a group, it is the average of the evaluation of each person who makes up the group (Josang et al., 2007: 621).

The existence of a positive corporate reputation ensures that relationships between customers and the organization are more open and include more trust. In the case of a negative reputation, the opposite is true. Assuming that reputation stems from the trustworthy behaviors of businesses, there will be a decline in the reputation of businesses that exhibit disappointing behaviors or continue to disappoint individuals. In particular, there are three ways of creating a positive reputation in Internet-based trade: through positive interactions between the individual and the organization; through third-party guarantees received from agencies that provide rating services on the Internet; and other non-direct Internet information sources. In other words, the individual can direct his/her own opinions with the comments and feedback of other Internet users except

for his/her own experiences (Beldad et al., 2010: 866). Many online stores provide customers with the opportunity to post comments and rate their experiences after shopping.

Establishing a positive reputation is a challenging, costly and time-consuming process for organizations. In this process, the organization must have consistent relationships with customers and other individuals and institutions (suppliers, intermediaries, etc.) (Koufaris and Hampton-Sosa, 2004: 381). A mistake or a few misunderstandings in this process that must be properly planned and controlled will adversely affect all the correct steps of the organization.

#### **2.4.3.2. Size of a Business**

Like corporate reputation, the size of a business is another factor affecting consumer trust. The size of a business is about how large the consumer perceives the business in question. Consumers often think that large companies often can serve them better and better meet their demands. They also believe that they could easily compensate their losses in any negative situation (Koufaris and Hampton-Sosa, 2004: 381). Although some studies (Jarvenpaa et al., 2000) state that the perceived size of a business shape consumer trust in an online business, there are also some studies pointing out different situations due to the nature of the Internet. Teo and Liu (2007) found that this factor has no significant effect on consumer trust. Thus, it can be interpreted that an online business cannot be evaluated according to the same size criteria as a business that exists in the physical world (Beldad et al., 2010: 866).

#### **2.4.3.3. Non-Internet Activities**

Today, together with the Internet, retailing channels have expanded from traditional stores to stores that exist only in the virtual environment, and to multi-channel retailers that operate both online and physical stores. Some studies have argued that businesses that operate both online and physical stores are more advantageous regarding consumer perception due to the lack of trust in online transactions (Beldad et al., 2010: 867). Some studies (Kuan and Bock, 2007) have reached the conclusions that support this argument and concludes that non-Internet activities affect consumer trust. However, some other studies (Teo and Liu, 2007) have shown that multichannel integration does not have a significant effect on trust in online shopping.

### **3. Previous Studies on The Relationship Between Trust and Consumer Behavior in Internet Retailing**

This part includes previous studies on Internet retailing in the literature. First of all, the studies on the factors affecting building trust are summarized. Subsequently, there is detailed information on the studies that have investigated the factors affecting the trust and final purchasing decisions and customer loyalty after purchasing.

#### **3.1. Studies About Trust**

Lee and Turban (2001) investigated the factors affecting trust in online shopping. In the study, as the antecedents of trust, competence, benevolence, and integrity, where the reliability of the Internet agent is evaluated, and technical competence, reliability, third-party guarantee, and security infrastructure variables were used. In the research model where the research data obtained from a survey study conducted with 405 students were tested with multiple regression analysis, the moderator effect of the propensity to trust on trust was investigated. According to the results of the study, integrity is an element that affects trust in online shopping, and the propensity to trust has a moderator effect on trust concerning integrity.

In a survey conducted with a group of 80 students, Corbitt et al. (2003) investigated the effects of variables such as market orientation, trust in the technological infrastructure, user experience, perceived quality of a website, and risk perception on trust. As a result of the relationships that were tested with linear regression analysis, the variables that were found to have a significant effect on trust were found to be the trust in the technological infrastructure and perceived quality of a website.

In a study investigating the effects of personal and business-related factors on trust in the Internet, Koufaris and Hampton-Sosa (2004) worked with a sample of 212 American students. The sample group evaluated a website from which they had never shopped before. The variables that are thought to have an effect on trust which is a dependent variable in the study are as follows: size of a business, reputation, customization, ease of use, usability, security perception and the propensity to trust. While the variables that were statistically significant in the 99% trust

interval were found to be reputation, security perception, and customization, it was found that the usability and ease of use characteristics were effective on trust in the 95% trust interval.

In another study with 149 students, some of whom had shopped online, and some had not, Walczuch and Lundgren (2004) investigated the psychological factors affecting trust in Internet retailing. These are perceptual elements, personality based elements, experience based elements, knowledge based elements, and attitudinal elements. Linear regression analysis was used. According to the results of the study, the reputation, reference effect, investment, similarity, control, and familiarity from perceptual factors, experiences from experience-based factors, and information quality from knowledge-based factors are influential on trust.

In a study carried out with 199 consumers, Ruparelia et al. (2010) asked the participants about the online stores they last shopped from, and established a research model that included variables such as privacy, security, reputation, word-of-mouth, consumer experience, information quality, advertising, return policy, brand origin, and website design. As a result of the relationships tested with regression analysis, reputation, website design, information quality, experiences, and brand origin were found to be important factors affecting trust in Internet retailing.

The studies tested with structural equation modelling unlike the studies described above are described below.

One of the first studies in this regard was the study by Jarvenpaa et al. (2000), who surveyed 184 Australian students to investigate trust through four different shopping activities. These activities include (1) gift selection and purchase, (2) purchase of books for a course, (3) a holiday plan in Helsinki, (4) a trip to Sydney for business reasons. They aimed to examine these activities, which were planned to be performed online, in terms of consumer trust in the Internet retailer. The results showed that the perceived size and the corporate reputation of a company significantly affected trust depending on the type of store.

Cheung and Lee (2006) asked the participants to make an evaluation based on the Internet store from which they shopped the most. They investigated the effects of integrity, competence, privacy, security, the propensity to trust, the third-party guarantee and legal framework variables

on trust. The most important factors affecting trust were found to be the third-party guarantee, integrity, competence, legal framework, and security, respectively.

