THIRDPARTY RECOGNITION, PERCEIVED PRODUCT RELATED RISK, AND PERCEIVED EASE OF USE AMONG ONLINE CONSUMER TRUST: THE MODERATING ROLE OF INTERNET EXPERIENCE

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ABSTRACT

To investigate impact of perceived ease of use, third-party assurance seal and financial risk on online consumer trust, is the primary goal of this research. This impact is investigated through the moderating influence of internet experience. The data was collected from 307 students from three universities namely UUM, UniMap and USM. This study employed Partial Least Squares Structural equation modeling (PLS-SEM) as the major analysis technique, as PLS SEM is comparatively new analytical technique in construction. Before testing the model, systematic procedures to find the validity and reliability of the outer model were followed as it is the standard of SEM data analysis reporting. As the measurement model has been termed as valid and reliable, it further tests the hypothesized relationships. Prior to examining the hypothesized relationships, the predictive authority of the model was observed and described the goodness and verification of the overall model. After that, the structural model was analyzed and the results were reported in details. As shown in Table 4.10, the hypotheses of H_1, H_3, and H_4, were statistically confirmed with the findings of the study while H_2 was not assisted. Similarly, hypotheses of moderation effect, H_5, and H_7 were also not supported whereas H_6 was supported according to the method of Baron and Kenny (1986). The study concludes with some recommendations that can be used to guide the online retailers in managing their stores' service quality and loyalty.

Keywords: perceived ease of use, third-party assurance seal, financial risk, online consumer trust, internet experience

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CHAPTER 1

INTRODUCTION

1.1 Background of the study

In the 21st century, the tremendous use of internet provides a potential platform for e-commerce; it has made a way for merchants and manufacturers for doing business through online. It was reported by the e-commerce department's Census Bureau that the sales of US retail e-commerce is increased by 34.3% in comparison to the third quarter of 2001 which is accumulated to $11.061 billion in 2002. However, with the vast use of internet technologies and internet infrastructure, most of the developed and developing countries are doing online business (Jinhu Jiang, 2013).

The number of Internet users in 2007 was around 1,114,274,426 million worldwide. This is a 209.5% rise in comparison to the year 2000. The five highest countries are USA, China, Japan, Germany, and India, in which the number of internet users is 22.6%, 10.6%, 7.6%, 5.2%, and 4.4% respectively. For Malaysia, the users of internet are almost the 13,528,200 million users which only make up 3.4% of the Asia Users. The growth in the use of internet globally is almost 28% per year (Source: The Malaysian Communication and Multimedia Commissions, 2007). So if the trust of users increases on internet and they have good experience with internet used, they can take risk to buy online, and if there is no fraud the consumer perceived product related

risk (Financial Risk) increases which built his trust. Yong Joon Kim (2013) , Iakov Y. Bart(2005)Chan Jenn Ming (2012) , Raffaele Filieri (2010), Audun and Roslan Ismail (2014), Ilias O. Pappas (2012), Jinhu Jiang (2013), Sulin Ba (2001), Dan J. Kim (2003), Tao Zhou(2012), Oliver Schilke (2013), Philipp Klaus, Susan Rose (2012) , Anna Morgan-Thomas(2013), Anne Mollen (2009) , Kwek Choon Ling (2010), Susan Rose (2011), westa (2001) and Yulin Fang(2014) studied on e-commerce, online shopping is very important to study.

Survey was conducted by Pew Internet and American Life project, which is comprised of 1017 respondents using internet, in which, the concern related to revealing the financial information was expresses by 68% of the respondents, the respondents actually making online purchase through credit card were 48%, and the 3% respondents reported fraudulent practices by online merchant (fox, 2001). The concern of online consumers was considered different in comparison to other merchants and manufacturers. Survey, conducted in the year 2002, in which, a number of 1677 internet users were included which revealed that out of 64 million internet users only 3% were involved in the purchase of products online (PIP, 2002). Another survey, comprise of 1500 internet users, was conducted for the purpose of consumer Web Watch in 2002 by Prince Survey Research Associated (2002), in which, the 64% respondents were having lack of trust on sites of e-commerce. According to (Computer Industry Alamance Inc, 2006), the use of internet in Japan is 8% and is being considered the third highest country.

The PIP, for December 2002, reported the data of a recent survey conducted on online purchasing. According to the survey of comprised of 1220 internet user, the holiday gifts were purchased online by 28%, and this is almost a data of purchasers of a number almost 30 million (Rainie & Horrigan, 2002). The results of various surveys made revealed that the internet users lack of trust can affect the valuation of leading ".coms" (The Economist, 2001), and it is considered very difficult for online merchants to create trust for online purchases. In various fields, the trust with all connotations has been studied and it reveals a need of application and research in the online context. If reputable merchants and manufacturers create online trust, then the number of online purchasers increases. Moreover, a trust environment created where the buyers feels no hindrance in revealing the sensitive information, the confidence of online sellers increase, and the interaction, transaction, and association increases for the purpose of benefitting both merchants and consumers. Simply, the e-commerce future is related with trust.

