How Can Companies Increase the Online Trust of Potential Customers?

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Tiivistelmä

Internet ja eritoten sosiaalinen media, on muutamassa vuodessa muuttanut yritysten markkinointia merkittävästi. Valta on vaihtunut ja asiakkaat tänä päivänä päättävät enenevissä määrin yritysten markkinoinnista ja sen sisällöstä, asettaen yrityksille haasteita sosiaalisen median asiakkuushallintaan. Yritykset ovat olleet pakotettuja nopeastikin liittymään sosiaalisiin medioihin ymmärtämättä täysin niiden potentiaalia tai hyötysuhdetta asiakkuudenhaalinnan näkökulmasta.

Tuore kirjallisuus ehdottaa virtuaaliluottamuksen olevan olennainen osa asiakkuudenhallintaa sosiaalisessa mediassa. Mikäli yritykset kykenisivät luomaan luottamusta asiakkuuksien parissa ja virtuaalisessa ympäristössä esim. suusanallisella e-markkinoinnilla tai muilla keinoin, alentaisi se ostajien lähtökohtaista vastustusta sähköiseen kaupankäyntiin. Tämä vuorostaan johtaisi parannettuun asiakkuudenhallintaan sosiaalisessa mediassa joka vastavuoroisesti toisi lisää kaupankäyntiä.

Salo ja Karjaluodon luottamusmalli toimii tämän tutkimuksen pohjana ja ohjenuorana, sillä sen todentaminen ja vahvistaminen antaisi yrityksille konkreettiset työkalut virtuaalisen luottamuksen saavuttamiseen ja parannettuun asiakkuudenhallintaan.

Tämä empiirinen tutkimusmenetelmä tuotti 130 kansainvälistä vastausta ja vahvisti ainakin osittain Salo ja Karjaluodon luottamusmallin paikkansapitäväksi. Tutkimustulosten paikkansapitävyyttä vaikeutti mallin aikaisempien tutkimusten puute koetulosten vertailua varten. Myös vielä asiakkuudenhallinnan monipuolisten tutkimustulosten puutteellisuus vaikeutti tulosten arviointia ja paikkansapitävyyttä.

Tutkijan päätelmä kuitenkin on, että malli on toimintakelpoinen ja näin ollen hyvä malli ja ratkaisu yritysten virtuaalisen luottamuksen saavuttamiseksi ja asiakkuudenhallintaan sosiaalisessa mediassa. Luottamusmalli tarjoaa yrityksille selkeät osa-alueet työstää ja parantaa asiakkuudenhallintaa ja näin ollen myös lisää sähköistä kaupankäyntiä.

Avainsanat (asiasanat)
asiakkuudenhallinta, asiakkuudenhallinta sosiaalisessa mediassa, sosiaalinen media, luottamus virtuaalimaailmassa, suusanallinen e-markkinointi, sosiaalisen median käyttäjätyypit, luottamus malli

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Abstract

Internet, and specifically social media, has caused marketing to rapidly evolve over just a few years, shifting the power from companies to the hands of consumers. This universally causes challenges for companies as they need to rapidly enter social media and simultaneously quickly pick up the niches of social customer relationship management (SCRM). How then, can companies increase online trust of potential consumers?

Recent literature research suggests a central element for successful SCRM to be online trust. If companies were to create favorable grounds for consumers' online trust formation, it would lower the consumers' resistance to shop online. This in turn would lead to long-tern and successful online customer relationships and positively increase online sales that companies today strive for.

To verify this and get quantitative evidence of the presence and importance of online trust in purchase intentions, Salo and Karjaluoto's conceptual model of trust was used as basis for this study, it was also for the first time tested. This empirical online study was answered by 130 international contestants in Webropol and analyzed in Excel and SPSS.

This study did not unanimously verify all trust factors to be present, or of significant important as was expected, but this could be true for another sample group. A set back for cross-referencing and analyzing of results was the lack of benchmark studies of the model and online trust in general.

It still is the author's conclusion that this model is valid and therefore very beneficial for companies to use in their SCRM practices, as it offers concrete tools and specific areas of focus for companies to increase customers' online trust and subsequently, increase sales. The recommendations for future research align with Salo and Karjaluoto, suggesting further exploration of the model and online trust in different contexts.

Keywords/tags (subjects) CRM, social CRM, social media, online trust, trust, electronic word of mouth, internet user typology

Miscellaneous

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1 INTRODUCTION

Social media may have changed people's lives for good, but also companies' marketing strategies. In just a few years, Customer Relationship Management (CRM) has become more social in nature. Social here refers to both interactive customer relations and companies' social media sites online (Baird & Parasnis, 2011, p. 30). Today customers seek up, expect and demand almost all companies to be present in online communities such as Facebook, LinkedIn, Twitter, YouTube and many, many more (Lithium Media Contacts, 2014). Should a company fail to be present, they might be considered technology laggards or even somewhat ignorant. Staying out of social media could harm the business, as would poor representation in it. The pressure for companies to be present on social media have caused them to rush to open up sites, without fully understanding the customer behaviors, expectations and potential of this social marketing strategy (Bickford, 2013). Being present on social media with the wrong intentions or deeds could harm business instead. As it is evident that social media is here to stay, and even more to come in the near future; companies must to their best knowledge understand the trend, the customers on social media and what is expected of them in order to become successful online vendors. This thesis provides an insight to the global dilemma of successful social customer relationship management (SCRM) practices, before it seeks and gives answers to the companies' universal dilemma.

1.1 Companies Rush to Enter Social Media

The Social Media Marketing Industry Report 2014 gives an extensive insight into social media marketing habits, expectations, trends and statistics and certain highlights to explain the companies' eagerness to enter social media will be covered.

Although almost all the marketers (92%) agree that social media is very important to their businesses, a few have actually been there for long. As many as 18% have been

present less than a year, 12% less than two and 23% have marketed on social media between two and three years. This proves to show that most companies are newcomers, as merely a third of the companies (34%), have three years of social media marketing experience (Stelzner, 2014, p. 8). Despite their short presence on social media, marketers themselves report they will increase blogging (68%), YouTube (67%), Twitter (67%), LinkedIn (64%) and Facebook (64%) significantly over the upcoming years (ibid., pp. 7, 30). It seems that companies are in a hurry to enter as many sites as possible at once and one reason for that could be the great number of potential users present. The companies' expected benefits ultimately outweigh the risk of mishandling any marketing efforts (see Figure 1). The top three benefits reported by marketers were: increased exposure (92%), increased traffic (80%) and loyal fans (72%) whereas only half of the contestants reported social media activities to actually increase their sales (ibid., pp. 7,29).

Benefits of social media marketing

| | 0% | 11% | 22% | 33% | 44% | 56% | 67% | 78% | 89% | 100% |

increased exposure — 92%
increased traffic — 80%
developed loyal fans — 72%
provided marketplace insight — 71%
generated leads — 66%
improved search rankings — 61%
grown business partnerships — 58%
reduced marketing expenses — 51%
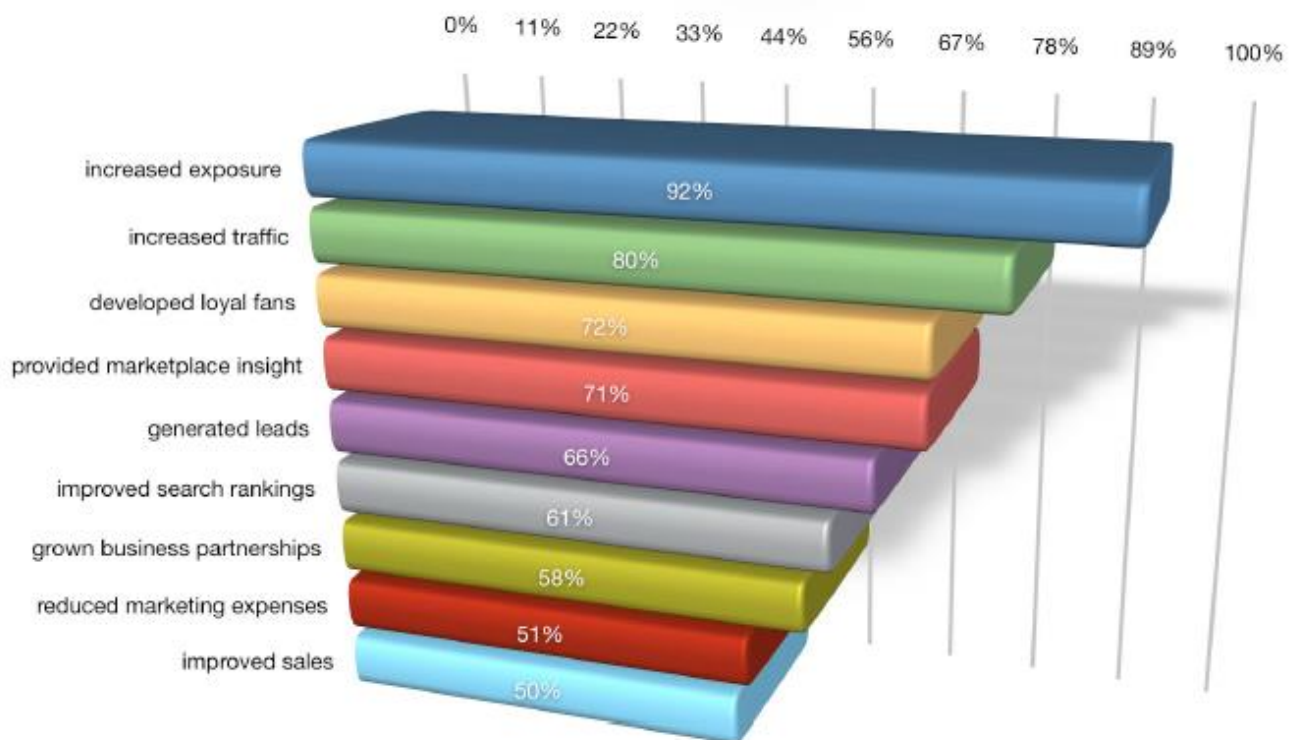improved sales — 50%

Figure1. Benefits of Social Media Marketing. (Stelzner, 2014, p. 29)

All the above listed social media benefits have reportedly increased their percentages from the years before, even "improved sales" by 7%. If we were to draw conclusions only on the above figure, we would say that social media presence offers only a face-value for promotion of products and visibility and less so for improving sales, but is that is not the whole truth. Customer expectations could also give reasons and incentives for companies to be social media present.

1.2   Customers Expect to See Companies in Social Media

Social media allows marketers to interact with their customers in a timely and relevant manner and to be closer to them like never before with any other marketing strategy (Woodcock, et al., 2011). The same is true for customers. A cross-cultural study by Lithium included 6.100 American, British, French, German and Australian online adults and these unanimously stated that there is a recent, clear trend to "research before purchase" rather than impulse purchase. Before buying especially high-end purchases such as jewelry, kitchen appliances, cars etc.; the majority of the consumers consulted an average of three sites for previous reference. Younger consumers, aged 18 to 44 years, visited more sites than did peers above 45 years. Fairly small percentages of the American, French, and German adult consumers (39%, 34% and 27% respectively) said they tend to post more online reviews in order to complain about a product or service, rather than to praise it. The percentage for British and Australian for the same was 50% and 46% respectively and again: younger contestants rated higher than the elderly. (Lithium Media Contacts, 2014) This would suggest that most company "lookups" by consumers on the internet have mainly good and positive intentions, as well a outcomes. Ratings too seem to have a positive correlation with purchase intentions: 62-76% of the consumers said they would not buy anything online, unless it had positive reviews posted about them. The British contestants between 25 and 34 years, said the same reason to be as high as 85%. Family and friend recommendtions gained similar results. Out of the online consumers asked; 68 to 78% were more inclined to buy, if peers and families had recommended the product or service. In fact peer review weighed more than any

company online advertising (ibid., 2014). Marketing today seems to have evolved from the traditional business-to-customer directed way to become more customer-to-business, and more specifically: customer-to-customer oriented. As the tables have turned in terms of customer expectations, companies have less control over what is being said about them in social media.

1.3 Customers and Potential Customers Have Increased Marketing Power

In just a few years, marketing strategies have undergone a transformation from being a push-marketing strategy to a pull-marketing strategy. Customers today interact, discuss, rate and give feedback about products and services online for anyone to be seen and to be shared (Greenberg, 2014). This new form of relationship management is more social in nature as "organizations need to be much less focused on how an organization can manage the customer, and much more focused on how the customer can manage the relationship" (Sarner, 2012). Therefore the more descriptive term social CRM, or SCRM for short, is currently used. The consumer shopping habits have with the development of technology and access of information through internet and smart phones etc. changed rapidly. Consumers' value their scarce free-time. On one hand, the consumer find researching and shopping on the Web far more convenient than physical brick-and-mortar visits, but shopping online also offers a better overall experience, as it allows a greater range of products and prices for comparison (Walker, 2014). Shopping intentions have additionally become more social in nature as product updates, image sharing and online recommendations are easily at hand for anyone to obtain. It may not be surprising to see that 61% of all global customers read online reviews, before they make any purchase decision. In fact, "online consumer reviews are already the second most trusted source of brand information and messaging" with a rise of 15 percent from the previous year. (Tagrin, 2014) As far as SCRM practices goes, it is important to mention early enough that although SCRM is about managing and engaging customers, there is a big group of social media users that equally fall under the

umbrella of SCRM, but are in fact, *not* actual customers of the companies (Ang, 2011, p. 31).

Marketing has shifted to become more customer-to-customer oriented. Customers are keener today to share their shopping experiences with friends and peers, but also generally to post reviews, videos and comments online for anyone to be seen (Awad & Ragowsky, 2008, p. 101). These third parties in turn form their own opinions, rate, discuss and share comments about companies on their own sites, blogs, Facebook pages, and alike- even if they are not *actual* customers of companies. Therefore these too should be included in SCRM practices. Their influence is just as strong, if not even stronger in some cases, than the actual customers' (see Figure 2).
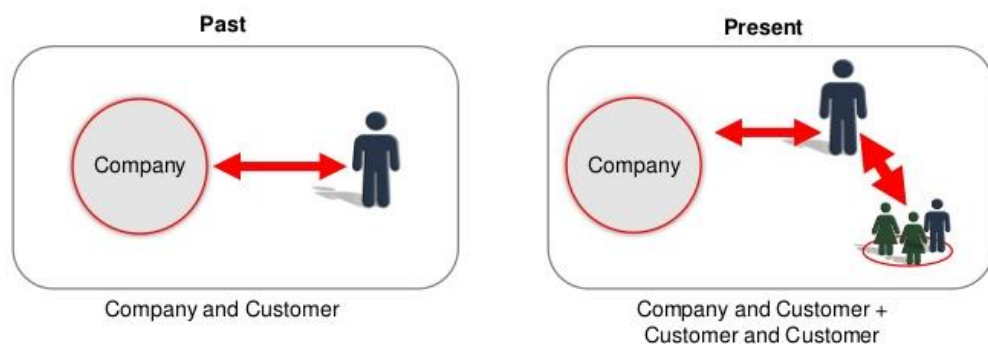
Figure 2. CRM is now Social (Jones, 2012)

As this picture shows, the focus and power of marketing has shifted to be more in the hands of the consumers. In the box titled "present", the arrow is much thicker (thus more influential) and shorter (much closer) between customer and customer, than it is between company and customer. This figure means that information still goes two ways: between company and customer, but it simultaneously also spreads quicker and even wider between customer and customer. The more information there is available, the more "noise and pollution" and even bad-mouthing can occurr and it could harm companies' business. These third parties too then, should concern

companies, as it serves to please these too as much as possible. Once third parties' trust is won over, they too can become customers and promoters of the company. If companies were to fully understand the motivations and trust factors of the customers and third parties alike; it could increase the sales through the social media sales that currently only encountered for 50% of Social Media Marketing Benefits, as we saw in Figure 1.

1.4 Online Reviews and Recommendations Gain Trust over Advertisement Campaigns

The global ad revenue will grow 4.8% to USD 536 billion in 2015, and digital media will reach a 30% market share globally in 2015 and surpass the TV revenue in the U.S. by 2017. Digital media is already the number one marketing category in many countries, causing TV and radio advertising revenues to steadily fall year by year (Bruell, 2014). Internet marketing is attractive as it is seen as a relatively cheap advertisement form reaching bigger target groups than any TV, radio or newspaper advertisement altogether. Does reaching an increased, potential target group also automatically mean a jump in sales? Figure 1 suggested that this not the the case, as social media presence alone does to bring sales, but is a good start.