Kuan et al. (2007) investigated trust in online shopping in the multi-channel retail sector. They worked with a sample group of 256 adults to examine trust in Internet retailing. The survey was carried out in the physical stores of retailers that operated both online and physical stores. Accordingly, factors such as reputation (perception from social networks), non-Internet experiences and compensation for complaints were included in the research model as factors affecting trust. The results of the study showed that all variables had a statistically significant effect. Similarly, in a conceptual study investigating trust in multi-channel retailers, Kuan et al. (2007) studied the effects of satisfaction from previous experiences, the perception from social networks, online user reviews, and experiences outside the Internet. The authors concluded that satisfaction from previous experiences, the perception from social networks, online user reviews, and experiences outside the Internet predict trust in Internet retailing. This study laid the ground for future studies.

In a study investigating the factors that affect consumer trust and the propensity to trust, Park et al. (2012) worked with a sample group consisting of 252 American and 256 Korean consumers. In the study where the participants were asked to evaluate the online stores from which they last shopped, the variables whose effects on trust were investigated were reputation, quality of the website, privacy, risk perception, the propensity to avoid uncertainty, individualism/pluralism. The authors concluded that the perceived quality of a website shape reputation and risk perception and trust affect the propensity to trust. As a result of the model tested with structural equation modelling, it was found that individuals in the American sample had a higher propensity to trust (individualism characteristics) and that the most important difference between the two samples emerged in the integrity dimension.

### **3.2. Studies About Trust and Purchase Intention**

In their conceptual study, Bramall et al. (2004) included variables such as the elements that affect trust, trust, and purchase intention. They divided the factors that could affect trust into four

groups: business-related factors, website-related factors, consumer-related factors, product-related factors. It was predicted that the first two of these groups would affect trust in the Internet retailer, while consumer and product-related factors will affect trust in the Internet. In both cases, it was predicted that trust will affect the perception of transaction risk and the purchase intention.

Yoon (2002) conducted a practical study on consumers' trust in Internet retailers and their purchase intention. In the study with 122 South Korean students, the author investigated consumers' intentions to purchase from two product categories; laptop and music/game CDs. The antecedents modelled on trust in online shopping are personal variables such as the security of the transaction, the characteristics of a website, layout, familiarity, and satisfaction. In the research model tested using regression analysis, the statistically significant relationship was related to the safety of the processes.

Zhou and Tian (2010) conducted a study with consumers who had never shopped online but shopped from an online website for the first time one month prior to the study. In their study, they included reputation, perceived quality of a website, reference effect, and security variables as the factors that affect trust. They also investigated the effect of the propensity to trust on reputation, perceived quality of the website, reference effect, and security variables. Trust was measured in three dimensions (competence, benevolence, integrity) in the study. The study concluded that reputation and reference effect affect the competence dimension, reputation and security affect the benevolence dimension, and reference effect and security affect integrity dimension.

Other studies tested with structural equation modelling, unlike the above-mentioned studies, are given below.

In a survey study conducted with 217 American students, Gefen (2000) explored the purchase intention books on Amazon.com and the effect of trust on the purchase intention. The research model included familiarity and propensity to trust as the factors that affect trust, and familiarity and trust variables as the factors that affect the purchase intention and the intention to collect information. As a result of the relationships tested with structural equation modelling, it was found that familiarity and trust were particularly crucial in purchasing. Familiarity and the propensity to trust were also shown to have significant effects on trust.

An experimental study was conducted by Liu et al. (2005). In the study carried out with 212 students, privacy was taken as a variable affecting trust, and the effect of trust on the purchase intention was investigated in two groups with a low/high perception of privacy. The study revealed that trust is an important factor affecting purchasing behavior in both groups.

Harris and Goode (2010) categorized the antecedents of trust in three groups: Aesthetic appeal (originality of design, visual appeal, entertainment value), Layout&Functionality (usability, the relevance of information, customization, interactivity), Financial security (perceived security, ease of payment). As a result of the research conducted with 257 consumers, it was determined that aesthetic appeal, functionality, and security were the important factors affecting trust in Internet retailing.

Toufaily et al. (2013), who made a comparison between pure click (online stores) and click-and-brick (offline stores) retailers, tested their research model established with privacy, security, and social presence variables as the factors that affect trust and trust, attitude, word-of-mouth, and purchase intention variables with a sample of 600 people over two different retailer types. The authors investigated the moderator effect of the retailer types. The results suggest that social presence of a company that operates both an online store (the clicks) and an offline store (the bricks) in the tradition channel affects the trust in that company in the virtual environment. Social presence is a more effective element in virtual retailing.

In their study which asked the participants to evaluate the online stores from which they shopped in the last one year in terms of trust and purchase intention, Chang and Fang (2013) investigated the effect of the propensity to trust and distrust on trust and insecurity, and the effects of the shopping experience, navigation and presentation, usefulness and accuracy of information, brand strength, order fulfilment, and privacy and security on trust and distrust. Chang and Fang concluded that the propensity to trust, online shopping experience, usefulness and accuracy of information, and order fulfilment affect trust whereas the propensity to distrust and brand strength affects insecurity.

Furthermore, some studies have been conducted with the aim of providing a deeper insight into the effect of perceived risk on purchase intention and perceived trust. Detailed information about these studies is given below.

In their study on trust in online shopping and purchase intention, Teo and Liu (2007) examined differences between three different cultures. They conducted their study with sample groups consisting of 544 American, 1381 Singaporean, and 988 Chinese consumers. They determined reputation, size of a business, assurance, multi-channel integrity, and propensity to trust as factors affecting trust. The research model also included risk perception and attitude variables. The results of the study suggest that for all samples, reputation, structured assurances and propensity to trust are effective on trust. Trust affects the perception of risk negatively and attitudes positively. On the other hand, attitudes affect the purchase intention positively and the risk perception negatively.