"Whether it's advertising via old standbys like TV, newspapers and radio or newer media like mobile and online, earning consumer trust is the holy grail of a successful campaign". Consumers have reportedly increased their trust towards all kinds of advertisement over the years "in fact, the study reveals that trust in online advertising is increasing, as is trust in ads on TV, radio and movie screens". (Media and Entertainment, 2014) This is not enough as still today, 25% percent of the American consumers for example say they do not trust companies' advertisements at all and the figure for digital marketing is even worse (Doty, 2014). It has been reported that customers actually trust peer evaluations and friends' recommendations more than the advertisement campaigns (Anderson, 2014; Media and Entertainment, 2014). A global survey by Nielsen in 2013 concurs: even if on a global level the trust in advertisement had risen by 9%, it still held third position

(69%) against the peers' and families' recommendations (84%) which were seen as the most trust-worthy of all (ibid., 2013). Having concluded that trust seems has a strong impact on the online consumers and that it is essential for companies to achieve this trust in order to have successful customer relationships, it is time to present the research questions of this study, as there may lie the solutions for succesful SCRM practices and specifically for online trust management.

1.5   Research Questions

It has been established that online advertisement is doing well and growing, but could evidently do even better. The above mentioned surveys suggest the lack of online trust to be of universal nature and a problem for many- if not all- companies. It would serve all companies doing business online, to find answers to consumer online trust formation, and even more to find solutions to the the problematic areas. The main focus, and research question of this study, is:

1. How can companies increase the online trust of potential customers?

The supporting questions then also are:

a) What online trust factors influence <u>individuals'</u> online shopping and banking behaviors?
b) What are the online trust factors that <u>companies</u> can influence, to improve individuals' online shopping and banking behaviors?

This thesis aims to give a short background as to where social media stands today in order to explain, how and why, it has changed marketing and become as we better know it to be today to be on the internet and at the tips of our fingers and in our palms through smartphones and tablets. We also discuss customer relationships and trust issues more in detail, as those are crucial elements of successful SCRM. Much like traditional relationships; online relationships rely heavily on trust. Trust

formation in itself depends on consumers´ predisposed internal and external factors that companies can- but only to an extent- influence.

This thesis will use Salo and Karjaluoto's Conceptual Model of Trust in the Online Environment as its' theoretical framework,. This model offers companies clear and specific five external and twelve internal individual trust factors that all combined in turn influence individuals' online trust formation, relationship forming and the quality of the established relationships. In short and simple terms: the model gives specific tools and areas of focus for companies to work on that in turn brings fruitful, long-lasting and lucrative relationships. Salo and Karjaluoto reckoned that studies about online trust had been "fragmented in nature and [were] still in their infancy" and this seems to still be the case as of date (Salo & Karjaluoto, 2007, p. 604). This integrated trust model has to the authors knowledge not been validated by individuals therefore, this thesis also follows the authors' recommendations that "future studies could investigate the formation of online trusting beliefs also from the point of view from an individual by for example measuring the presented aspects quantitatively" (p.617). If the model would be seen valid by the subjects, it could offer concrete answers and solutions for companies' online trust formation problems and also then offer great tools for improved SCRM practices that companies today desperately tackle with.

A brief outline of this thesis is as follows. After having discussed where customer relationship management stands today and who it involves and who not; it will give insight to the different social media user typologies that are present on social media, as these typologies in turn explain who gets involved with companies and to what degree (Brandtzaeg & Heim, 2011, pp. 41-42; Rozen, et al., 2014, p. 48). Electronic word of mouth, or better known as eWOM, is generated by the social media users and are seen to be equal to goldmines by the companies, in gaining online trust especially amongst the third party and yet potential customers. eWOM could potentailly offers means for improved social customer relationship marketing, as it could be the ultimate push for a potential customer to decide to make a purchase. eWOM could then bring companies and potential consumers closer than advertising itself would. As Salo and Karjaluoto's conceptual trust model suggested trust to be

"an important factor for online transactions", a cross-cultural quantitative study was designed by using the specific trust factors given, as specific areas of questioning. It solely acted as theoretical framework and layout for the methodology chapter. (2007, p. 604) The findings from the study will be compared with the literature review findings, before any managerial implications, or recommendations from the study as well as possible limitations will be discussed. The thesis ends with future studies suggestions.

2   SOCIAL MEDIA HAS CHANGED MARKETING

The Internet, information technology and particularly social media, have changed companies' ways of marketing for good. Today, the social media users and customers have more power over companies than before as they recommend, rate, share and communicate their purchase experiences with families and peers, and greatly influence others' decisions to shop, or not, online. Naturally, companies need to follow suite and go where the potential pool of buyers flock. That is on social media but there, the traditional customer relationship management (CRM) tools are no longer sufficient enough.

2.1   Customer Relationship Management and Social Media

Relationship management, relationship marketing, or CRM has not universally been defined, but is described to be an alternative strategy for the traditional marketing mix with the help of Internet technology (Little & Marandi, 2003, p. 198; Reynolds, 2002, p. 198; Grönroos, 2004, p. 99). It is more service-centered and customer oriented marketing than goods-centered, which is what traditional marketing is all about (Vargo & Lusch, 2004, p. 5). CRM is "connecting directly with carefully targeted segments of individual consumers, often on a one-to-one, interactive basis" (Kotler, et al., 2013, p. 507) and also said to specifically be "the process of identifying, maintaining, enhancing and when necessary, terminating relationships with customers and other stakeholders, at a profit, so that the objectives of all parties are

met". CRM can only be practiced with reciprocal giving and fulfilment of promises (Grönroos, 2004, p. 101). The main goal of CRM is to gain competitive advantage over competitors by offering the customer a feeling of control, a sense of trust, a minimized purchasing risk and reduced costs in exchange of being a customer (Grönroos, 2004, p. 99).

Traditional CRM is practiced through seven forms of direct marketing which are: direct-mail marketing, catalogue marketing, telephone marketing, direct-response television marketing, kiosk marketing, and digital direct-marketing technologies. The final form of direct marketing, online marketing, happens on the Internet, social forums and communities and is by far the biggest and most popular forum to advertise (Kotler, et al., 2013, pp. 510-511). Internet marketing is expected to take up 25% of the whole advertisement market in 2015, and it has been estimated that digital advertising will be 32.3% and reaching approximately USD 214 billion, by 2018 (Zucker, 2014; eMarketer, 2014).

Direct marketing on the Internet equally benefits buyers and sellers. Buyers' benefits of direct marketing are: convenience, easiness, privacy, learnability and comparability about products and brands without salespeople's interference, etc. (Queensland Government, 2014). Online stores are also open 24/7 and allows products to be shipped to almost any location in the world. This brings down price and increases competition. Direct marketing offers a powerful tool to promote customer relationships for sellers, as it enables targeting small groups and specific individuals with special announcements and offers. Social media is a great window to the market, as it in a quick and easy way enables companies to learn about customers' needs and wants in a low-cost and efficient manner that is not possible through other ways (Kotler, et al., 2013, pp. 507-508; Bickford, 2013). Social media also attract companies, as they can set up pages and accounts nearly for free and potentially be at reach of billions of users (Baird & Parasnis, 2011, p. 30; Schultz & Peltier, 2013, p. 87; Whiting & Williams, 2013, p. 362).

Social media, or social networks, are any "blogs, social networking websites or even virtual worlds- where people socialize or exchange information and opinions" (Kotler,

et al., 2013, p. 524). Within the social media, there are various virtual, or online communities, that is groups of people who use a particular Internet service or belong to a particular group (Cambridge Dictionaries Online, 2015). There are various social media sites (or online communities) today with different functions and they are increasing almost day-by-day. Facebook for example, is aimed at general masses, whereas LinkedIn is aimed at professional networks (Kietzmann, et al., 2011). The top social media sites in 2014 with the most monthly users in order were: Facebook with an estimated 900 million monthly users, LinkedIn (est. 255 million) and Pinterest (est. 120 million). The video site YouTube has over one billion monthly visitors and over four billion views per day explaining why video logging, or v-logging, is becoming a more attractive tool for companies to market, promote and sell their products and services (eBizMBA, 2014; Schultz & Peltier, 2013, p. 87). Other popular sites such as Twitter with 284 million monthly users, Tumblr (420 million users) and Instagram (300 million users) give a good insight as to why companies feel even forced to join these (Twitter, 2015; Smith, 2015; Instagram, 2014). Many social media sites, with the exception of Facebook, is said still not have reached their maturity levels. There are plenty of new social media sites upcoming, some still to be formed and some yet to fail (Hibbard, 2012). The Social Networks Adoption Lifecycle from 2011 could additionally explain why companies have rushed and will continue to rush to various social media sites at once (see Figure 3). LinkedIn, My Space, Bing and many other social media sites are still to reach their maturity levels and others are still Blue Oceans: "uncontested market space that makes competitors irrelevant and that creates new consumer value often while decreasing costs" (Finacial Times, n.d.).

SOCIAL NETWORKS ADOPTION LIFECYCLE 09.11
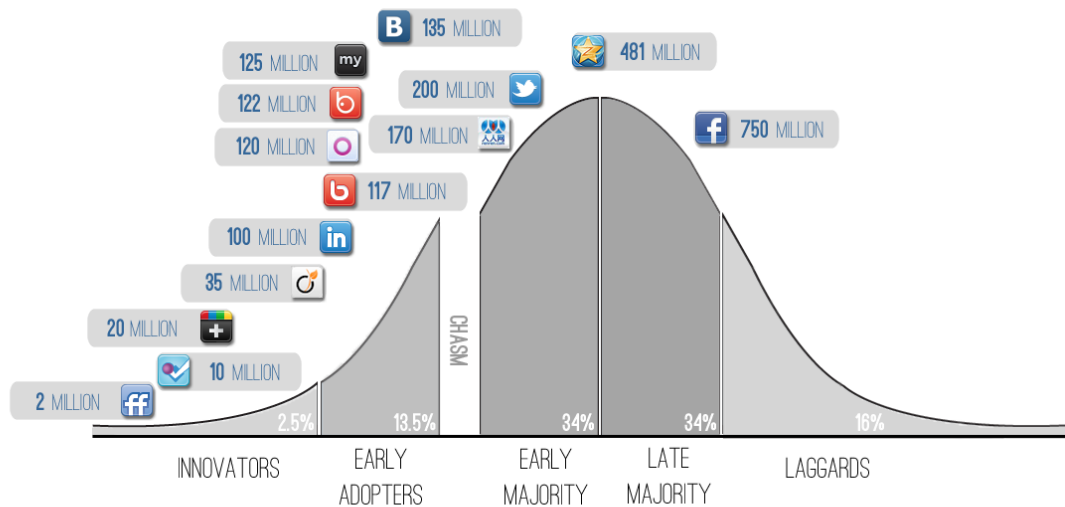
CREDITS: VINCENZO COSENZA WWW.VINCOS.IT   LICENSE: CC-BY-NC   BASED ON E. ROGERS/G. MOORE MODEL

Figure 3. The Internet Adoption Lifecycle (Cosenza, 2011)

In fact, 92% of business owners have reported that social media is their most important business and marketing tool (DeMers, 2013). "Internet is a many-to-many communications environment whereby consumers can also interact" with each other via discussion groups, chat rooms and other, virtual and global meeting places (Maclaran & Catterall , 2002, p. 319). Figure four shows that direct marketing before was mainly business-to-customer oriented, when it today has become a four way social connectivity due to social media: business-to-customer (B2C), business-to-business (B2B) customer-to-customer (C2C) and customer-to-business (C2B) (Evans & Cothrell, 2014, p. 6; Kotler, et al., 2013, pp. 519-520). B2C entitles all types of internet activities initiated by companies and taking place online meaning all sales and promotion activities. B2B is aimed at enhancing existing business relationships while simultaniosly lowering costs and obtaining efficiency in sales: it can be placing order forms and virtual catalogues online for other businesses to use. C2C interchanges commercial and non-commercial information as well as personal experiences to other peers about services and products. This activity is called electronic word-of-mouth (eWOM) and will be discussed in detail in a separate chapter, as it is an essential part of online trust formation. C2B activities invite

consumers to communicate and interact as well as give feedback about products (especially online), so that companies can learn from them, improve and gain competitive advantage.

Figure 4. Online Marketing Domains (Kotler, et al., 2013, pp. 519-520).

As people through social media sites, seek information, compare, form opinions and talk about brands and products, the social feedback cycle (Figure 5) serves to explain why also the marketing habits have changed. Much of the content on the internet is *marketer-generated* but, consumers equally produce, form and share opinions, talk and share personal experiences about brands and products. This word-of-mouth is called *consumer generated feedback*. The marketer generated content raises brand and product awareness, as well as consideration to buy and purchase; whereas the consumer generated information about the product use raises opinions and discussions about the brands and products. These opinions (word-of-mouth) may influence purchase intentions and opinions of others. As eWOM is a great influencer in opinion formation and purchase decisions a separate chapter will later be dedicated to it.

The Feedback Cycle

marketer-generated
(Think "funnel")

consumer-generated
(Think "megaphone")

be aware

talk

consider

form opinion

buy   use

word-of-mouth

Social content, networks, and interactions

brand awareness

keyword

relative media spending
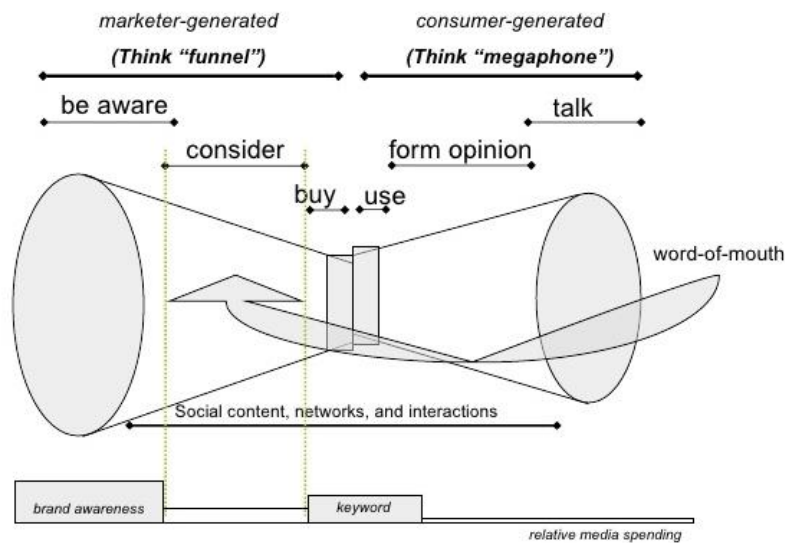
Figure 5. The social feedback cycle (Evans & Cothrell, 2014, p. 5).

There are also four levels of engagement in social media that cause different types of activities amongst users and thus outcomes for companies' marketing strategies. The four levels are: *consume, create, curate and advocate* (Evans & Cothrell, 2014, p. 17). The users that *consume*, read, watch or listen to digital content, but rarely make any purchases or input themselves. The *creation* level involves low levels of contribution to company content: it can be asking questions, writing blogs and product reviews, or creating videos about products. People who *curate* are slightly more active in social media: they share, rate products/ services online and contribute additionally to other users´ content; making existing product information more useful for peers. The highest form of social media involvement is called *advocacy* and interest companies the most as members there: co-create, recommend and defend products and brands in social media. With positive word-of-mouth, users promote and say things about products companies themselves could not in a credible matter. Advocates also want to participate in improving the quality of businesses and are then of extreme value. (Evans & Cothrell, 2014, pp. 19-21) Individuals and companies both benefit from the various engagement levels (see Figure 3). When *consumption* takes place, individuals find satisfactory answers and product information/ comparison that organizations have offered on their sites. *Creation* adds customers' knowledge that reciprocally, increases sales. *Curation* adds a sense of pride and fame amongst the content

posters and leads to increased brand/ product loyalty. The *advocates* receive
recognition for the feedback and work done for the company, while the company
gets valuable insight to consumer feedback and product development.
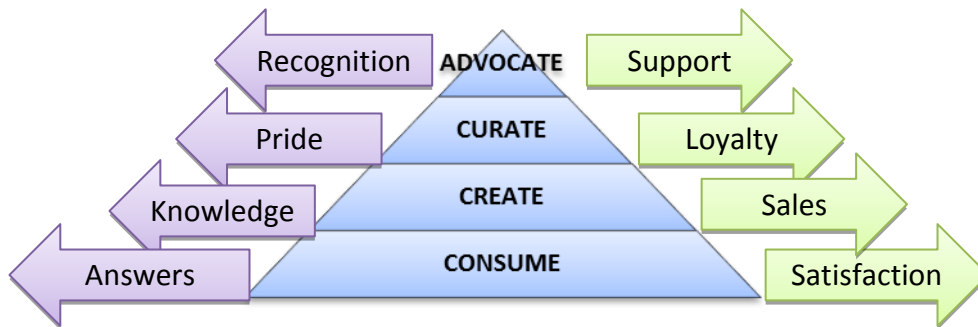
Figure 6. Benefits of Engagement in Social Media (Evans & Cothrell, 2014, p. 23).