In their study with 628 consumers, Chang and Chen (2008) found that the propensity to distrust, perceived quality of a website, and reputation variables affect trust positively, perceived quality of a website, reputation, the propensity to avoid risks, and trust affect risk perception, and trust affects purchase intention positively. Also, the mediator effect of trust and risk perception was investigated. As a result of the model tested, all effects except the hypothesis that the perceived quality of a website will have a negative effect on risk perception were found statistically significant. In other words, the quality and reputation of a website are influential on the purchase intention through trust and risk perception. Kim, Ferrin, and Rao (2007) tested two hypotheses with structural equation modelling: 1- the quality of providing information, privacy, security, third-party guarantee, reputation, familiarity, and the propensity to trust affect trust; 2- trust, familiarity, and risk and benefit perception affect purchase intention. Four hundred sixty-eight students were asked to evaluate the online stores they most recently visited in terms of related factors. The results show that trust and risk perception are important factors affecting the purchasing decision. Reputation, privacy, and information quality are the most critical factors affecting trust. The third-party guarantee, on the other hand, does not have a statistically significant effect on trust.

In a study conducted with a sample group consisting of 122 consumers with the potential to use mobile banking, Luo et al. (2010) included risk perception, self-efficacy, structured assurances,

performance expectation, trust and purchase intention variables in their research model. The results of the structural model testing indicate that structured assurances, with the contribution of risk perception, affect purchase intention. On the other hand, trust has no direct effect on purchasing behavior. In the research model that Hong and Cha (2013) tested with a sample group consisting of 206 students, it was found that risk perception affects trust and purchase intention whereas trust affects purchase intention. The participants were asked to assess the Internet retailers from which they shopped in the last six months. The study concluded that performance risk and psychological risk are closely associated with trust, that trust has a full mediator role for performance risk and a partial mediator role for psychological risk perception.

### **3.3. Studies About Trust and Consumer Loyalty**

In a study conducted with the customers of Internet retailers that sell books and airline services, Harris and Goode (2004) conducted surveys with 294 consumers who purchased books and 204 consumers who purchased airline services. The research model included the service quality perception and value perception as the variables that affect trust and consumer satisfaction whereas value perception and consumer satisfaction as the variables that affect trust and loyalty. The results of the study suggest that trust is an important element affecting loyalty. For both sample groups, service quality positively affects value perception, and value perception positively affects trust. For consumers who purchased books only, service quality positively affects trust and satisfaction, trust positively affects satisfaction, and satisfaction positively affects loyalty.

In a study with 198 consumers who purchased books from virtual retailers, Ha (2004) investigated the effect of trust on loyalty. In the research model, the variables of privacy, security, reputation, word-of-mouth, experience, and quality of information were taken as the factors affecting trust. As a result of structural equation modelling, the most important factors affecting trust were found to be reputation, experience, security, quality of information, and word-of-mouth. Trust was found to be an essential factor affecting consumer loyalty.

Chen et al. (2004) explored trust, purchase intention, and loyalty to retailers in the clothing industry. The study is based on the evaluation of three different structural models tested in two stages. The first study was carried out with 138 students. In this stage, the research model that hypothesized that channel interaction, propensity to avoid risks and interaction variables affect trust and that trust affects purchase intention and loyalty level was evaluated separately for the traditional channel and Internet channel. According to the results of the first study, channel interaction is the most critical factor affecting trust in all channels. Also, trust has more effects on loyalty. In the second stage, the same structural model was tested for multi-channel retailers through data from a sample group of 69 students. In this stage, it was also determined that the multi-channel retailer's attempt to build trust affects the purchase intention in the traditional channel.

In a study conducted with 6831 consumers who shop online, Bart et al. (2005) investigated the effect of privacy, security, layout and presentation, reputation, reference effect, order fulfilment, community effect, familiarity, online shopping experience and entertainment on trust and loyalty. Participants were asked to assess one of the websites that offer different categories of goods/services (such as financial services, travel/vacation). It was determined that website and consumer characteristics differ depending on the types of websites and consumer groups in terms of their effect on trust and effect of trust on purchase intention.

In a study addressing trust multidimensionally (competence, benevolence, integrity), Flavian and Guinaliu (2006) investigated the effects of privacy and security variables on trust and loyalty. The results of the study suggest that privacy and security significantly affect consumers' trust and trust is an essential element in the formation of consumer loyalty. In another study, Flavian et al. (2006) discussed the usability and satisfaction variables. As a result of the research conducted with 357 people, it was determined that the consumers have more trust in the websites they perceive as more useful, and this increases the loyalty. It was also found that shopping sites which are more useful had a positive effect on user satisfaction and thus increased loyalty. As a result, it was determined that trust was partly due to user satisfaction. In the study conducted by Casalo et al. (2007), the relationship among trust, satisfaction and reputation variables were examined in the research model tested with a sample consisting of 335 people. Accordingly, satisfaction and reputation were found to have a significant effect on trust.

Mukherjee and Nath (2007), who tested the research model with a sample group of 651 people, investigated in the first stage the effect of shared values, communication, opportunistic behavior, privacy and security variables on trust; the effect of trust, relationship benefit, and relationship termination cost on loyalty; and the effect of trust on loyalty and purchase intention. According to the results of the analysis, the most critical factors affecting trust are privacy, security and shared values. While trust affects loyalty positively, trust and loyalty positively affect the purchase intention. Also, relationship termination cost adversely affects loyalty. The authors created a second alternative model in this stage and examined the concepts of trust and loyalty in the context of purchase intention. They investigated the effect of all variables on the purchase intention as a final output. According to the results of the second model, shared values, communication, and opportunistic behavior are variables that mediate trust and loyalty. Privacy and security act as partial mediators.

A research model similar to the above can be seen in the study by Hung et al. (2009). In the study conducted with 121 people, the authors examined the effects of shared values, communication, opportunistic behavior, and performance variables on trust, and the effects of trust, relationship benefits, and replacement cost on loyalty. According to the results, the most critical factors affecting trust are performance, communication and shared values. While trust affects loyalty positively, trust and loyalty positively affect the purchase intention.