Whiting and Williams concluded in a study that there are ten reasons for people to
engage, or communicate in the social media. Communicate here means posting
blogs, commenting, downloading videos/ photos and other similar activities. The
communicators' motivations are: social interaction (88%), information seeking (80%),
pass-time (76%), entertainment (64%), relaxation (60%), communicatory utility
(56%), convenience utility (52%), expression of opinion (56%), information sharing
(40%) and surveillance/ knowledge about others (32%). This study then suggests that
most social media users are surfing the internet primarily for personal two purposes:
to connect with peers, family and friends and secondly, to find useful information
about sales, deals, promotions, or products, but equally information about
businesses. The information sharing activities that naturally interest companies the
most however, got the lowest percentages amongst the consumers (Whiting &
Williams, 2013, pp. 362-367; Preece, et al., 2003, p. 201).

Companies today have less power to influence the formed thoughts and opinions
circulating the web. This shift of power changes CRM practices (Rohra & Sharma, M,
2011, p. 1; Greenberg, 2009, p. 1). "Corporate communication has been
democratized. The power has been taken from those in marketing and public

relations by the individuals and communities that create, share, and consume blogs, tweets, Facebook entries, movies, pictures, and so forth" (Kietzmann, et al., 2011, p. 242). This new generation CRM, mainly taking place in social media is called Social Customer Relationship Managent. SCRM can be described as a "philosophy and a business strategy, supported by a technology platform, business rules, workflow, processes and social characteristics, designed to engage the customer in a collaborative conversation in order to provide mutually beneficial value in a trusted and transparent business environment. It's the company's response to the customer's ownership of the conversation". Emphasis is on customer engagement, not the management (Greenberg, 2009, p. 10). Figure seven depicts in simple terms how CRM has evolved to become SCRM and how this influences companies. Not only have companies lost control over marketing hours and place, as social media evolves 24/7, but *everyone* (even people who are not customers) can now influence companies practices and services by posting and rating opinions on the web or by sharing content. Information flow in SCRM is more outside in, when it in traditional digital marketing and CRM is mainly inside out (Next Principles, 2012; Morgan, 2010).
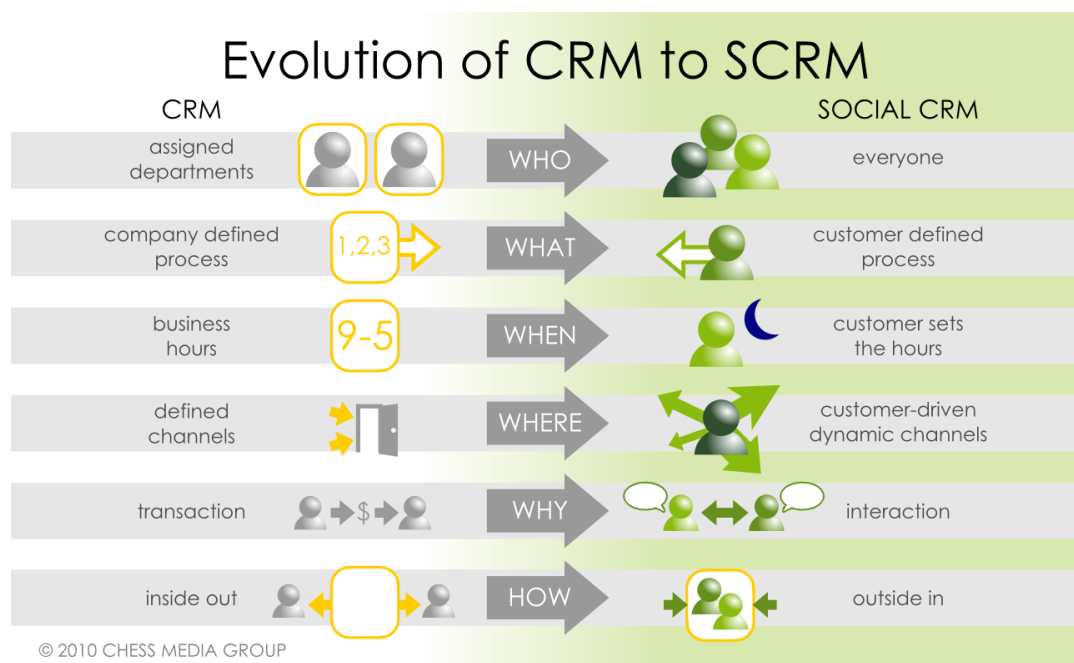
Figure 7. Evolution of CRM to SCRM (ibm.com, 2014)

Social CRM in fact is not a new marketing form, but an *extension* to traditional CRM, focusing more on customer relationships and communication in the social media (Greenberg, 2009, p. 6). SCRM is seen as "collaborating with and learning from customers and being adaptive to their individual and dynamic needs", unlike traditional CRM (Vargo & Lusch, 2004, p. 6). Figure eight of a customer's lifecycle depicts how intertwined and simultaneous CRM and SCRM practices are. The picture brings together the *four engagement levels* mentioned before and the social media *feedback cycle*. Throughout the various steps of a purchase decision: awareness, consideration, purchase, retention and advocacy, also exposure to various types of marketing is needed about the product or brand: online and offline marketing exposure, as well as word-of-mouth, ratings, conversations in social networks and so forth.

Figure 8. Customer Lifecycle (Odden, 2012).

SCRM takes mainly place in social media and has billions of potential users, but not all of these users equal customers (Baird & Parasnis, 2011, p. 30). A big group of social media users present in companies' social media pages are not affected by SCRM at all (See Figure 9). Companies should a have a clear distinction between a *community members* (labelled C), *online community users* (O) and actual *members* (X, Y, Z). Only the online community members are those who act in connecting, conversing, creating and collaborating with organizations. To exemplify: a community

(C) can be a group of people (country, town, social backgrounds etc.) with shared interests: football club supporters, for instance. Some of these supporters, but not all, are also present in social media (O), but only a fragment of these are members (or customers) of the official football fan club pace, for instance on Facebook (W). Hence, not all community members (X, Y, Z), nor online community users, are actual football club members, but they could be. Mr. Ang calls the marketing efforts of those specific individuals' community relationship management (CoRM), but it is nevertheless SCRM, as CoRM too is marketing in and with social media. (Ang, 2011, p.31-33).
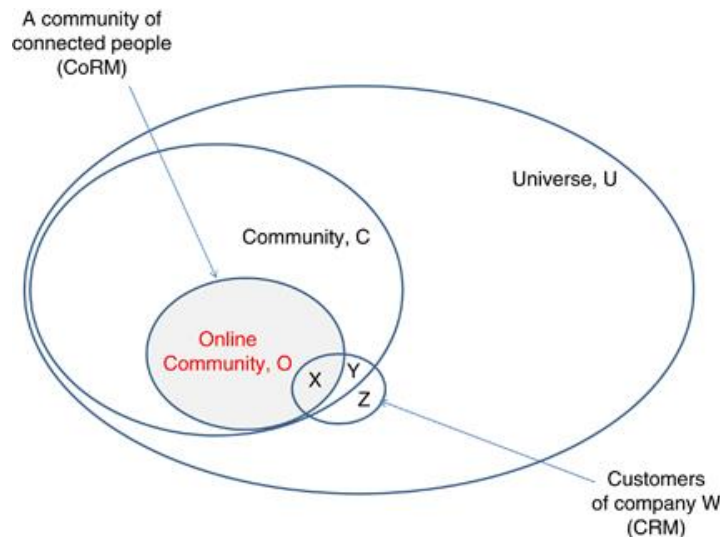
Figure 9. A schematic diagram showing the target difference between CRM and CoRM (Ang, 2011, p. 33)

Understanding what customers' value in social media platforms is crucial of a SCRM strategy (Baird & Parasnis, 2011, p. 30; Kalitcheva, et al., 2014, p. 55). A successful relationship with customers involves meeting their needs and by offering customized solutions on a one-to-one basis. To do so, companies may focus on the target groups that they estimate to bring in most profits over their customer lifetime value. Studies suggest that this favoritism may cause perceptions of unfairness by the disadvantaged customers "which may lead to buyers opting out of relationships,

spreading negative information, or engaging in behavior that may damage the firm"
(Nguyen & Simkin, 2013, p. 17). Companies must also figure out what motivates a
customer to seek out a company or brand via social media and more importantly:
offer exactly what the customers expect and seek out. In fact, surveys indicate that
55 per cent of consumers in social media never engage with brands. Privacy concerns
(47%), spam (42%) and disinterest in the brand (34%) were mentioned as reasons
(Baird & Parasnis, 2011, p. 33).

There is a reported and significant gap between what companies assume their
customers care about and what customers themselves say want to get out of their
social media interactions with the same. Businesses may confuse their own desires
for customer intimacy with consumers´ motivations (see Figure 10). For example,
"getting discount coupons" and "purchasing products and services" was ranked high
amongst customers' *top priority* interests and as reasons for getting involved with
companies' social media pages, whereas companies assumed these to be *least*
interesting motivations and as their lowest priority. When companies were asked
about consumer engagement; they believed that customers had a desire to engage
with them in order to feel connected with the brand, but this was the two least
interesting reasons listed. Customers and businesses agreed somewhat on
interaction motivations as they reported information sharing, customer service and
event participation to be of same levels of interest. (Baird & Parasnis, 2011, pp. 30-
34)

Consumers' ranking:
The reasons they interact with companies via social sites

Perception gap

Businesses' ranking:
Why they think consumers follow them via social sites

(61%) Discount — Learn about new products (73%)
(55%) Purchase — General information (71%)
(53%) Reviews and product rankings — Submit opinion on current products/services (69%)
(53%) General information — Exclusive information (68%)
(52%) Exclusive information — Reviews and product rankings (67%)
(51%) Learn about new products — Feel connected (64%)
(49%) Submit opinion on current products/services — Customer service (63%)
(37%) Customer service — Submit ideas for new products/services (63%)
(34%) Event participation — Be part of a community (61%)
(33%) Feel connected — Event participation (61%)
(30%) Submit ideas for new products/services — Purchase (60%)
(22%) Be part of a community — Discount (60%)

Note: Consumer: N=1056; Business: Learn N=333, General info N=336, Submit opinion N=334, Exclusive info N=333, Reviews/rankings N=333, Feel connected N=331, Customer service N=331, Submit ideas N=332, Community N=329, Event N=332, Purchase N=334, Discounts N=331.
Source: IBM Institute for Business Value analysis. CRM Study 2011.

Figure 10. Companies have some misperceptions why consumers interact with them via social sites (Baird & Parasnis, 2011, p. 34).

The above mentioned examples of SCRM challenges show how delicate the matter is to master and handle, but there are additionally personal and internal user qualities that too influence online trust and purchase intentions.

2.2 Social Media User Typologies

In the light of the rapid increase in the use of the Internet, there is a greater need for companies to understand the needs of online consumers and it has become more important every day (Christodoulides & Michaelidou, 2010, p. 155). In order to get a more complex picture of SCRM and to understand better how to best engage consumers through various social media channels, it is useful to discuss the different Internet user typologies that prevail. The typologies dictate the participation levels of the consumers and they influence peoples' readiness to participate in social media activities (Brandtzaeg & Heim, 2011, p. 28; Brockdorf, n.d.; Kalitcheva, et al., 2014, p. 55; Kau, et al., 2003, p. 139; Yingchan & Ghose, 2003, p. 139).

There are five to six social media types, that could at least partially, explain the different participation levels that consumers have on social media. They are called: Sporadics/ No Shows, Newcomers /Lurkers, Onlookers/ Socializers, Cliquers/Debaters, Mix-n-Minglers/Actives and Sparks. All of these typologies have different characteristics and behavioral patterns in social media activities and range from rarely visiting social media sites to be highly active and promoting brands with a passion (Brandtzaeg & Heim, 2011, pp. 41-42; Rozen, et al., 2014, p. 8). Table 1 summarizes the two social media user typologies studies for an easier comparison. It is interesting to see that although one study was conducted in Norway and the second one in the US, both share very much the same characteristics and activity levels, only the percentages and labelling varies a bit. It is then plausible that the typologies are more of universal, than local, nature.

The two least active groups in both studies, called Sporadics and Lurkers and No Shows and Newcomers cover 46 per cent and 56 per cent of the users respectively meaning that at least half of the social media user types never take part in, or contribute to social media activities, despite being present. The most active types of social media users are the Actives with 18% and Mix-n-Minglers (19%) who frequently interact, share, post and take actively part in social media. These two also seek up and engage with brands voluntarily. Rozen et al.'s study adds one more typology to the list called Sparks (3%) that act as ambassadors of a product or brand. In terms of SCRM, this study could indicate that a great pool of registered social media members in various parts of the world evidently fall in a passive user category.

Table 1. Social Media User Typologies (Brandtzaeg & Heim, 2011, pp. 41-42; Rozen, et al., 2014, p. 48)

Brandtzaeg & Heim	Social Networking User Types	Rozen, et al.	Social Media Personas
Name (%)	Qualities	Name (%)	Qualities
Sporadics (19%)	Visit communities only from time to time. Low levels of participation, if any.	No Shows (41%)	Has an account, but has not logged in in past 30 days. Exhibits low levels of trust towards social media.
Lurkers (27%)	Low in participation. Passively involved in activities to some degree. Less likely to contribute to content.	Newcomers (15%)	Passive users. Use social media sites to enhance mainly offline relationships
Socializers (25%)	User participation level is high. Contact others, message and chats with others.	Onlookers (16%)	Lurk on several social media pages but post infrequently. Want complete control of their online information
Debaters (11%)	Highly sociable and participate with frequency. Read, discuss and contribute with frequency.	Cliquers (6%)	Active, single-network users, mainly on Facebook who share photos, status updates and comments.
Actives (18%)	Highly engaged in all types of social network activities. Publish and share pictures frequently.	Mix-n-Minglers (19%)	Participate actively in multiple social networking sites. Like to follow brands to keep up with news and offers. They are influential and meet friends online.
N/A		Sparks (3%)	Most active and deeply engaged users. Use social media as tools for expression and engage with brands frequently, acting as ambassadors.

"Social media activity is driven by the level of trust consumers have in their ability to navigate social media, how much they trust their friends and networks with their personal information, and how much trust they place in the social networks themselves" (Rozen, et al., 2014, p. 6).

2.3   Electronic Word-of-Mouth (eWOM)

Companies practice five different types of messages in their online marketing mix (see Figure 11). They are: planned messages, product messages, service messages, unplanned messages, and finally, a complete absence of communication (Grönroos, 2004, p. 106). Customers perceive the planned messages (B2C) to be the least credible sources of information as they are subjectively posted by the company representatives themselves. Source credibility is perhaps the most critical factor in influencing users' perceptions of online reviews, before the make any final decisions (Teng & Khong, 2014, p. 760). The unplanned and uncontrolled messages (C2B and C2C) are viewed as most credible sources of information and are posted by friends, peers and alike. "By sharing personal experiences and feelings about products and services; online users tend to accept, and use online information [positive and negative], in their decision-making processes" (Teng & Khong, 2014, p. 747). Traditional WOM takes place amongst individuals who trust and know each other, whereas electronic- WOM, (eWOM) mainly occurs with strangers (O'Reilly & Marx, 2011, p. 1068).
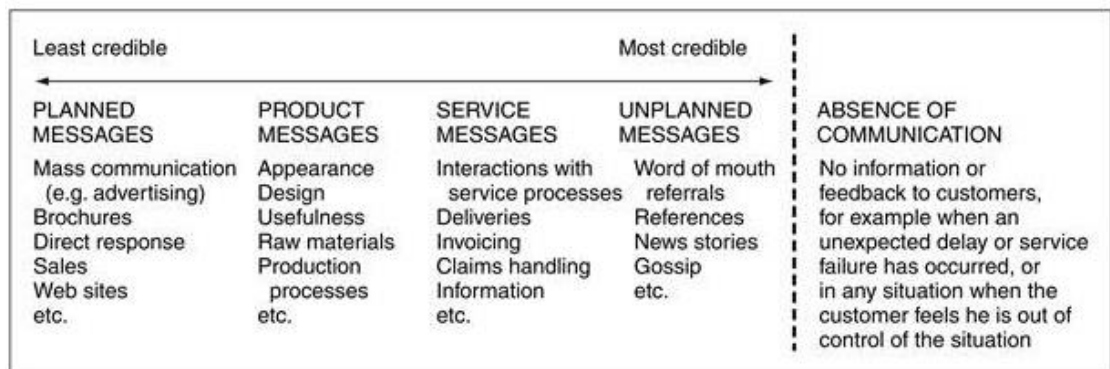
Figure 11. Sources of communication in a relationship (Grönroos, 2004, p. 106).

eWOM is the most important source of influence in purchase decisions and the advice received from other consumers about a service "exerts a greater influence than all marketer-generated information combined" as it influences consumers' attitudes, beliefs and behavior patterns (Hung & Li, 2007, p. 485; Abrantes, et al., 2012, p. 1068). eWOM is defined as "any positive or negative statement made by

potential, actual or former customers about a product or company, which is made available to a multitude of people and institutions via the Internet" (O'Reilly & Marx, 2011, p. 1068; Abrantes, et al., 2012, p. 1068; Henning-Thurau, et al., 2004, p. 39). eWOM share similar characteristics to personal selling as it "provides explicit information, tailored solutions, interactivity, and empathetic listening", but it has a lower distance between the source of communication and the receiver than marketer induced communications do (Hung & Li, 2007, p. 486; O'Reilly & Marx, 2011, p. 332). Insights and motivations for producing, or receiving eWOM messages, will be discussed next.

Social interaction and social capital acts as a strong incentive for generating eWOM (Abrantes, et al., 2012, p. 1072; O'Reilly & Marx, 2011, p. 332; Hung & Li, 2007, pp. 486-487). Virtual communities and sites provide a window of opportunity for companies and consumers to alike to share information and opinions that reach millions of people. To feel part of an online group and to participate in activities can also add significantly to a person's social life, as it enhances self-worth (Abrantes, et al., 2012, p. 1072; O'Reilly & Marx, 2011, p. 342). Internet's anonymous nature, real-time, quick access etc., have lowered the barriers to post and simultaneously enables to share and obtain information easier than ever before (Doh & Hwang, 2009, p. 193; Abrantes, et al., 2012, p. 1073). eWOM is also a learning experience. As there is a vast amount of information available online, members learn, draw conclusions, compare and seek advice about products before a making a purchase decision. Members find the information of peers more trustworthy and relevant than that of companies; as peer´s information reflects real-world experiences of the consumption, and has then not been influenced by marketers (Hung & Li, 2007, p. 490; O'Reilly & Marx, 2011, p. 333).

Attributes of an information source are the communicator's credibility, attractiveness, physical appearance, familiarity and power. These elements influence the credibility of a message (Hovland & Weiss, 1951). "Credible information sources usually generate effective persuasive messages and induce a favorable attitude towards the products/ services related to the reviews" (Teng & Khong, 2014, pp. 748-749) If eWOM is, or is suspected to have been, posted by companies it can have a

positive or negative effect on eWOM credibility (Doh & Hwang, 2009, p. 196; Hung & Li, 2007, p. 493; O'Reilly & Marx, 2011, pp. 333-334). Source credibility consists of three dimensions: trustworthiness, expertness and source experience (Teng & Khong, 2014, p. 749). Trustworthiness is the degree of confidence and acceptance that the information receiver developed towards the source. Expertness refers to the communicator's product/ service expertise, and source experience is the eWOM receiver's perception on the communicator's familiarity with the product/ service.

People posting eWOMs, are usually not a random sample of a user population. Research points out that eWOM writers tend to be polarized customers. Customers that are extremely satisfied or dissatisfied with a product or service are more likely then to post opinions than would those ith neutral experiences (O'Reilly & Marx, 2011, p. 344). eWOM might not then reflect the true median of all product users. If a company receives only positive eWOM, or deletes or tampers with unfavorable postings; the credibility of eWOM might be harmed. With too favorable strings of messages, consumers will find these untrustworthy as they suspect the company to have participated in unethical marketing activities, called Stealth Marketing (Doh & Hwang, 2009, p. 196).

The influence of negative eWOM on business and marketing is yet to be studied more extensively but so far, the impacts of both negative and positive eWOM have had mixed results (Hartman, et al., 2013, p. 1; Doh & Hwang, 2009, p. 196; Teng & Khong, 2014, p. 750). One negative eWOM message can harm a business for good but equally, an all positive string of messages is seen as untrustworthy, as readers suspect it to be stealth marketing (Baird & Parasnis, 2011, p. 30; Doh & Hwang, 2009, p. 197). It appears that negative opinions receive more consideration by readers than positive feedback (Sparks & Browning, 2011, p. 1310). Negative eWOM has a high impact on consumers' evaluation of their emotional trust and their intention to shop online (Cheung & Lee, 2008). Negative opinions are to an extent seen as more credible sources of information that positive, but the positive-negative ratio also counts. Doh and Hwang explored how consumers evaluate eWOM messages about products and concluded that "a few negative messages can be helpful in promoting positive attitude toward Web site and credibility of eWOM messages" whereas the

credibility of a site suffers, if there are hardly any negative messages, or all positive messages. They added that in fact, one negative message in a 10-message set is not harmful at all and can even be beneficial in electronic context (Doh & Hwang, 2009, p. 197). It seems then difficult for companies to get the right amount and right type of eWOM out there on social media, but companies should also not tamper with the information out there, as we will see next.

2.4 Stealth Marketing

Consumers see eWOM as reliable information sources; even more so than advertising and marketing messages, but the fear for negative eWOM prohibits companies, such as Ryanair, from allowing a free-flow of conversation on their webpages. Companies should acknowledge that people will communicate on social media regardless. They will give ratings and feedback on social media, and will set up own forums for their discussions, if needed (Abrantes, et al., 2012, p. 1080). Partly as a response to their fears; some companies may resort to stealth marketing, or guerilla marketing which is "a marketing strategy that advertises a product to people without them knowing they are being marketed to" (Marketing-Schools.org, n.d.). Big national and international companies like Sony, McDonald's, L'Oreal and Wal-Mart, have in the past years been caught by media and the consumers of having set up fake blogs (also called flogs) where fake identities promote company products for marketing purposes (Blangger, 2006; Magnini, 2009; Marketing-Schools.org, n.d.; Plummer, 2008). The ultimate goal of stealth marketing is to get "influential people excited enough about a product so that they will use and discuss that product with others" and is very much disguised, or fake, eWOM (Weisberg, et al., 2007, p. 2). As this marketing form is unethical in nature and would spread far if a company would get caught doing it, it should never be taken upon by companies (Weisberg, et al., 2007, pp. 7, 12).

2.5   Internet Troll

Having established that eWOM is not necessarily harmful to a company, an internet troll, "an abusive or obnoxious user who uses shock value to promote arguments and disharmony in online communities", instead can be. Internet trolls love to create negative eWOM. These trolls can be merely joking in nature, but more often than not they take advantage of internet anonymity by purposely sowing hatred, bigotry, racism and misogyny amongst communities and members (Gil, 2014). These proven "narcissists, psychopaths and sadists" attack innocent peers, celebrities and companies alike; by posting provocative and harmful messages, with the sole purpose to get respondents agitated (Golbeck, 2014). Companies should expect their presence and recognize these trolls amongst legitimate complains and attempt to use one of many solutions to the problem. The easiest way is to ignore the messages altogether and encourage others to do so as well; making them wither on their own. Trolls' IP addresses can be blocked. Last but not least: companies should actively reply to the positive and constructive posts instead and have these strings of conversation flourishing instead (Elgan, 2013). Engagement has been mentioned to be essential to SCRM as it increases online trust, positive eWOM and improve customer relations.

2.6   Online Trust

There are two emotional drivers that dictate social media activities, namely control and trust. Both may prevent users from sharing information, making social connections and limit the consumers' eagerness to engage with brands (Ang, 2011). "Trust equals participation: The more trust a consumer places in social media networks and their connections, the more likely they are to actively participate" (Rozen, et al., 2014). This paper will mainly focus on online trust from the compnaies point of view (B2C), as consumers' online trust is suggested to affect online buying behavior and is is a vital part of SCRM activities. Trust has been singled out as an important element for successful- or unsuccessful- online transactions for the past years, and its influence on online transactions should not be dismissed (Wang &

Emurian, 2004, p. 105; Corritore, et al., 2003, p. 737; Urban, et al., 2009, p. 179). Trust is viewed as an accelerator for cooperative behaviour both in the "real world" (offline) and online world that is on social media (Corritore, et al., 2003, p. 738). "If online trust can be understood and enhanced by reputable online merchants, then the number of people who engage in e-commerce should increase substantially" (Wang & Emurian, 2004). If online trust increases; buyers feel more confident about disclosing sensitive information, making then the sellers' jobs easier. With increasing, smooth interactions, transactions and associations, buyers and sellers benefit all alike (Wang & Emurian, 2004, p. 106). How can companies then gain online trust?

Online trust builds strongly on same concepts and principles as offline trust, so it serves first to define offline trust, before moving on to discuss the similarities with online trust (Corritore, et al., 2003, p. 738; Urban, et al., 2009, p. 180). Trust is said to be a central factor of interpersonal and commercial relationships (McKnight & Chervany, 2001, p. 36). Trust has many connotations and meanings and no universal, generally accepted definition. A dictionary definition of trust is: a "firm belief in the reliability, truth, or ability of someone or something" (Oxford Dictionaries, n.d.). Other fields such as sociology, philosophy, psychology, management, industrial psychology, and many more, have all come up with own trust definitions, concepts, and findings, depending on what suits of the particular context in question (Corritore, et al., 2003, p. 738; McKnight & Chervany, 2001, p. 37). One explanation for the various trust definitions is that trust is an abstract concept and often mixed up with related concepts such as credibility, reliability and confidence. Secondly, it is a multi-faceted concept involving cognitive, emotional and behavioral aspects. As "trust is a complex and abstract concept, it is difficult to define trust and to identify elements that construct it" (Wang & Emurian, 2004, pp. 107-108; McKnight & Chervany, 2001, p. 37).

As the offline and online environments have many similar characteristics, offline trust concepts can easily be elaborated or even applied directly to the online world, using only offline trust as a starting point (Corritore, et al., 2003, p. 738; Urban, et al., 2009, p. 180; Wang & Emurian, 2004, p. 111). Researchers have agreed that trust in the offline world entitles four characteristics: *trustors and trustees, vulnerability,*

produced actions and subjective matters. In any trusting relationship, there must be a party who trusts (a trustor) and a party to be trusted: a trustee. Parties can be persons, organizations, societies and/or products. Trust develops, if the trustee is able to act in the best interest of the trustor and reciprocally: if the trustor places any level of trust on trustee. Trust involves vulnerability in a perceived uncertain and risky environment. Trustors must be willing to risk to lose something of value to them (money, integrity etc.) and to rely on the trustees not to exploit them. If not, trust is not even needed. Trust leads to risk-taking behaviors and actions. The action may be tangible (like money), or intangible (such as trust in friendship). Finally, trust is always subjective to individual differences and situations. (Corritore, et al., 2003, pp. 739-740; Wang & Emurian, 2004, p. 111) These same four characteristics of trust have only slight differences online. In the online setting; the trustor is usually a consumer browsing an online site, whereas the trustee is the site itself, or the merchant, it represents. Internet itself can similarly be an object of trust. As online commerce is complex and allow- to an extent- merchant anonymity; consumers (trustors) may feel uncertain and vulnerable to specific trust violations, such as loss of privacy, or money. The consumers usually do one of the two produced actions online: they either make a purchase with a credit card with their personal information or, they just window-shop which could mean potential, future sales for the trustee. For individuals to purchase, they must feel that they gain more than lose, in their exchange. People operating online hold different attitudes toward technologies and the levels of trust to make transactions are subjective; much like they are offline. (Corritore, et al., 2003, pp. 739-740; Wang & Emurian, 2004, pp. 111-112) Having established that most, if not all, online studies base on some commonly accepted offline definitions such as "trust is a psychological state comprising the intention to accept vulnerability based on positive expectations of the intentions or behaviors of another" (Rousseau, et al., 1998, p. 395), it serves to discuss what online trust specifically entitles and how it acts in practice.

Bart, with his colleagues, extended on Rousseau et al.'s definition on trust by saying that "online trust [also] includes consumer perceptions of how the site would deliver on expectations, how believable the site's information is, and how much confidence the site commands" (Bart, et al., 2005). Another online definition is very similar to

offline literature, describing an individual's trust towards a specific transactional, or informational website, to be "an attitude of confident expectation in an online situation of risk that one's vulnerabilities will not be exploited" (Corritore, et al., 2003, p. 740). Both offline and online trust is said to connote competence, integrity, credibility, reliability confidence and benevolence in for example an online retailer (or trustee) (Awad & Ragowsky, 2008, p. 104; Urban, et al., 2009, p. 180).

If we were to picture in simple terms, how online trust works in action, it could resemble Figure 12. A company's internet site (the *internet* box on the picture) with its privacy and security settings, appearance, design and user friendliness affect consumers' *trust* (i.e. confidence, competence to use site and benevolence/ goodwill) that in turn modifies customer buying *actions*; leading to *firm's success* with sales and profits. Simultaneously, *customers learn* from their own buying processes, but also through product experiences, word-of-mouth, social network ratings, peer experiences etc. Word-of-mouth (WOM) seems to have a relatively strong and positive correlation on consumers´ online trust and online buying behavior as we previously also discussed (Awad & Ragowsky, 2008, p. 104).
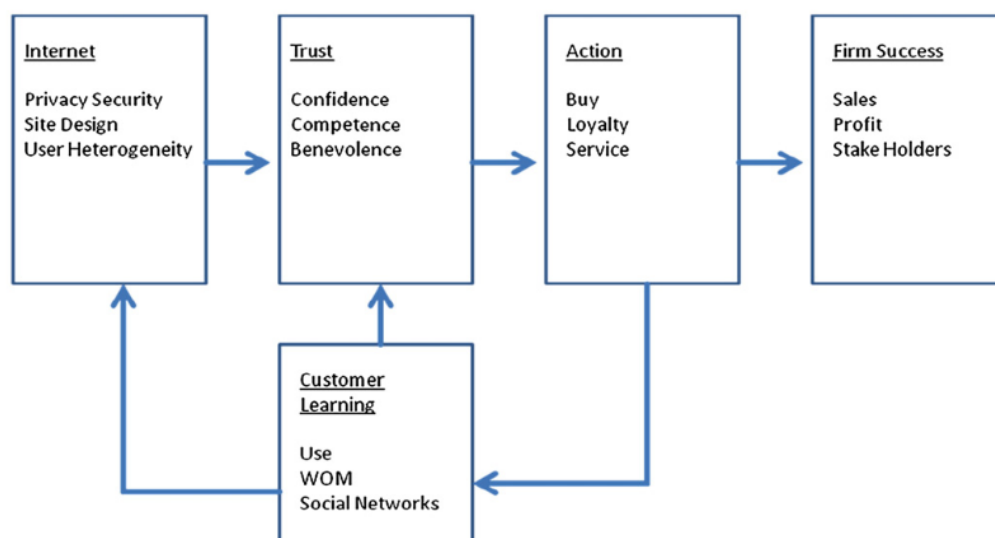

Figure 12. Trust Architecture (Urban, et al., 2009, p. 180).

As the above figure also suggests, the many forms of online trust also has many dimensions, degrees and stages (Awad & Ragowsky, 2008, p. 104).

2.7   A Conceptual Model of Trust in the Online Environment

What comes up repeatedly in various studies discussed before is the consumers´ trust in vendors and specifically: online trust. As the reviewed literature suggested: there are various internal and external factors that influence consumers´ trusting beliefs, Internet transactions and intentions to shop online. Salo and Karjaluoto proposed a conceptual model of trust in the online environment "which categorizes the affecting elements under internal and external factors affecting end-user trust formation" (Salo & Karjaluoto, 2007, p. 604). They suggest that companies should not entirely focus on their direct customers but also on third parties and indirect customers (mainly via eWOM) if they want to develop long-term and fruitful customer relationships (pp. 604, 617). This conceptual framework is the main theoretical framework for this thesis (see Figure 13).