Palvia (2009) mainly studied attitudes, trust, loyalty, and word-of-mouth concepts. The researcher asked a sample group of 420 students to evaluate an Internet retailer of which they were customers for a long time (at least two months). The research model posited that ease of use and usefulness variables would affect consumer attitudes; perceptions of integrity, competence, and benevolence will affect trust; trust will affect attitudes and purchase intention, and purchase intention will affect customer satisfaction and value perception and finally loyalty and word-of-mouth. The results of the study indicated that all the relationships were statistically significant. Satisfaction and loyalty were poorly correlated.

Jin and Kim (2010) compared multi-channel retailers and Internet retailers. All respondents were selected from the customers of multi-channel retailers. In the research model where the final output was loyalty, the effects of communication, design, layout/information provision, security/privacy, order fulfilment, and promotion variables on loyalty were investigated. Two

separate models were created and tested. According to the results, there is a difference between the consumers of multi-channel retailers and Internet retailers in terms of perceptions of communication and promotion. There is also a difference between the two groups in terms of loyalty. For multi-channel retailers, communication, design, layout and security/privacy affect loyalty whereas, for Internet retailers, layout and security/privacy affect loyalty.

Another study that was tested with multiple regression analysis, unlike the studies described above, was conducted by Safa and Ismail (2013). The researchers investigated the effect of customer-related, business-related, and technology-related factors on customer satisfaction and trust, as well as the effect of satisfaction from and trust in online shopping on loyalty. The results of the study suggest that customer-related and technology-related factors affect satisfaction whereas business-related factors affect trust.

#### **4. Research Methodologies and Results**

In order to gain a better understanding about the effects of trust on purchase intention in internet retailing, 2 researches have been conducted which are qualitative and quantitative.

##### **4.1. Qualitative Research**

This qualitative study is based on interviews with 5 individuals who shop online at least twice in a month. Qualitative methods are used as they may reveal new information, uncover dimensions such as thoughts, motivations and beliefs and provide insight into complex relations which can be critical in order to find out which factors have effects on trust in internet retailing.

A discussion group meeting conducted at 8<sup>th</sup> February 2019 in UK. Six research questions were directed to the discussion group. Both individual responses and group discussions for each question were observed. The questions and the answers to the research questions given by the participants are explained below.

### **How does the reputation of an online company affect your trust to shop from a website?**

- If my friends and family have knowledge about the online company and they shopped from there before, I wouldn't hesitate to shop from there.
- If my friends and family recommend an online company, I don't need to make further research about that company before I shop.
- My purchase decision from an online shop is affected by customer reviews.
- If the price of the product that I want to buy is not high and If I am not able to find the same product in an online company which has a high reputation level then I could purchase that product from an unknown online company. My decision depends on the product price more than the reputation of a website.
- I have difficulty deciding to purchase while I shop from a website which is not amazon.com or a website owned by a well-known company.

### **How does the size of an online company affect consumer trust in online shopping?**

- If the online company is a big company, then I believe that it is professional and trustworthy. But also, there are lots of small companies which are professional in their business.
- I prefer to shop from small size companies. I believe that if I have any problems, I can reach small online companies customer services easily and they solve my problem quickly.
- The importance of the size of online company on my purchase decision depends on the product I want to buy. If the product is a special design product such as haute couture clothes, I don't consider the size of the company.
- If the size of online company is big, I believe that its delivery system and after sales services are professional and this perception affects my trust on that company in a positive way.
- I prefer to shop from big size companies due to their customer loyalty programs which provide side benefits to the customers such as free samples and reduction in the prices.

### **How does perceived security and privacy by consumers affect consumer trust in online shopping?**

- Security systems of an online company is a very important factor on my purchasing decision.
- While shopping online, security systems provided by the company in transaction step has a high impact on my purchasing decision. If an online company doesn't provide a secure payment system, I wouldn't complete the purchasing process from there.
- I believe that online companies which provide more than one payment system are reliable.
- If an online company provides a secure payment system, it is enough for me to shopping from there. I don't consider if it provides more than one payment systems.
- I research about after sales operations of an online company such as shipping and product return policies. These policies affect my purchasing decision.
- If an online company does not want my personal information, I feel much secure while shopping from there.
- Before I share my personal and financial information, I research the company's website thoroughly before deciding to make a purchase from there.
- Even though I have some reservations to share my information, I know that I have to share my financial information while I am shopping online. This situation is not a negative situation for me if I trust the website I shop from.

### **How does the ease of use of a website affect your trust in online shopping?**

- The user-friendliness of an online company's website is an important trust element for me. I believe that easy-to-use websites are more professional and institutional than others.
- The difficulties in using a website affects me in a negative way in regards to shopping from there again as opposed to trusting that website. I wouldn't prefer to shop again on a not-easy-to-use website.

### **How does the design of a website affect your trust in online shopping?**

- I don't trust and shop from a website which has not a professional web design.
- The well-designed visualization of the website has a positive influence on my decision to buy from that site.
- Rather than having a professional design of the website, their language and grammatical errors are more influential for gaining my trust.

When the answers given by the participants in qualitative research are examined, it is seen that all variables which are used in the research has an effect on purchase intention in online retailing. Only the answers to the question asked about “perceived size of an online company” has not been a great influence on the purchase decisions of the consumers. It is possible to say that there is positive correlation between purchase intention and other variables used in the research which are company reputation, perceived security and privacy, ease of use and visualization of a design of a web site.

## **4.2. Quantitative Research**

### **4.2.1. Data Collection Method and Sampling**

The survey method was used as data collection method. The questionnaire was sent to participants via facebook.com and Linkedin.com websites and the data was collected via the Internet. This method is an effective method to reach the consumers who make online purchases by determining the qualifications of potential participants. The main group of the research participants is the consumers who make online shopping in the last 6 months. Data was collected from a total of 192 participants. Data was analysed by SPSS 25.0 statistical package software program. Demographic characteristics of the participating consumers are shown in Chart 1, 2, 3.

As stated in the Chart 1, 56% of the participants are male and 42% are female. 2% of the participants preferred not to share gender information.

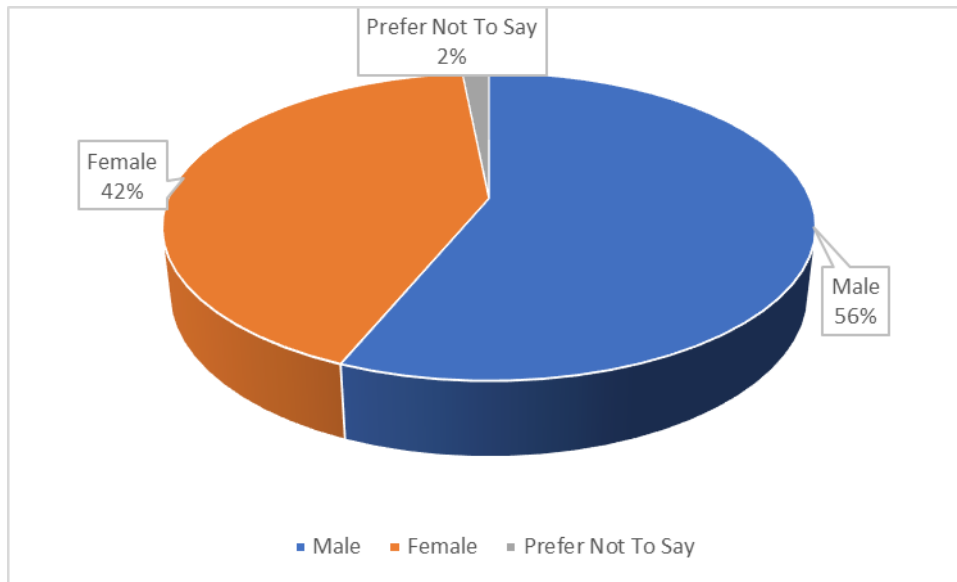


**Figure 1. Distribution of Participants by Gender**

Distribution of Participants by age is shown in Chart 2. The majority of the participants consisted of 30-39 age group with 58% participation rate. This group is followed by participants between the ages of 40-49 with 20% participation rate, between the ages of 18-29 with 16% participation rate and 50 and above years old participants with 6% participation rate.

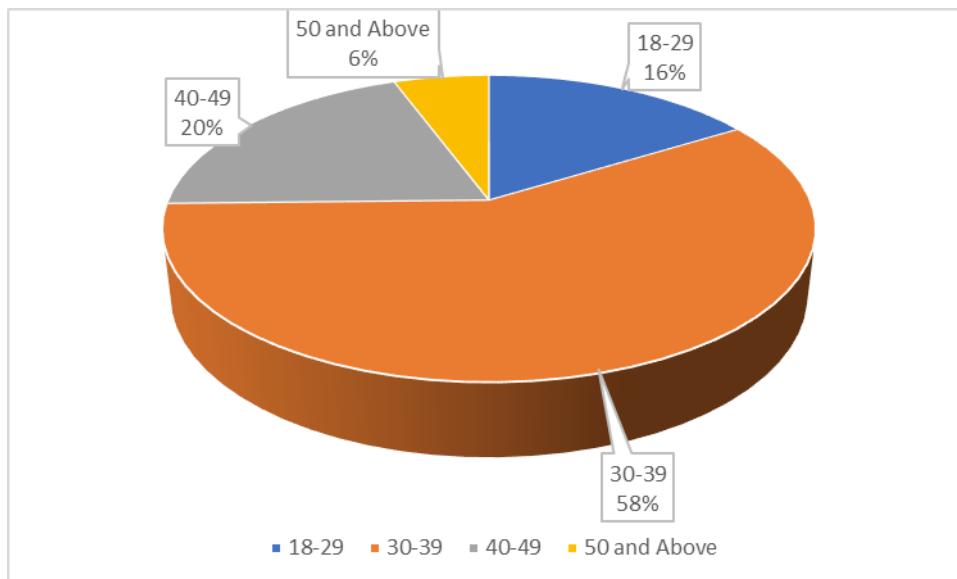


**Figure 2. Distribution of Participants by Age**

Chart 3 shows that 93% of the participants have a degree such as Bachelor's, Master's or Doctorate.

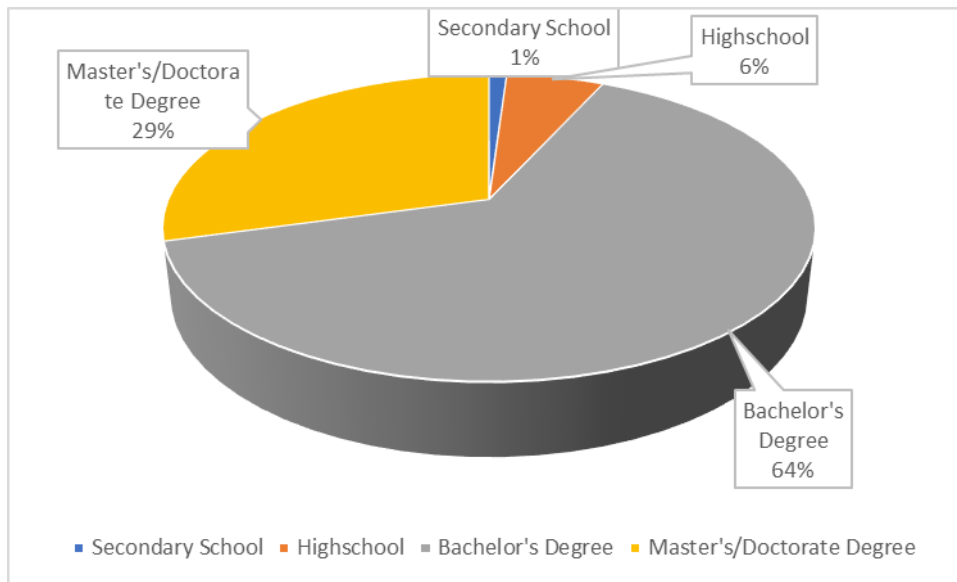


**Figure 3. Distribution of Participants by Education Level**

Chart 4 shows that the number of the products which were bought by the participants in the last 6 months.