The affecting trust categories are labelled into two main categories: external and internal factors. *External* qualities are of such trust antecedents that companies *cannot* influence as they spur from within the customers and from their past: the individual's culture, perception of risk, personal past experience etc. The *internal* factors that companies do influence include for example, own reputation, website quality and customers´ past purchase experience with the company. Both will be discussed, but the internal factors are the main focus of this thesis as they can be managed and thus interest companies in their goal to obtain, also potential, customers.

2.7.1   External Factors Influencing Trusting Beliefs

Salo and Karjaluoto give five external factors that influence the formation of trusting beliefs. All these influence the customers' intention to visit a website and actual use

of its services but also affect the outcome and development of the actual relationship. The five factors are called: consumer characteristics, product/ service characteristics, different markets/ cultures/ countries, perception of risk and past experience (Salo & Karjaluoto, 2007, pp. 614-616). Consumer characteristics include background information such as demo-, socio- and psychographics that have by past literature been established to be strong determinants of consumers' trusting beliefs. Product and service characteristics need to meet the customers' needs, e.g. item size, functionality, complexity, and dictate the involvement level in services. Customers' geographical location leads to culture and market differences and sensitivity. The personal view and perception of risk varies from individual to individual as well as their personal past experiences with online vendors as a whole (ibid., p. 614). All of these five factors are present and affect whether a customer will have an innate intention to trust a vendor with an online purchase or not but little is in the power of the vendor to influence them. The vendors should merely understand their existence, accept them and focus more on what can they can influence, namely, the internal trust factors.

2.7.2   Internal Factors Influencing Trust Formation

There are twelve internal factors influencing online trust, and these eight factors are divided into four distinct categories (Salo & Karjaluoto, 2007, p. 616). *Web vendors'* trust is formed through past experience, trustworthiness, reputation and website quality. Trust towards the *Information system* has to do with the self-explanatory perceived usefulness, the perceived ease of use and training. Trust in an online vendor can be gained through a *Third party* such as a trusted seal on a website, expert advice or useful peer reviews. Third parties can significantly aid in increasing online transactions as these can lower the resistance among consumers to sharing personal data and to interacting with a site to begin with. The last category is called *privacy protection* and includes factors such as legislation compliance and non-government association activities. The model displays the "multifaceted construct affecting end-user intention to visit a website" (p.617). By paying close attention to the overall trust formation process, but specifically the internal trust factors,

companies should minimize individuals' resistance to online trust formation. When this happens, long-lasting and fruitful relationships with potential and existing customers alike arise and therefore, it should also have a positive impact on sales.
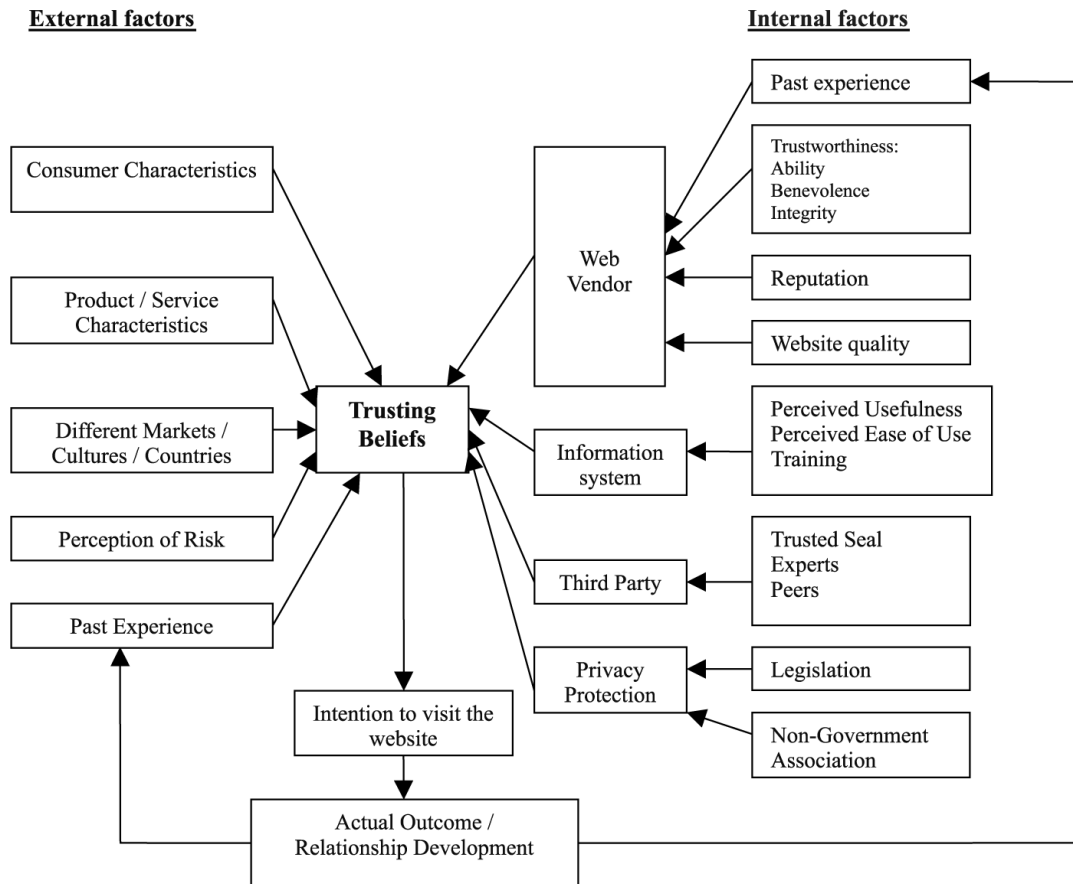
Figure 13. A Conceptual Model of Trust in the Online Environment (Salo & Karjaluoto, 2007, p. 614).

"The framework proposes that trusting beliefs, formed by external and internal factors, are antecedents of intention to visit a web site, which in turn affects relationship development" (Salo & Karjaluoto, 2007, p. 617). Companies' external trust factors, that is to say: the individuals' characteristics, markets/ cultures/ countries, perception of risk and personal past experiences do relate with online trust but these are factors that companies little influence, or even control. What should be the main focus of companies, is exclusively the trust model's right-hand side, as it gives twelve clear categories and topics impacting online trust for

companies to improve and work on. These twelve online trust factors could also be tools and guides for successful SCRM practices.

Salo and Karjaluoto's model has a limitation of being merely drawn upon organizational levels. It therefre was suggested by the autors that "future studies could investigate the formation of online trusting beliefs also from the point of view of an individual by for example measuring the presented aspects quantitatively" (Salo & Karjaluoto, 2007, p. 617). The proposed model by Salo and Karjaluoto had not to the author's knowledge ever been tested, nor measured from individuals' point of view. As the model serves to find answers as to how companies can increase the online trust of the potential customers, the aim of this thesis is twofold: first, to validate the usefulness of the model and test the importance of the presented online trust factors for consumers. Secondly, the findings of this study would give theoretical background to the answers of this thesis' research questions. Any findings from this study would assist companies in enhancing their SCRM practices as the online trust factors were said to be directly linked with individuals´ intentions to visit a website, customer relationship development and then also sales (p. 617).

3 METHODOLOGY

Using the Internet to conduct quantitative research presents challenges that are not nt present in conventional research. "Survey design, participant privacy and confidentiality, sampling and subject solicitation, distribution methods and response rates, and survey piloting are critical methodological components that must be addressed" (Andrews, et al., 2003, p. 185). The online survey was designed and executed in best possible accordance to Andrews, et al.'s recommendations and guidelines. Special detail was given to the above mentioned challenges. As the questions in the survey were not of personal nature; subject solicitation, privacy and confidentiality issues were of less concern. Response rates were checked and calculated by sending out personal invitations to the Webropol survey to 300 Facebook individuals. Although Internet has a limitation of giving a truly random sampling, it was nevertheless chosen by convenience and cost reasons as it allows a big, quick and more interna-

tional sample than knocking on doors would (ibid., p. 189). The survey was piloted according to the four steps recommended by the authors:

Step 1 = Colleague Test ➜ Step 2 = Cognitive Test ➜ Step 3 = Live Test ➜ Step 4 = Clean Up, before it was sent out live (ibid., p. 194). These steps were said to generate stronger response rates when properly applied and brought back 131 answers.

3.1 Overall Research Strategy

To verify the existence of various online trust factors, an empirical study with a quantitative survey was prepared. An empirical study "is based on observed and measured phenomena and derives knowledge from actual experience rather than from theory or belief" (Penn State University Libraries, 2013). A quantitative survey has two advantages: First, it can be administered and evaluated relatively quickly and secondly, "numerical data obtained through this approach facilitates comparisons between organizations or groups, as well as allow[s] determination of the extent of agreement or disagreement between respondents" (Chooi, 2014, p. 102). One-third of the world today is connected to the Internet, reaching about 2.7 billion people (Zuckerberg, 2014). Internet was chosen as sampling location, because its' "greatest benefit is access to a large population of individuals" (Schmidt, 1997, p. 274). Researchers have increasingly been shifting to Internet- based survey methodologies for two reasons: internet has become accessible to so called "ordinary people" and not just for computer savvy individuals. Secondly, online survey tools have simplified the questionnaire design process by making it user-friendly, but also by simplifying the input and data collecting processes (Alessi & Martin, 2010, p. 122). Consequently, a web survey was chosen to design and test online trust factors. Webropol (www.webropol.com) is an online survey and analysis software, designed to host the survey. It is also an official survey tool used by JAMK University of Applied Sciences (JAMK). In Webropol, the participants' responses to the questions are recorded electronically, from where the data is easily downloaded and transferred to SPSS or Excel.

To ensure validity and prevent contestants from merely clicking through all answers, reversed phrasing was used in question number nineteen (Qualtrics, 2013). All questions were made obligatory to answer and therefore, no incomplete submitted answer sheets were possible. To prevent same participants from re-taking the questionnaire; an IP-tracking system blocking re-entering was introduced to prevent tampering with the results.

A few words about the Webropol questionnaire layout and reasonings for it. As the questionnaire was answered by individuals and sought to find the online trust factors that they value the most, the study limited to Salo and Karjaluoto's online trust model's right hand side: the internal factors that companies can influence. The last factor called "non-government association" was seen as unfit to be answered by individuals and was therefore entirely excluded from the questionnaire, leaving the survey with eleven online trust factors to be tested (p. 617). Short questionnaires are reported to get a higher response rate, so the survey was designed to include only four brief descriptive statistics including: gender, age group, nationality and working status (Deutskens, et al., 2004, p. 32). Figure 14 depicts a detailed layout of the questionnaire.

The dependent variable to be tested: the trust beliefs, were assigned two past action related questions, instead of just asking "do you trust web vendors?". These two questions were better seen to reflect the true values and past activities of the subjects rather than a simple yes/no question:

1) The frequency of Internet purchase habits for the past three months (Y1).
2) The frequency of Internet banking habits for the past three months (Y2).

The answers to these questions would give objective and real insight to the consumers' predisposition to shop and do banking online. It also gives an indication of how much the subjects currently trust online vendors and banks and if there is a difference in the levels of trust amongst the subjects towards vendors and banks. The independent variables tested (labelled Z1- Z11 in Figure 14) were taken directly from the trust model: past experience with vendors, web vendor's seen trustworthiness, vendor reputation, website quality, wesite's perceived usefulness,

website's perceived ease of use, training needed for website, appearance of a trusted seal on website, expert reviews, peers reviews and web vendor's compliance to legislation (see Appendix 1 and 3 for a more detailed description of survey). All independent trust factors were allocated two questions each in a mixed order and recorded with a five point Likert Scale: strongly disagree/ disagree/ neither disagree, or agree/ agree/ strongly agree, and later given corresponding numerical values (1-5) in Excel (McLeod, 2008).
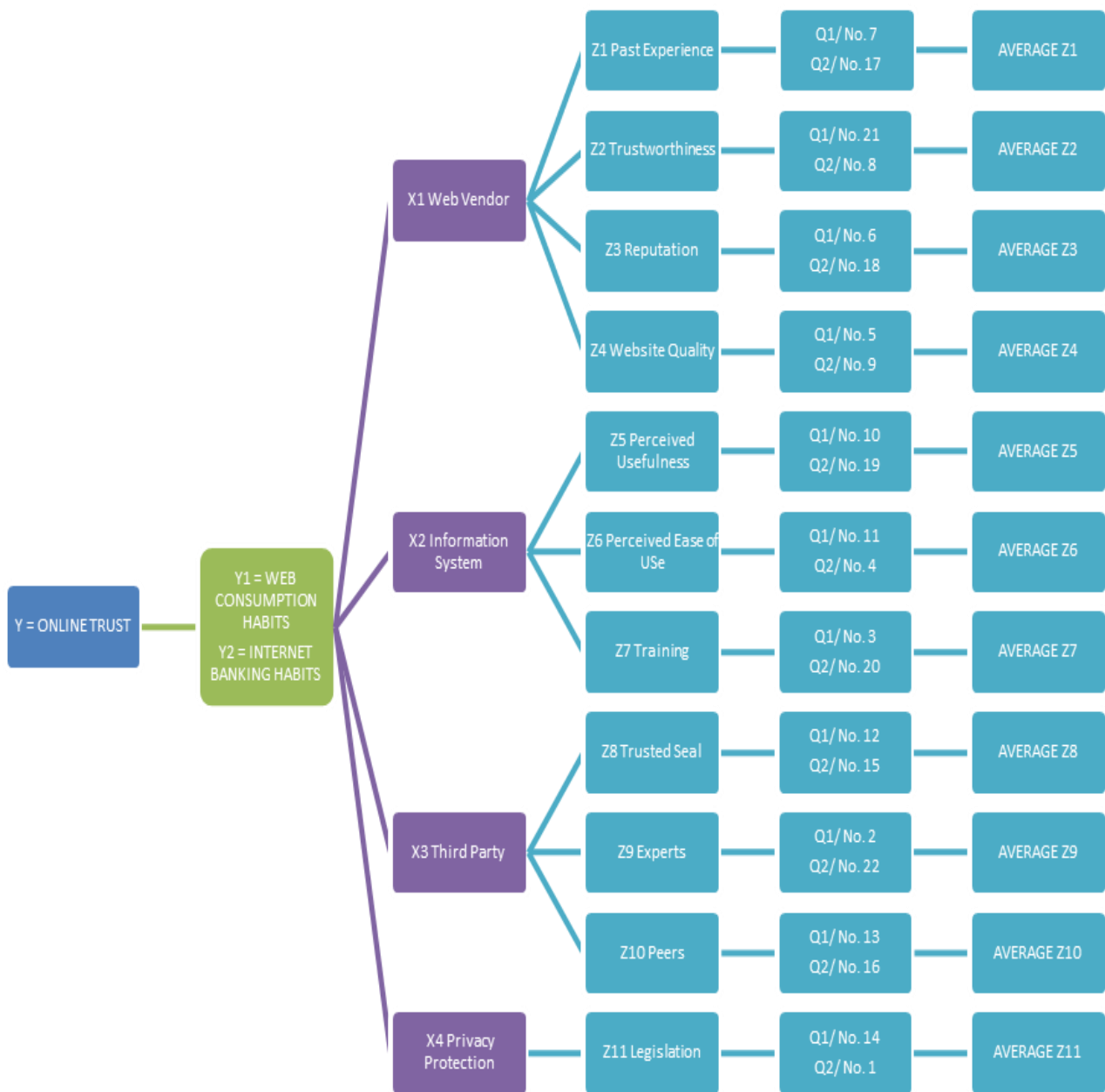

Figure14. Layout of Webropol Survey Online Trust and Steps Taken for Analyzing.

To summarize, the independent variables Y1 and Y2 were tested against characteristics of the contestants: gender, age, nationality and work status and the eleven trust factors suggested by Salo and Karjaluoto's in their model. Y1: the web consumption habits over the past three months were recorded with four answers and then given numerical values in Excel: I have not bought anything online (1), I have purchased, or ordered items 1-3 times online (2), I have purchased, or ordered, items 4-9 times (3), I frequently, over 10 times, purchased, or ordered, items online (4). Y2, or the internet banking consumption habits over the past three months, were equally recorded with four answers and numerical values: I do not use/ have internet banking access (1), I have used internet banking services 1-3 times (2), I have used internet banking services 4-9 times (3), I do almost all of my banking transactions online (4). Age and working status was converted to numerical (1-4) according to fitted age/work status group ticked and nationalities eventually split to Finnish (1) and non-Finnish (2). All the anwers collected were transferred to Excel for further analysis, as will be described in the Data Analysis chapter.