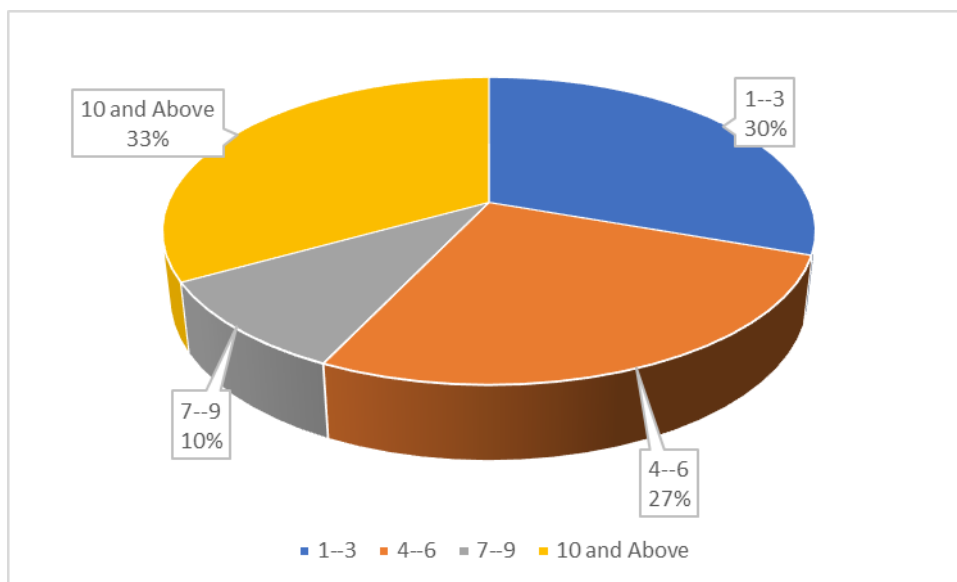


**Figure 4. Number of Products Purchased by Participants**

#### 4.2.2. Questionnaire Design

The questionnaire consists of two parts and 24 questions. In the first part, there are 4 demographic questions about the age, gender, education level and frequency of shopping on the Internet. In the second part, there are 20 questions about the scales of company reputation, perceived size, perceived security and privacy, perceived ease of use, website visuality and design and trust tendency. In the second part, all questions were answered using Likert scale.

#### 4.2.3. Confirmatory Factor Analysis Results

The construct validity of the *Perceived Trust Scale for internet retailing* was examined by confirmatory factor analysis. Confirmatory factor analysis (CFA) tests the extent to which a predetermined structure is consistent with the data collected (Kline, 2011). In this study, CFA was performed to test whether the six-factor structure of *Perceived Trust Scale for internet retailing* was validated by the available data. The fit indices of the six-factor model are shown in Table 1.

**Table 1. Fit indices of the Six Factor Model of Perceived Trust Scale for internet retailing**

| Fit Indices | Acceptable Indices Values | Six-factor Model | Sources                                                          |
|-------------|---------------------------|------------------|------------------------------------------------------------------|
| $\chi^2/sd$ | $\leq 5$                  | 1.97             | Bollen (1989),                                                   |
| RMSEA       | $\leq 0.08$               | 0.07             | Browne & Cudeck (1993), Hu & Bentler (1999), Byrne (1998)        |
| SRMR        | $\leq 0.08$               | 0.07             |                                                                  |
| GFI         | $\geq 0.85$               | 0.87             | Anderson & Gerbing (1984), Jöreskog & Sörbom (1993), Cole (1987) |
| AGFI        | $\geq 0.80$               | 0.81             |                                                                  |
| CFI         | $\geq 0.90$               | 0.88             | Bentler (1992),                                                  |

When the table is examined, it is understood that the six-factor model fit the data acceptable. The factor loadings of Company Reputation, Perceived Size, Perceived Security and Privacy, Perceived Ease of Use, Website Visuality and Design and Trust Tendency were between 0,51-0,64; 0,42-0,88; 0,67-0,89; 0,69-0,87; 0,46-0,80 and 0,33-0,77, respectively. The six-factor

model tested is shown in Figure 1. All path coefficients shown in the model were statistically significant at  $p < 0.01$  level.

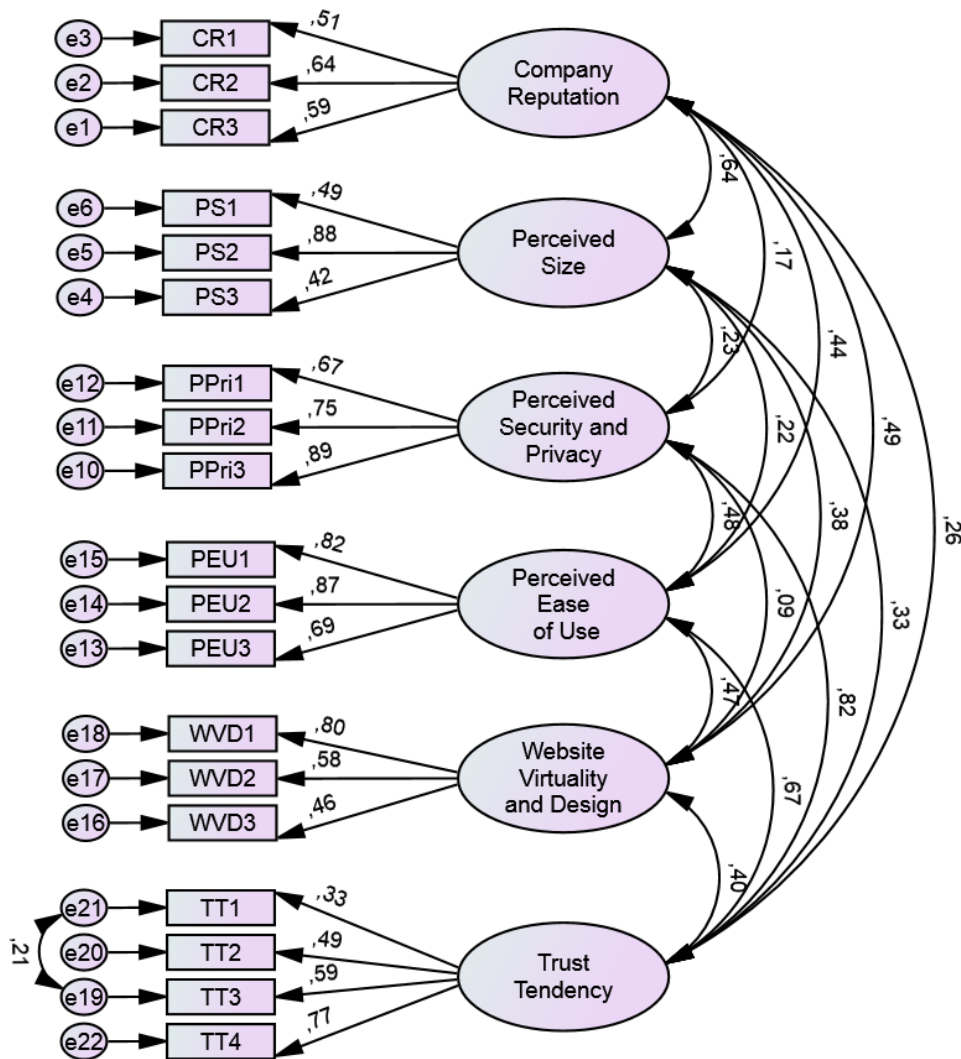


**Figure 5. Six-Factor Confirmatory Factor Analysis,  $\chi^2=267,45$ ; Df=6136;  $p<0,001$**

For the reliability of the scale, Cronbach's alpha coefficient is used. The calculated values are shown in Table 2.

**Table 2. Cronbach's Alpha Coefficients for Scale Factors**

| <b>Factor</b>                  | <b>N of Items</b> | <b>Cronbach's Alpha</b> |
|--------------------------------|-------------------|-------------------------|
| Company Reputation             | 3                 | 0,57                    |
| Perceived Size                 | 3                 | 0,62                    |
| Perceived Security and Privacy | 3                 | 0,81                    |
| Perceived Ease of Use          | 3                 | 0,83                    |
| Website Visuality and Design   | 3                 | 0,64                    |
| Trust Tendency                 | 4                 | 0,67                    |

When the table is examined, Cronbach's Alpha coefficients for Company Reputation, Perceived Size, Perceived Security and Privacy, Perceived Ease of Use, Website Visuality and Design, and Trust Tendency were 0.57; 0.62; 0.81; 0.83; 0.64 and 0.67, respectively. In multidimensional inventories, Cronbach's alpha values alone may not be sufficient to determine the reliability of the inventory. In addition, the number of items in the scale is effective on the Cronbach's alpha value. There is a general view that Cronbach alpha values should be 0.70 and up. However, Cronbach alpha values of 0.50 and greater should also be considered (Kember, Biggs and Leung, 2004). It can be said that the obtained values are sufficient for the reliability of the scale.

#### **4.2.4. Data Analysis**

For the purpose of the study, Pearson correlation coefficient was calculated to examine the relationships between variables. Linear regression analysis was performed to determine the effect of consumer trust components and consumer trust on trust tendency. There was no multicollinearity between the variables included in the regression analysis ( $1.16 < VIF < 1.33$ ). Data were analyzed using SPSS 25.0.

**Table 3. Pearson Correlation Analysis Results**

| <b>Variables</b> | <b>Mean</b> | <b>SD</b> | <b>1.</b> | <b>2.</b> | <b>3.</b> | <b>4.</b> | <b>5.</b> | <b>6.</b> | <b>7.</b> |
|------------------|-------------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
|------------------|-------------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|

|                                   |      |     |        |        |        |        |        |        |   |
|-----------------------------------|------|-----|--------|--------|--------|--------|--------|--------|---|
| 1. Company Reputation             | 4.38 | .70 | 1      |        |        |        |        |        |   |
| 2. Perceived Size                 | 3.57 | .78 | .422** | 1      |        |        |        |        |   |
| 3. Perceived Security and Privacy | 2.97 | .97 | .101   | .076   | 1      |        |        |        |   |
| 4. Perceived Ease of Use          | 3.94 | .77 | .297** | .179*  | .374** | 1      |        |        |   |
| 5. Website Visuality and Design   | 3.22 | .86 | .267** | .258** | .120   | .305** | 1      |        |   |
| 6. Consumer Trust                 | 3.62 | .51 | .624** | .595** | .586** | .686** | .631** | 1      |   |
| 7. Trust Tendency                 | 3.46 | .63 | .161*  | .135   | .544** | .556** | .301** | .564** | 1 |

N=192; \*\* $p < 0,01$ ; \* $p < 0,05$

There was no meaningful relationship between trust tendency and perceived size ( $r=.135$ ,  $p>.05$ ). Trust tendency was found to be positively correlated to company reputation ( $r=.161$ ,  $p<.05$ ), perceived security and privacy ( $r=.544$ ,  $p<.01$ ), perceived ease of use ( $r=.556$ ,  $p<.01$ ), website visuality and design ( $r=.301$ ,  $p<.01$ ) and consumer trust ( $r=.564$ ,  $p<.01$ ). as the perception of company reputation, security and privacy, ease of use, website visuality and design, consumer trust increases, the trust tendency increases.

**Table 4. The results of the Regression Analysis to Determine the Effect of Consumer Trust Components on Trust Tendency**

| Model                          | B     | Std. Error | $\beta$ | t     | p     |
|--------------------------------|-------|------------|---------|-------|-------|
| (Constant)                     | 1,257 | .259       |         | 4,849 | <.001 |
| Company Reputation             | -.032 | .056       | -.035   | -.574 | .567  |
| Perceived Size                 | .013  | .048       | .016    | .267  | .790  |
| Perceived Security and Privacy | .253  | .038       | .389    | 6,700 | <.001 |
| Perceived Ease of Use          | .306  | .051       | .374    | 6,024 | <.001 |
| Website Visuality and Design   | .106  | .043       | .145    | 2,487 | .014  |

Dependent Variable: Trust Tendency

A multiple linear regression was calculated to predict trust tendency based on company reputation, perceived size, perceived security and privacy, perceived ease of use and website

visuality and design. A significant regression equation was found ( $F(5,186)= 31.72$ ,  $p<.01$ ), with an  $R^2$  of .46. Only perceived security and privacy ( $\beta= 0.389$ ,  $p<.01$ ) perceived ease of use ( $\beta= .374$ ,  $p<.01$ ) and website visuality and design ( $\beta= 0.145$ ,  $p<.01$ ) variables were significant predictors of the independent variables. As the perception of security and privacy, ease of use and website visuality and design increases, the trust tendency increases. According to standardized coefficients, the importance of independent variables on trust tendency is as follows; perceived security and privacy, perceived ease of use, website visuality and design, company reputation and perceived size.