3.2   Data Collection

The study used convenience sampling via Facebook as "a statistical method of drawing representative data by selecting people because of the ease of their volunteering or selecting units because of their availability or easy access" (Business Dictionary, 2015). The survey was pretested with ten subjects and based on feedback; altered and corrected. In March, 2015, a Facebook event with the questionnaire and a personal invitation was created and sent out to 300 friends. The event itself and questionnaire link was open to all public, allowing volunteers to join, re-post and re-invite people to part-taking in the questionnaire (see Appendix 2). The planned and executed two weeks data collecting period was seen as sufficient, as 300 invited people gave 131 answers and the response rate stagnated after 10 days of opening the Webropol link. The web survey got a good response rate of 43.7 %, when the mean for e-mail surveys is 31% and internet surveys generally 25% (Sheehan, 2006; Deutskens, et al., 2004, p. 32).

3.3   Data Analysis

The answer sheets were exported to Excel for cross-checking, numeric modification and closer analyzing. As the country representatives of the survey were highly disproportionate, the contestants were re-grouped to become Finnish and non-Finnish (1 and 2 respectively), to get a more meaningful sample size per group for cross-examination. Contestant number 59 was scrapped entirely as he answered 3's (neither agree, nor disagree) for all questions and this is not seen likely to reflect the true values of 22 clearly opinionated questions. The answers for Y1 and Y2 were numbered 1-4 and each trust factor pair (Z1-Z11) was lined up, answers numbered 1-5 and the average per question pair calculated, to get a more meaningful, numerical value for each independent factor to further run regressions on in SPSS as is recommended by JAMK University of Applied Sciences (see again Figure 14 for reference, p. 39).

Multicollinearity exists when there is a strong correlation between two or more predictors in a regression model (Field, 2009, p. 223). It can also be present, if there is a repetition of same kinds of variables, or if the independent variables tested are highly correlated (Statistics Soultions , 2015). To avoid multicollinearity, separate ten models for the past internet purchase habits were run and a total of twelve models for the internet banking habits (see Appedix 6 and 7 for close details and tables).

3.4   Verification of Findings

This research was a predictive validation, meaning that there is a model against which the subjects are tested in real life settings to predict and see if the presented model could have validity, or existence instead of just being theory (Sargent, 2003, p.41). As no study comes without concerns, the data collection, margin of error and objectivity should be rightfully addressed. A possible room for error lies in the data collection, transportation and modification. There is always a concern that the data is

appropriate, sufficient and available. "Unfortunately, there is not much that can be done to ensure that the data is correct. The best that can be done is to develop good procedures for collecting and maintaining data, test the collected data using techniques such as internal consistency checks, and screen for outliers and determine if they are correct" (ibid., p. 42). Acknowledging the pitfalls helpes to mimialize errors, as also cross-checking and consultation with peers and instructors were done. Careful attention was paid to copy-pasting of cells between programs and the keeping the correct signs of the outcomes in correlations.

"Internal Validity is the approximate truth about inferences regarding cause-effect or causal relationships. Thus, internal validity is only relevant in studies that try to establish a causal relationship" (Trochim, 2006). As this was the aim of this research, attention was paid to the common sense expectations of the trust model in real life, i.e. for the Salo and Karjaluoto's trust model to be true, a high correlation should be found between Y1 and Y2 and the eleven Z's, as well as high ratings (5 = Strongly agree) for the question pairs/ Z-factor. The first correlational analysis for Y1 and Y2 gave high means, medians and averages to each Z factor (to be discussed in the Results chapter in detail) thus suggesting a rate of validity of results and expectations.

External validity is the degree to which results can be generalized to all and in other times as well as places (Trochim, 2006). One could boldly say that online trust is of a universal nature as people all over the world actually perform online purchases. Therefore, one could expect Salo and Karjaluoto's model to give similar results for all nationalities conducting online shopping. The initial test results verified this, and although a closer look at the independent variables showed slight variances between nationalities and trust factors (see Chapter 4 where Results is discussed in detail), the overall results were significant. Online shopping is yet to see an expansion, especially with boomers and generation Y and will most likely become an even bigger part of our daily shopping routines as technology, security and attitudes change (Knights, 2015). Therefore, a study on online trust today could not reasonably be expected to give the same answers in a few years, as Internet purchasing is still to reach its' peak. What should not change however, is the presence of the given trust factors and the

trust model itself. As for data analysis techniques and data interpretation, caution was taken to present the results accurately and subjectively.

Perhaps the most important factor to consider in this validity section is the survey methodology selected for this thesis. "One advantage of virtual communities as sites for research is that they offer a mechanism through which a researcher can gain access to people who share specific interests, attitudes, beliefs, and values regarding an issue, problem, or activity" and as online trust was studied and tested, the venue was more than appropriate. It could have been difficult to gain an equally large and multicultural group to discuss online trust topics face-to-face. Also, people who are not present on social media, could probably not give as valuable an input about the online trust factors being tested (Wright, 2005). Having said that, the applicability of the results cannot be generalized to the world as a whole, as a great percentage of the users (as was also established in the literature chapter) are lurkers: they do not part-take in any internet activity. Thus, their voices are not represented at all in the study results (Preece, et al., 2003). As part-taking in the survey is highly subjective, the researchers also neither predict nor influence the outcomes: the number of answers, gender distribution, working status, nationality or any other factor ahead of time. The sample received will, therefore, not represent the population as a whole.

4 RESULTS

The nationalities of the 130 contestants were very culturally diverse, although consisted of almost half (51 to be precise) Finnish contestants. The biggest nationality groups amongst the other 79 contestants included: Americans (16), Indian (12) and German (8). The rest were scarcely dispersed from a variety of countries. Figure 15 depicts the exact setup of the sample nationalities.
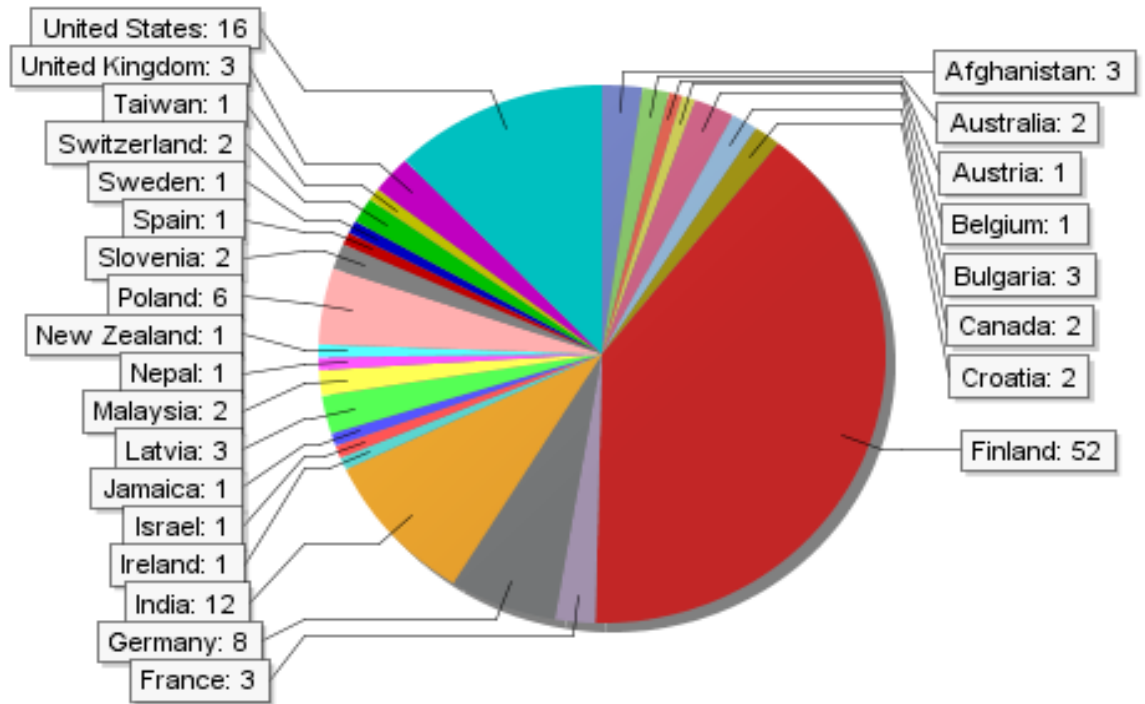
Figure 15. Nationality Distribution of Webropol Online Trust Survey.

The majority, 107 people, were currently working, five retired and five unemployed. Only eight of the contestants were students. Females also outnumbered the sample group with 78 against 52 male. Most of the contestants were between 31 and 40 years (88 people) and 19 contestants between 41 and 50 years and ten were 18 to 30 years (see Figure 16 for exact age distribution).
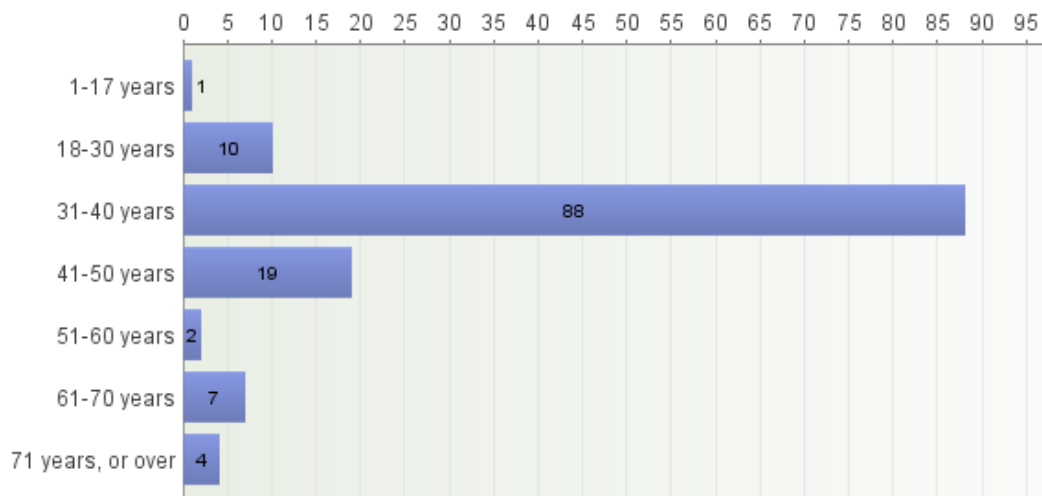
Figure 16. Age Distribution of Webropol Sample Group

The dependent variables that were tested: the internet purchase habits and internet banking habits for the past months (labelled Y1 and Y2) gave rather different outcomes and distributions when compared (see Figures 17 and 18). Six percent of the subjects had not bought anything online in the past three months, whereas 25% had purchased online over ten times. Exactly 30% had made purchases four to nine times, indicating that in total 55% of the entire sample group purchase and therefore also trust online vendors somewhat with frequency.

As for the internet banking, the percentages were significantly higher: five percent said they do not own, or use, internet banking, but as many as 75% stated they do almost their entire internet banking online. Of the contetants 88% undertake internet banking frequency, being 33% higher than online purchasing habits.
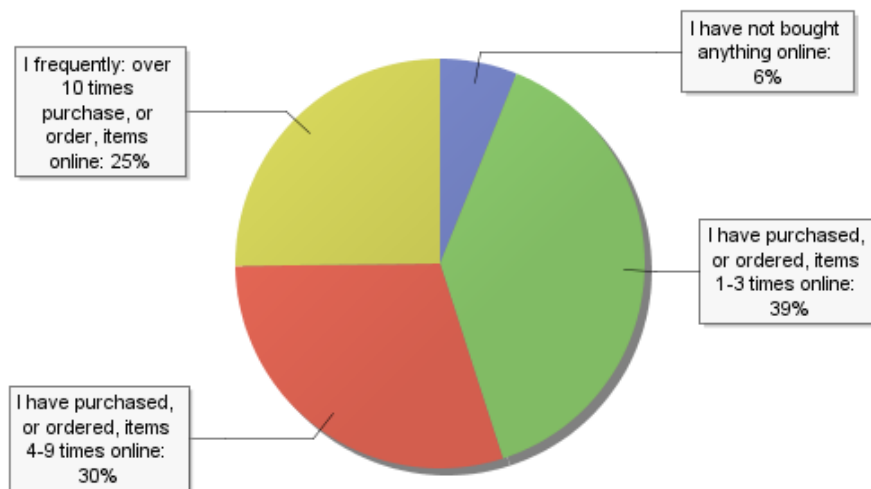
Figure 17. Internet Purchase Frequency over Past 3 Months.

I do not use/ have internet banking access: 5%

I have used internet banking services 1-3 times: 8%

I have used internet banking services 4-9 times: 11%

I do almost all of my banking transactions online: 75%
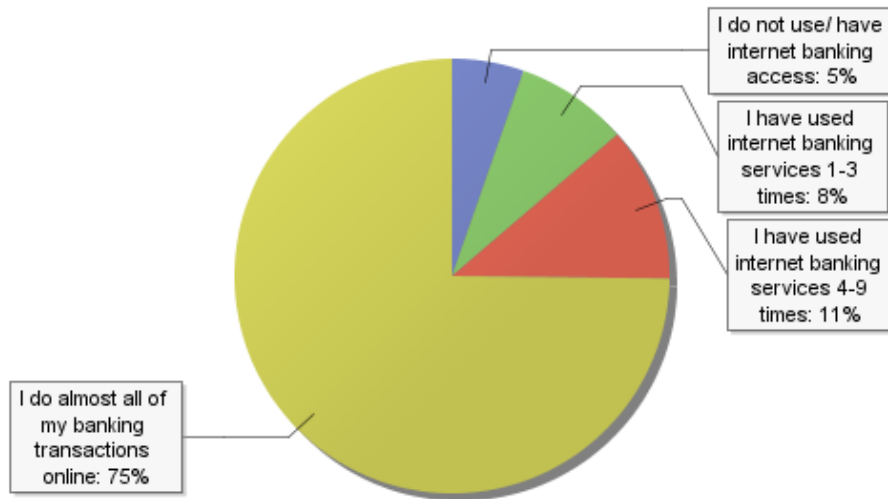
Figure 18. Internet Banking Habits for the Past 3 Months.

A first sight at the statistics suggests then that internet banking is seen trust worthier than internet shopping by the subjects and it is also practiced more frequently. It can equally be that individuals check their account balances and transactions, pay bills, and transfer money more frequently than they shop online. The individuals might prefer to go to brick-and-mortar stores over internet shopping as qualities and sizes are better seen there. For example a study about Indians in 2012 revealed that Indians prefer to do internet banking over shopping (The Economic Times, 2012). Or it can be that the Finnish, or non-Finnish nationals have a greater internet banking culture over the others. In an EU's news release from 2012 it was said that "Finland was the leading Member State for internet banking, 91% of internet users" (University of Turku, 2012). Thirdly, it can be that internet banks put more time, money and effort in users' training of the site, security issues, user friendliness, making it safer to use and thus lowers the incentive for individuals to trust and partake in online activities.

Let us take a brief look at the descriptive statistics for the eleven presented trust factors (see Table 2). The contestants gave a relatively high median for all trust the independent trust factors being between 3.00 and 4.25. Also the modes were between 3.00 and 4.00.

Table 2. Descriptive Statistics for the Independent Trust Factors Tested

	Z1	Z2	Z3	Z4	Z5	Z6	Z7	Z8	Z9	Z10	Z11
N	130	130	130	130	130	130	130	130	130	130	130
Avg.	3.58	4.06	4.1	3.95	4.09	4.30	3.75	3.68	2.98	3.34	3.76
Median	3.5	4.00	4.00	4.00	4.00	4.25	3.75	4.00	3.00	3.50	3.50
Mode	3.00	4.00	4.00	4.00	4.00	4.00	3.00	4.00	3.00	3.00	3.50
Min/Max	1/5	2/5	2/5	2.5/5	2/5	2/5	2/5	1.5/5	2.5/4	1/5	2.5/5

The differences comes in the averages calculated for the independent factors. The 130 contestants gave the lowest average for expert opinion factor (Z9) and it was 2.98. The highest averages and above four were given to: vendor trustworthiness, vendor reputation, vendor site usefulness and site's perceived ease of use (Z2, Z3, Z5 and Z6 respectively). Individual's past experience with vendors, website quality, site training, trusted seal, peer reviews and legislation (Z1, Z4, Z7 Z8, Z10, Z11) scored equally high: between 3.34 and 3.95 out of a maximum of five.

In order to get more descriptive and meaningful analyses, two linear correlation matrices with internet banking habits (Y1) and internet banking habits (Y2) against the background characteristics (labelled C1-4 in the equation) and the eleven independent variables (Z1-Z11) were run and executed in Excel (see Appendix 4 and 5 for detailed results). A multinomial regression analysis was pre-tested and seen equally fit, but as the Durbin-Watson test for the linear regression equally gave values of less than two, it was chosen for this study out of personal preference. "The [Durbin-Watson] test statistic can vary between 0 and 4 with a value of 2 meaning that the residuals are uncorrelated" (Field, 2009, p. 220). A linear regression with all independent variables (Z1-Z11) was run against Y1 and Y2 respectively and the results were as follow.

4.1 Internet Purchase Frequency Linear Regression Findings

We expected a high and positive correlation between the dependent variables and the independent characteristics and trust factors:

H_0: Y_1 and $Y_2 = C_1 + C_2 + C_3 + C_4 + Z_1 + Z_2 + Z_3 + Z_4 + Z_5 + Z_6 + Z_7 + Z_8 + Z_9 + Z_{10} + Z_{11}$

Whereas the linear regression results, somewhat surprisingly, brought about only two independent variables significant at 0.001 and 0.01 levels respectively (see Appendix 4 and 5 for further details):

$$Y_1 = 0.603 \, C_3 + 0.222 \, Z_2$$

At a 0.001 level nationality highly positively correlated with internet purchase behavior, being highly significant. The results suggest then that the Finnish nationals are more likely to conduct online shopping than their non-Finnish counterparts. At the 0.01 level, the vendor's perceived trustworthiness correlated positively with the internet purchase habits and was noted significant. As the r^2 for internet consumption habits for the past three months was 0.208 (20.8%), it indicates that the equal percentage change in the dependent variable is explained by the given set of independent variables. The F statistic (20.01%) indicates that that explanatory behavior (r^2) of the model to be highly significant.

4.2 Internet Banking Frequency Linear Regression Findings

$$Y_2 = -0.418 C_1 - 0.201 \, C_2 + 0.021 Z_8$$

At a 0.001 level gender and age both correlated negatively with internet banking habits and was noted highly significant. At a 0.02 level trusted seal on site positively correlated with internet baking habits and was significant. As the r^2 for internet banking habits for the past three months was 0.177 (17.7%), it indicates that the equal percentage change in the dependent variable is explained by the given set of independent variables. The F statistic (16.34%) indicates that that explanatory

behavior (r^2) of the model to be highly significant. The regression analysis indicates that women are less likely to pursue internet banking than men. Equally, the Finnish nationals are more likely to pursue internet banking. The trusted seal is positively correlated with internet banking intentions.

4.3 Multicollinearity Results

When the ten multicollinear models for internet purchase habits for the past three months was run, the results indicated that only four independent variables out of eleven were significant or highly significant (see Appendix 4 for detailed results). Likewise, they were all negatively correlated. Gender was significant. Nationality, trustworthiness and training gave all highly significant relations.

The twelve models for internet banking habits over the past three months, gave eight independent variables out of eleven to be of significant levels. All factors were negatively correlated. Gender, age, work experience and trusted seal were all of high significance, whereas user's nationality, vendor's trustworthiness, vendor's website quality and vendor's reputation were merely of significant nature.

5 DISCUSSION

This study came about based on personal observation and literature research, trying to find answers for companies' current dilemmas about the best SCRM practices and more importantly: the online trust formation of individuals, as they are intertwined concepts. Social media has changed marketing techniques and practices for good and in a relatively short time frame, causing companies to rush into social media and in their SCRM attempts. The Social Media Marketing Industry Report 2014 provides explanations to why companies rush to social media platforms. It listed many (reported by companies) benefits for entering: increased exposure and traffic, developed loyal fans, marketplace insight, to name a few but at the same time, it did not reportedly bring the expected sales. Also the companies themselves admit to

have a very short presence there: between one and three years, so they do not have a true understanding of the potential that social media could bring. Companies attempt to simultaneously be present a little bit of everywhere as they try to capture as many customers as possible: in blogs, Twitter, Facebook, LinkedIn etc. (Stelzner, 2014, pp. 7, 29). This is understandable and natural as social media holds a tingling number- billions to be exact- of potential customers at companies' reach if they choose to enter the world of social media (Schultz & Peltier, 2013, p. 87). Social media is a Blue Ocean in terms of marketing but it does not come totally free, or simply without challenges, as we will discuss in findings (Finacial Times, n.d.).

5.1 Answers to the Research Questions

As customer relations have become more social in nature, the location of these have also started to be present in social media. A study report released by Oracle already in 2009 pointed out that, in increasing numbers, individuals demand live help online over traditional contacting: e-mailing or calling (Oracle, 2009). Individuals today look up information, shop, compare, review and seek up information 24/7 and companies naturally must be present where the potential shoppers are. Increasingly, Internet shoppers cause brick-and-mortar shops to close down as they demand and pursue the accessibility and convenience of Internet shopping (Knights, 2015). An access to the Internet also lowers the hurdles for writing, sharing and seeking up reviews about products and services online. This eletronic word-of-wouth (or eWOM) is, according to recent literature, currently increasing, more influential than advertising by companies. More importantly, eWOM is commonly happening between complete strangers and people *not* being clients of the companies. (Abrantes, et al., 2012, p. 1072)

There are two emotional drivers dictating social media activities, control and trust. These might inhibit users from sharing information, making social connections and limiting the eagerness to engage with companies (Ang, 2011). This brings us to the research questions presented in chapter 1.5, as online trust seems to be the key factor for both successful SCRM and online business making:

1. How can companies increase the online trust of potential customers?

And more specifically:

a) What online trust factors influence individuals' online shopping and banking behavior?

b) What can companies do to influence and improve individuals' online shopping and banking behavior?

The first question is answered by suggesting for companies to use Salo and Karjaluoto's trust model in their SCRM practices. The model specifically suggests that companies should pay specific attention to these factors, as they help to create a long-lasting, fruitful relationship with (non)customers: customers' past experience with the web vendor, individuals' perceived company trustworthiness, vendor's reputation, website quality, website's perceived usefulness in purchase intentions, website's perceived ease of use, recognize a possible need for training in web site usage, display received trusted seals on site, share expert opinions about the products and services served, post and display peer reviews about the products and services and ensure web vendor's conformity with rules and regulations (2007, p. 616). What does this then mean in practice for companies? It is clear that companies must ensure customer satisfaction at all times. Any complaints or reclamations should be dealt with uttermost care as past experiences will affect the future intentions of the individuals to re-purchase. A poor experience, or an unfair treatment of the customer can also generate negative eWOM, as has been reported. What does a trustworthy company then entail? Mr. Firestein lists four things (2013, p. 2). First, trusted companies' shares trade better than the competitors'. "This expectation, itself, is a matter of belief in customers' trust in its products, lenders' trust in its judgment, and regulators' trust in its practices". Secondly, a trusted company naturally will attract the best employees, which in turn ensures that it will continue to get the trust of stakeholders. Thirdly, a trusted company's practices and strategies are eagerly copied by others. Fourthly, the worthiness of a trusted company is present in all levels of the company's hierarchy. All these qualities and

more are also overflowing to and being picked up by the consumers. The reputation of a company is certainly self-explanatory as is the importance of website quality, the perceived usefulness of a site as well as training to fluently use the site. The trusted seal factor rightfully receives a definition and explanation, as it also matters to the customers as we will see in the closer look at results. "A trust seal verifies to visitors that a website is legitimate. Data is collected by the third-party trust seal company that confirms that the business is authentic" and furthermore, "88% of American online shoppers stated that trust seals were important for sites. In fact, 79% of shoppers expected to see some sort of seal on a sites' home page (Forbes, 2014). Companies should then pursue and proudly and clearly display any trusted seals they have received as it will pave the way for online trust and significantly lower the initial resistance to individuals' online shopping intentions. Peer and expert reviews are equally self-explanatory as they were also discussed in the eWOM section of this paper to be of importance to consumers, occasionally even more than company generated marketing. Naturally, companies should conform to rules and regulations, but should also to netiquette: a term deriving from network etiquette or internet etiquette. Netiquette means the social and moral code of network communication (networketiquette.net). As we have seen, online trust is a multifaceted construct that affects end-users' intentions to visit a website (Salo & Karjaluoto, 2007, p. 617).

As for the research question of what online trust factors influence individuals' online shopping and banking behavior, the results showed five online trust factors out of the eleven studied to be of more importance to the consumers: a vendor's trustworthiness, website training, trusted seal, vendor's website quality and vendor's reputation. There was also a clear correlation between the characteristics of the individuals and the dependent factors. Gender, age and nationality rated high whereas the working status of the individuals had no visible impact on the intentions to pursue online activities. Most of the factors were highly significant at the 0.001 level. What companies can then do to influence and improve individuals' online shopping and banking behavior, is to objectively and rigorously check their online sales channels: is the web site layout and quality optimal? Is the web site user friendly? Is any training in the form of informative steps or videos necessary? Are there any certificates of trust and good practices, awards and nominations that

should/ could be clearly displayed on the site? Is there a section on the web site assigned to peer reviews and expert opinions that potential customers can explore prior to their decision making to purchase? Note that negative eWOM is equally expected by customers, as well as a transparent handling of reclamations and concerns of individuals. These actually promote the trustworthiness and validity of good practices. Companies must also, at all times, ensure and promote their good reputation, overall trustworthiness and conform to rules and regulations. Perhaps it is even more important to confirm to the netiquette of the social media forums as these are more visible to the consumers and affect them directly . Finally, companies must recognize that they will never reach all social media users despite good SCRM practices. There are, furthermore, trust factors present that were not specifically addressed in this study as companies cannot influence them and they were consumers' own characteristics, unfit product/ service characteristics, different markets and cultures, individuals' perception of risk and their own personal past experience of online shopping. Companies should just be aware of these and the five to six different social media user types because these dictate the activity levels of the followers.

Although it might even seem redundant to tell companies that they should truly know their customers; in the light of the results it is necessary. The Internet blurs country borders and nationalities, as well as generations. Companies must then know: whether their target group is predominantly male or female, age group, the consumers' nationalities, the user types and possibly a few other background characteristics before they design and set up sales channels. If the sales lie in consumer goods, the chances are that women will be the primary shoppers more than men whereas if it is in technical appliances, or even internet banking, most likely men will be the users. Also the target's group's generation dictates online predispositions to trust online. "Generation Y were born into an emerging world of technology and have grown up surrounded by smart phones, laptops, tablets and other gadgets", so they are predisposed to trust the Internet and companies more (Generation Y, 2015). Studies suggest that Generation Y consumers are less concerned with data protection privacy than previous generations. Nevertheless,

they share the concerns about security control and personal data (Rozen, et al., 2014, p. 6).

5.2   Comparing the Results with Literature Review

Although Salo and Karjaluoto's trust model recognizes and covers both companies' internal and external online trust factors, only the external that companies have power over were the focus of this study. First, it should be noted that there are five to six social media types that explain the multitude of participation levels of the individuals in social media. Depending on the study, as many as 19 to 41% of social media users are only occasional participants in companies' social media activities. Active users lie between 18 and 19% and highly active users, wh are also ambassadors of companies and brands are as few as 3% of the companies' social media followers. This means that 40-60% of the users are just barely involved in companies' social media activities, no matter what they do in their social customer relationship management (Brandtzaeg & Heim, 2011, p. 41-42; Rozen, et al., 2014, p. 48). The social media typologies could equally explain the relatively low levels of internet shopping results that came out of this study. The question is, how companies could give that slight push to activate the 40-60% that actually *are* somewhat internet present and active and make them "Actives", "Mix-n-Minglers" and even "Sparks" (Brandtzaeg & Heim, 2011, p. 41-42; Rozen, et al., 2014, p. 48). Electronic word-of-mouth, according to the literature research, could be one way to activate these social media user types and make the debaters actually make a sale.

eWOM is similar to personal selling as it "provides explicit information, tailored solutions, interactivity, and empathetic listening", but has a lower distance between the source of communication and the receiver than marketer induced communications" (Hung & Li, 2007, p. 486; O'Reilly & Marx, 2011, p. 332). The consumers consider eWOM to be reliable information sources, even more so than advertising and marketing messages put out by companies, so eWOM is increasingly challenging companies' e-marketing attempts (Abrantes, et al., 2012, p. 1080). As eWOM is seen as such a strong contributor to oline shopping and trust formation

towards companies and its' products, it would seem reasonable to attempt to tap into this apparent goldmine and make full use of it on companies' online pages. By motivating people to talk about a company in a favorable manner, it would seem to serve as a better source of credibility and it can spread far in social media, as we know from personal experiences (Teng & Khong, 2014, p. 749). Salo and Karjaluoto were in line with this, as their managerial contributions stated that companies' should pay attention to trust formation processes and more specifically focus also on "third parties and indirect companies" (p. 617). Therefore, a significant correlation in this study with expert opinions, peer reviews, trusted seal (labelled third party factors) were expected. However, the results drew only high significance, high means and high median for the trusted seal factor and not for the other two, as was previosuly discussed. In the light of literature findings and Salo and Karjaluoto's managerial implications; a higher correlation was then expected for the third party reviews, and this was not the case in these findings.

5.3   Recommendations from Study

Although the presented results in this study were not quite as clear and in concurrence with Salo and Karjaluoto's trust model as was initially hoped and expected, it is not to say that it would not be a very useful guide for companies to lean on it in their search for improved SCRM and online trust formation of potential customers. Besides the discussed possible own shortcomings in the study and limitations, the major lack of confidence to dismiss any model would be due to the lack of benchmark studies to draw conclusions upon. Besides, the overall means, medians and modes of the study were of such sorts that they are very well in align with presented model. Salo and Karjaluoto's model was said to be a complex and intertwined schemata that ultimately would increase actual online shopping behavior and relationship development (p. 616). They never stated that any of the independent factors on their own would be highly significant or incline towards online trust, but that the model is a sum of its' parts. Therefore, it is the author's recommendation for companies to use the online trust model as a guidebook in their SCRM practices. Once all given trust factors have been ideally put in place and fixed

by the companies, it should bring out fruitful grounds for online trust formation and thus improved and long-lasting relationships as well as new customers.

Secondly, this paper did not initially intend to specifically study the characteristics of the subjects, but some of the results raised interesting points, as they also are in concurrence with recent literature. The study concurs that women are more likely to shop more online than men as "in addition to buying for themselves, women buy on behalf of husbands, partners, kids, colleagues, adult children, friends, relatives, elderly parents, in-laws, their businesses and even their kids' friends" to name a few (Brennan, 2013). This means that women are multiple markets in one. The study also confirmed that men are more likely to use internet banking, in fact according to Forbes, "fifty-eight percent of women, for instance, have never banked online" as they are less likely to adopt newer technologies than men (Greenberg, 2009). However, this study had more female contestants than men: 78 vs. 52 and still the dependent variable question concerning internet banking habits gave a significantly higher response rate overall than the online shopping. As many as 88% vs. 55% said they used internet banking frequently, insinuating that either times have changed and the females have increased their internet banking frequency, or they in general trust internet banks more than online shops. If this was the case, it could mean two things for online vendors. First, online vendors could perhaps use internet banking as benchmarks for their own online shopping sites. They could ask themselves in which trust factors do internet banks perform better, as they have better online relationships with their customers? Do the banks somehow perform better in terms of trustworthiness, security, legislation, guidance or any other factor- and if they do- could that be improved on own site? Here again Salo and Karjaluoto's trust model could act a good reference point to benchmark and spot differences and therefore also give concrete areas foe improvent on sites.

Possibly the most surprising results in the research was the unseen correlation of third party influencing online trust and purchase intentions. This would not seem to be line with literature resarch presented, nor with Salo and Karjaluoto's expressive opinion that third parties and specifically eWOM, would enhance trust. The trusted seals found on websites gave initiative for the subjects to commit online purchasing

so evidently, companies should strive for and proudly present any awards, certifications and honours received, on their web sites. Furthermore, companies should continue to encourage and promote peer reviews and expert opinions about products and services as they have, by various studies, been said to promote sales and online trust even more than own advertisement (Hung & Li, 2007, p. 490; O'Reilly & Marx, 2011, p. 333). As almost half of the contestants were Finnish, it could very well be a cultural thing not to rely so much on peers or expert opinions, so some caution should be out into reading these results about eWOM. Until there is additional trust model testing and further online trust studies to compare, not as much weight can be put on the results of these findinigs.