**Table 5. The results of the Regression Analysis to Determine the Effect of Consumer Trust on Trust Tendency**

| Model          | B    | Std. Error | $\beta$ | t     | p     |
|----------------|------|------------|---------|-------|-------|
| (Constant)     | .936 | .271       |         | 3,453 | .001  |
| Consumer Trust | .699 | .074       | 0,564   | 9,409 | <.001 |

Dependent Variable: Trust Tendency

A multiple linear regression was calculated to predict trust tendency based on company reputation, perceived size, perceived security and privacy, perceived ease of use and website visuality and design. A significant regression equation was found ( $F(1,190)= 88.52$ ,  $p<.01$ ), with an  $R^2$  of .32. As the perception of consumer trust increases, the trust tendency increases.

### 4.3. Results

As a result of qualitative and quantitative researches, it is possible to evaluate the validity of hypotheses which are subject of the study.

When the answers given by the participants in qualitative research are examined, it is seen that all variables which are used in the research has an effect on purchase intention in online retailing. Only the answers to the question asked about “perceived size of an online company” has not been a great influence on the purchase decisions of the consumers. It is possible to say that there

is positive correlation between purchase intention and other variables used in the research which are company reputation, perceived security and privacy, ease of use and visualization of a design of a web site.

When the results of the correlation and regression analysis calculated according to the answers given to the questionnaire applied for quantitative research are examined, similar results were obtained with quantitative research results. In the correlation analysis, it is determined that there is a significant relationship between all variables except “perceived size of an online company” Furthermore, according to the results of the regression analysis, which was performed as a part of this study, “perceived size of an online company” is determined as the variable which has the lowest effect on trust tendency in online retailing. According to the results of the regression analysis, independent variables which has significant cause and effect relationship between trust tendency are as follows; perceived security and privacy, perceived ease of use and website visuality and design. As the perception of security and privacy, ease of use and website visuality and design increases, the trust tendency increases.

Although the results of the SPSS analysis in the social sciences are not sufficiently reliable, it is possible to denote “H2: There is a positive relationship between perceived size of a company and consumer trust in online shopping” is not supported with the inclusion of qualitative research results in the assessment. According to the results of both studies, it can be said that other 5 hypotheses are acceptable. The results of the hypotheses are shown in Table 4.

**Table 6. Hypotheses Test Results**

| <b>Hypothesis</b>                                                                                                         | <b>Result</b> |
|---------------------------------------------------------------------------------------------------------------------------|---------------|
| H1: There is a positive relationship between a company's reputation and consumer trust in online shopping.                | Supported     |
| H2: There is a positive relationship between perceived size of a company and consumer trust in online shopping.           | Not Supported |
| H3. There is a positive relationship between perceived security and privacy and consumer trust in online shopping.        | Supported     |
| H4: There is a positive relationship between the ease of use of a website and consumer trust in online shopping.          | Supported     |
| H5: There is a positive relationship between the visuality and design of a website and consumer trust in online shopping. | Supported     |
| H6: There is a positive relationship between consumer trust and online shopping.                                          | Supported     |

## 5. Conclusions and Recommendations

The aim of this study is to examine the effects of trust on purchase intention in Internet retailing. In the literature, the structural dimensions of the confidence building process have been sufficiently emphasized. However, there are not enough studies on the factors that create trust in the Internet retailing and the relationship between trust and purchasing intention.

In this study, firstly, the effects of variables on trust in internet retailing are examined. 5 elements that create trust which are perceived ease of use, website visuality and design, perceived privacy and security, company reputation and perceived size were explained.

Afterwards, hypotheses were evaluated according to the results obtained from quantitative and qualitative researches. It was concluded that the study supported the literature in the light of the findings of the researches. 4 of the Independent variables which are perceived ease of use, website visuality and design, perceived privacy and security, company reputation and perceived size support trust tendency. Only perceived size variable doesn't support dependent variable.

In summary, it is concluded that the variables which are perceived security and privacy, ease of use and website visuality and design are the variables that strongly affect the trust of the consumers in internet shopping activities among all variables. As the perception of security and privacy, ease of use and website visuality and design increases, the trust tendency increases.

As can be understood from this study, there are many elements -not just one or two- which constitute trust in internet retailing. The main purpose of the modern manager is to gain the trust of the consumers, because it is not possible to gain customer loyalty without trust. This research supports the understanding of the relationship between the trust and purchasing intention in internet retailing. Therefore, it is a good resource for managers who work in this field.

Although this research investigates the effects of trust in Internet retailing on purchase intention, there are several shortcomings.

First, data were collected from 5 participants for qualitative research and 192 participants for the survey study. Supposedly, more participants will ensure better quality and reliable results.

Second, trust can be considered as a moral choice or as an element that will help a behavioral step in situations where a person has to make a reasonable choice. With these aspects, consumer trust in different countries may vary. The researches carried out in this study, has been formed with the participation of consumers residing in UK and Turkey. The same research should be done in different countries in order to reach more detailed results.

Third, in this study, only 5 factors that affect the trust tendency have been evaluated. There are more factors affecting trust and it would be helpful to examine them.

Fourth, the technology, which changes the logic, behavior, experience and interest of the consumer, is constantly developing and changing. Therefore, researchers must constantly review the elements that affect trust and the relationship between trust and online purchasing behavior.

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