Finally, the most clear recommendations to draw from this study are the significant online trust factors not yet discussed under this section: vendor's trustworthiness, site training, website quality and vendor's reputation. Companies need to be very cautious about their reputation. "In this modern age of social networking, websites, and other methods of instant communication, businesses must be conscientious of their reputations on a constant basis and be responsive to any crisis that may have an impact on their reputation" (Business in Focus, 2015). Trustworthiness apparently cannot be stressed enough as it is the basis for the best possible outcome with a buyer, which is loyalty (and sales). Lastly, companies should see that their website is clear, user-friendly and reflects the true values, images and ideas they wish to portray to the world and that they firmly stand behind. If a company is in doubt, who better to ask for advice and feedback about ideal practices and ideas, than the consumers themselves? After all, that it what efficient SCRM is about and in turn increases trust and loyalty.

5.4   Limitations of Study

In hindsight, and especially with the results in hand, three things could have had room for improvement and are thus concerns of this study. Despite efforts, the author failed to find any previous studies and verifications of Salo and Karjaluoto's trust model that could have served as benchmarks for own results and further

discussions. It is now hard to define with certainty if these study results are significant in nature and with certainty somewhat in discordance with the presented model. Secondly the sample size and type could have served better, had the study been a properly designed and controlled cross-sultural study. Although the response rate was good (43.7%) and time to collect the data and was sufficient, the test location (Facebook) could have been different and the subjects of the study (international Facebook friends of the author) are rightfully subjects for criticism. Had more attention been paid to the recipients of the Webpropol survey invitations, the less predominantly Finnish the subjects would have been. Internet is still seen as an appropriate venue to conduct studies about online trust, as the subjects' presence there shows initial levels of online trust and behavior. Certainly any other platform to invite to the survey could have been chosen, but Facebook is the number one in monthly users and therefore reaches a great variety of international subjects at once (Smith, 2015). Thirdly, the question remains whether the phrasing of the tested questions, or a different scaling of answers would increase the results and diminish the "neither agree, or disagree" results, or whether they are true answers of the contestants towards the factor tested. A different wording and a seven-point Likert scale answering might give clearer staistics and also then, different final results.

5.5 Suggestions for Future Studies

This research opens an array of possibilities for future studies. More studies on Salo & Karjaluoto's online trust model would be needed, as it can elp companies in their social customer relationship management endeavours and in forming online trust relations with also potential customers. More results and cross-references would add additional value to the model and give discussion points of findings.

A carefully conducted cross-cultural study about online trust and its' formation would also be recommended. As companies today act across borders, it would be of their interest to understand the possible online trust factor variations across different nations and cultures.

Finally, the dependent variable tested: trusting beliefs, which was given two questions in this study, paved way for new studies. If online trust and internet purchases and online trust and internet banking were to be cross-culturally and simultaniosuly tested with Salo and Karjaluoto's trust model, would the outcomes then be much different from those of thstudy? Do consumers trust online banks more than online vendors and if so, why? These future study findings could further assist companies and help to benchmark their own internet sites, reputation and practices to those of the banks. "Further research with detailed quantitative evidence from different contexts would enrich the usefulness of the proposed research model. In sum, the authors welcome more empirical research efforts in this emerging field" (Salo & Karjaluoto, 2007, p. 617).

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APPENDICES

Appendix 1. Internet Questionnaire

A Web Survey about Online Trust Towards Web Vendors

My name is Johanna Valkeinen and I am finalizing my Master's Degree in International Business Management at Jyväskylä's University of Applied Sciences.

My Master's Thesis topic is "How Companies Can Increase Online Trust of Potential Customers" and I wish to get cross-cultural insight on the matter.

Please allow 3 to 5 minutes of your time by answering the enclosed web survey with twenty-two simple, multiple choice statements related to online trust.

I hope to have your answers by noon, Sunday, March 15, 2015.

I thank you for your time and effort!

Best regards,

Johanna Valkeinen

Please share your backround information.

1. Gender: *

◯ Male

◯ Female

2. Age: *

○ 1-17 years

○ 18-30 years

○ 31-40 years

○ 41-50 years

○ 51-60 years

○ 61-70 years

○ 71 years, or over

3. Nationality: *

4. Your working status: *

○ Student

○ Working

○ Retired

○ Unemployed

○ Other

5. Please share your web consumption habits over the past three months: *

○ I have not bought anything online

○ I have purchased, or ordered, items 1-3 times online

○ I have purchased, or ordered, items 4-9 times online

○ I frequently: over 10 times purchase, or order, items online

6. Please share your online internet banking habits over the past three months:
*

○ I do not use/ have internet banking access

○ I have used internet banking services 1-3 times

○ I have used internet banking services 4-9 times

○ I do almost all of my banking transactions online

7. Please read carefully the following 22 statements related to online trust towards web vendors.

The term web vendor here means a company, brand or bank selling their products and services online in exchange for money and personal data.

Choose the level of agreement that best reflects your opinions about each statement.

Please note that all questions are mandatory. *

	Strongly disagree	Disagree	Neither agree nor disagree	Agree	Strongly agree
1. I trust most web sites and vendors with my personal data and credit card information	○	○	○	○	○
2. If I am to make a purchase decision, expert opinions about products and services have no importance	○	○	○	○	○
3. I must have some level of	○	○	○	○	○

confidence in navigating the
web vendor's site; before I de-
cide to make a transaction

4. In order for me to purchase, a
web vendor's site should be
user-friendly

○ ○ ○ ○ ○

5. Before I decide to buy online,
I always first evaluate the quali-
ty of the website

○ ○ ○ ○ ○

6. The web vendor must have a
good reputation; for me to
make a purchase

○ ○ ○ ○ ○

7. I have generally had positive
past experiences with web ven-
dors

○ ○ ○ ○ ○

8. It is important that the web
vendor is seen as trustworthy,
or I will not make a transaction

○ ○ ○ ○ ○

9. The quality of a web vendor´s
website influence my purchase
intentions

○ ○ ○ ○ ○

10. A web page should contain
detailed, useful and related in-
formation about the products/
services offered, or I will not
make a purchase

○ ○ ○ ○ ○

11. A web vendor's site should
not be complicated to use;
when I place an order

○ ○ ○ ○ ○

12. I always look for official and trusted seals, certificates and symbols that the vendor has achieved; before I make an online transaction ◯ ◯ ◯ ◯ ◯

13. Before I decide to buy, I always look up product and service ratings, as well as peer reviews, about them ◯ ◯ ◯ ◯ ◯

14. I expect high privacy protection, when I make online transactions ◯ ◯ ◯ ◯ ◯

15. Any visible certificate and trust seal on web sites increase my trust towards the web vendor ◯ ◯ ◯ ◯ ◯

16. I always ask peers and friends for feedback about a product or brand; before making an online purchase ◯ ◯ ◯ ◯ ◯

17. I have not had any negative experiences with web vendors ◯ ◯ ◯ ◯ ◯

18. A web vendor's reputation influence my online purchase intentions ◯ ◯ ◯ ◯ ◯

19. A website does not have to have any useful product/ service information; for me to make a purchase ◯ ◯ ◯ ◯ ◯

20. I must have some level of familiarity with the web vendor´s website; before I will make a transaction ○ ○ ○ ○ ○

21. A web vendor must have a reputation for having good manners and ethics, for me to make an online purchase ○ ○ ○ ○ ○

22. I look up expert opinions, ratings or feedback about a product, before I decide to buy online ○ ○ ○ ○ ○

SUBMIT

Appendix 2. Screenshot of Facebook Event Created to Invite to Web Survey

Appendix 3. Independent Variables Tested and Questions in Webropol

Z1 = Past experience with Web Vendor:

    7. I have generally had positive past experiences with web vendors

    17. I have not had any negative experiences with web vendors?

Z2 = Trustworthiness of Web Vendor:

    21. A web vendor must have a reputation for having good manners and ethics, for me to make an online purchase

    8. It is important that the web vendor is seen as trustworthy, or I will not make a transaction

Z3 = Reputation of Web Vendor:

    6. The web vendor must have a good reputation; for me to make a purchase

    18. A web vendor's reputation influence my online purchase intentions

Z4 = Website Quality of Web Vendor:

    5. Before I decide to buy online, I always first evaluate the quality of the website

    9. The quality of a web vendor´s website influence my purchase intentions

Z5 = Perceived usefulness of Information System:

    10. A web page should contain detailed, useful and related information about the products/ services offered, or I will not make a purchase

    19. A website does not have to have any useful product/ service information; for me to make a purchase

Z6 = Perceived Ease of Use of Information System:

    11. A web vendor's site should not be complicated to use; when I place an order

    4. In order for me to purchase, a web vendor's site should be user-friendly

Z7 = Training of Information System:

    3. I must have some level of confidence in navigating the web vendor's site; before I decide to make a transaction

    20. I must have some level of familiarity with the web vendor´s website; before I will make a transaction

Z8 = Third Party/ Trusted Seal:

    12. I always look for official and trusted seals, certificates and symbols that the vendor has achieved; before I make an online transaction

    15. Any visible certificate and trust seal on web sites increase my trust towards the web vendor

Z9 = Third Party/ Experts:

    2. If I am to make a purchase decision, expert opinions about products and services have no importance

    22. I look up expert opinions, ratings or feedback about a product, before I decide to buy online

Z 10 Third Party/ Peers:

    13. Before I decide to buy, I always look up product and service ratings, as well as peer reviews, about them

    16. I always ask peers and friends for feedback about a product or brand; before making an online purchase

Z 11 = Privacy Protection and Legislation:

    14. I expect high privacy protection, when I make online transactions

    1. I trust most web sites and vendors with my personal data and credit card information

Appendix 4. Linear Regression Results for Internet Purchase Habits

Y1 LINEAR REGRESSION RESULTS								
Regression Statistics								
Multiple R	0,457							
R Square	0,208							
Adjusted R Square	0,104							
Standard Error	0,860							
Observations	130							
ANOVA								
	df	SS	MS	F	Significance F			
Regression	15	22,229	1,482	2,002	0,021			
Residual	114	84,394	0,740					
Total	129	106,623						
	Coefficients	Standard Error	t Stat	P-value	Lower 95%	Upper 95%	Lower 90,0%	Upper 90,0%
Intercept	0,621	1,299	0,478	0,633	-1,952	3,194	-1,533	2,775
Gender	-0,099	0,164	-0,606	0,545	-0,423	0,225	-0,371	0,172
Age	-0,067	0,076	-0,878	0,382	-0,217	0,084	-0,193	0,059
Nationality	**0,603**	0,165	**3,661**	**0,000**	0,277	0,930	0,330	0,877
Work status	-0,004	0,099	-0,043	0,966	-0,201	0,192	-0,169	0,160
Past Experience	0,057	0,118	0,489	0,626	-0,175	0,290	-0,137	0,252
Tustworthiness	**0,403**	0,170	**2,377**	**0,019**	0,067	0,739	0,122	0,685
Reputation	-0,016	0,162	-0,100	0,920	-0,337	0,305	-0,285	0,252
Website quality	0,048	0,140	0,343	0,732	-0,229	0,325	-0,184	0,280
Perceived Usefulnes	-0,074	0,161	-0,459	0,647	-0,392	0,244	-0,340	0,193
Perceived Ease of Us	0,117	0,164	0,711	0,478	-0,208	0,442	-0,155	0,389
Training	-0,206	0,143	-1,438	0,153	-0,490	0,078	-0,443	0,031
Trusted Seal	0,052	0,111	0,473	0,637	-0,167	0,272	-0,131	0,236
Experts	0,077	0,161	0,475	0,635	-0,243	0,396	-0,191	0,344
Peers	0,048	0,115	0,419	0,676	-0,180	0,277	-0,143	0,240
Legislation	-0,114	0,143	-0,799	0,426	-0,396	0,169	-0,350	0,123

Appendix 5. Linear Regression Results for Internet Banking Habits

Y2 LINEAR REGRESSION RESULTS								
Regression Statistics								
Multiple R	0,421							
R Square	0,177							
Adjusted R Square	0,069							
Standard Error	0,833							
Observations	130							
ANOVA								
	df	SS	MS	F	Significance F			
Regression	15	17,015	1,134	1,635	0,075			
Residual	114	79,109	0,694					
Total	129	96,123						
	Coefficients	Standard Error	t Stat	P-value	Lower 95%	Upper 95%	Lower 90,0%	Upper 90,0%
Intercept	4,765	1,257	3,790	0,000	2,274	7,256	2,680	6,851
Gender	**-0,418**	0,158	**-2,638**	**0,010**	-0,732	-0,104	-0,681	-0,155
Age	**-0,201**	0,074	**-2,730**	**0,007**	-0,346	-0,055	-0,323	-0,079
Nationality	-0,154	0,160	-0,968	0,335	-0,471	0,162	-0,419	0,110
Work status	0,150	0,096	1,563	0,121	-0,040	0,341	-0,009	0,310
Past Experience	-0,095	0,114	-0,835	0,405	-0,321	0,130	-0,284	0,094
Tustworthiness	0,189	0,164	1,151	0,252	-0,136	0,515	-0,083	0,462
Reputation	**-0,262**	0,157	**-1,668**	**0,098**	-0,572	0,049	-0,522	-0,002
Website quality	0,173	0,135	1,280	0,203	-0,095	0,441	-0,051	0,397
Perceived Usefulness	-0,185	0,155	-1,188	0,237	-0,493	0,123	-0,443	0,073
Perceived Ease of Use	-0,032	0,159	-0,203	0,839	-0,347	0,282	-0,296	0,231
Training	0,133	0,139	0,963	0,338	-0,141	0,408	-0,096	0,363
Trusted Seal	**0,251**	0,107	**2,340**	**0,021**	0,039	0,463	0,073	0,428
Experts	-0,234	0,156	-1,500	0,136	-0,543	0,075	-0,493	0,025
Peers	0,080	0,112	0,712	0,478	-0,142	0,301	-0,106	0,265
Legislation	-0,024	0,138	-0,172	0,864	-0,297	0,250	-0,253	0,205

Appendix 6. Regression Results for Internet Purchase Behavior.

	Model 1	Model 2	Model 3	Model 4	Model 5	Model 6	Model 7	Model 8	Model 9	Model 10
N	130	130	130	130	130	130	130	130	130	130
R^2	0.203	0.203	0.199	0.112	0.103	0.095	0.104	0.88	0.95	0.090
Intercept	0.322	0.413	0.524	1.379	1.715	1.129	1.715	1.687	1.139	1.528
	(0.257)	(0.336)	(0.440)	(1.085)	(1.438)	(1.062)	(0.153)	(0.131)	(1.061)	(0.229)
Gender										
Age										
Nation.	0,622	0,622	0,616							
	(-3,625)a	(-3,935)a	(-3,833)a							
Wk. Exp.										
Past Exp.										
Trustw.	0,415	0,404	0,415	0,396	0,407	0,429	0,407	0,389	0,429	0,385
	(-2,456)c	(-2,489)c	(-2,491)c	(-0,206)b	(-2,356)b	(-2,499)b	(-2,356)b	(-2,428)b	(-2,499)b	(-2,287)b
Reput.										
Web Q.										
Usefuln.										
Ease of Use										
Training										
Trust. Seal										
Expert. Op.										
Peer Rev.										
Legisl.										

c = P < 0.05, b = P < 0.01, a = P < 0.001
Note. t-values are in parentheses

Appendix 7. Regression Results for Internet Banking Habits.

	Model 1	Model 2	Model 3	Model 4	Model 5	Model 6	Model 7	Model 8	Model 9	Model 10	Model 11	Model 12
N	130	130	130	130	130	130	130	130	130	130	130	130
R^2	0.093	0.070	0.090	0.068	0.061	0.051	0.075	0.073	0.049	0.037	0.038	0.040
Intercept.	4.079	3.922	3.903	3.826	3.383	3.656	3.747	3.265	3.697	3.419	2.769	3.802
	3.242	3.112	3.268	3.080	3.357	3.130	3.310	2.900	3.400	4.159	3.781	3.915
Gender	-0.370		-0.380		-0.329		-0.367	-0.323	-0.302			-0.305
	(-2.251)b		(-2.342)b		(-2.057)c		(-2.267)b	(-2.030)b	(-1.927)c			(-1.945)c
Age		-0.140		-0.143		-0.123				-0.128		
		(-1.887)c		(-1.934)c		(-1.704)c				(-1.792)c		
Nation.												
Wk. Exp.												
Past Exp.												
Trustw.												
Reput.												
Web Q.												
Usefuln.												
Ease of Use												
Training												
Trust. Seal												0.200
												(2.013)c
Expert. Op.												
Peer Rev.												
Legisl.												

c = P < 0.05, b = P < 0.01, a = P < 0.001
Note. t-values are in parentheses