1.2 Problem Statement

Lim Yi Jin et al., (2014) to influence online shopping behaviors of the consumers. Usually online customer afraid to make payment by their credit cards, and usually they prefer to buy offline to avoid frauds on internet. In northern Malaysia, online shopping is not as widely accepted by consumers as it is by those in other parts of Malaysia, The integrity of an online retailer is the main concern as a customer may

be skeptical if his or her personal information is used for other purposes. This concern is especially true among Malaysian consumers, who are generally conservative and averse to changes in life, especially in northern Malaysia. In addition, online trust influences e-commerce in northern Malaysia Mukherjee and P. Nath, (2007). Zendehdel & Paim (2015) say that there are few studies on e-comers in Malaysia. The adoption of online transactions by citizens and businesses is in its early stages in Malaysia (Alam&Yasin, 2010a; Delafrooz et al., 2011). There have been a lot of studies done on online shopping; few studies investigated the online trust in Malaysia. Malaysia is multicultural and multinational country, most of the individual from other countries come to Malaysia for truism or to attain education (Hofstede, 1984, 2001). However, this study didn't find any study that examines the online trust of international individual. This study is conducted on international students who are studying in UUM, USM and UniMap.

However, the results of consumer's trust on the recognition of third party are mixed. Head and Hassanein, 2002; Andrews and Boyle, 2008 and McCole et al. (2010) explored that assurance of third party is positively influencing the attitude of consumers related to purchasing. The study of McKnight et al. (2004) explored that the seals have nothing to do with the trust of consumers. Contrary to this, the study of Park et al. (2010) explored that the seals of third party assurance influence the level of satisfaction that the expectation regarding the seal of site is high. Because of the mix

finding, there is need to study on the influence of third party recognition on online consumer trust.

Moreover, the study of Cheung and Lee (2001) and McCole et al. (2010), identified risk which is considered similar to the study of Tan and Sutherland's (2004). The perceived risk, which is related to the product, has been found to have negative impact on the online purchasing (Kim et al., 2008). However, the quantity of money involved in purchasing in not important, or the product, but what matters is the risk of losing money with fraudulent activity in credit card (Andrews and Boyle, 2008; Bhatnagar et al., 2000; Biswas and Biswas, 2004).Furthermore, the individuals doing online purchases still worry about the related risk (Andrews and Boyle, 2008; Forsythe et al., 2006).So, it is important to study on perceived risk. Perceived ease of use and perceived product related risk (Financial Risk) are important predictors of consumer online trust. Luis. Carlos & Miguel (2007) found perceived ease of use effects on consumer trust.

The study of Miyazaki and Fernandez's (2001) interpreted these results which stated that the information of some internet consumer concerns influence the behavior of purchases. This concluded, with the increased experience of online consumer, the risk can be of less importance then. The findings of Moorman, Deshpande, and Zaltman (1993) and Korgaonkar and Wolin (1999) supported the hypothesis which states a negative association between the experience of consumers related to inaccurate personal data and online purchase of products. The hypothesis of negative association

between the attitude of consumer related to the use of unauthorized secondary data and online purchases was not supported by the results. Directional change which indicate moderating role is seen as the internet experience increase and decrease along with online trust. The researcher didn't find any study that investigates the internet experience as a moderator.

1.3 Research Questions

On the basis of problem statements the following questions can be created.

1. Is there impact of perceived ease of use, financial risk and third-party assurance seal and on online consumer trust?
2. Does internet experience plays a moderating role between the perceived ease of use, third-party assurance seal and financial risk and online consumer trust?

1.4 Research Objectives

1. To investigate the impact of perceived ease of use, financial risk and third-party assurance seal on online consumer trust.
2. To determine the moderating role of internet experience between perceived ease of use, third-party assurance seal and financial risk and online consumer trust.

1.5. Significance of the Study

To investigate the impact of perceived ease of use, third-party assurance seal and financial risk on online consumer trust, is the primary goal of this research .This impact is investigated through the moderating influence of internet experience. Antecedents of online trust are also found in this study. The present study is believed to have both theoretical and practical significance. In other words, the study adds to the whole body of research in the context of online customers trust. At the same time, the study is also believed to benefit to online electronic retails as the study makes some recommendations that can be taken into consideration by these shopping outlets. This in turn allows them to make informed decisions while devising appropriate marketing strategies to ensure continued customer online trust. The following sections address the theoretical and practical significance of the present research.

1.5.1 Theoretical Significance

This study aims to add knowledge generated from previous research and increases our understanding of existing literature on online customers trust particularly within the context of a developing country like Malaysia. One could argue that the literature on the link between the four perceived ease of use, third-party assurance seal, financial risk, internet experience and consumer trust is well-established in previous studies and hence, there is no need to examine this link in future studies (Abbasi, 2007; Peikari, 2010a).

In addition, there seems to be no agreement among researchers on the nature of link between consumer trust and third party recognition. For example, the seals awareness is low (Head and Hassanein, 2002) and such seals are not considered by consumers but the simply assume if they are in place (Andrews and Boyle, 2008). It was explored in the study of McKnight et al. (2004) that the trust of consumer is not affected by seal. Contrary to this, the study of Park et al. (2010) explored the assurance seal of third party influence the satisfaction level making suggestion regarding the high expectation of consumer regarding the seals of sites. The study of McCole et al. (2010) also explored that the attitude towards purchasing is influences by assurance of trust in third party. Because of the mix finding, there is need to study on the impact of third party recognition on online consumer trust. Thus, this research is regarded as theoretically significant as it validates such claims on the nature of link between the said variables and this would in turn contribute to the body of research on these links between said factors. In the previous single study, the researcher didn't find any study that examines the variable internet experience as a moderator variable to check its impact on customer online trust.

1.5.2 Practical Significance

The findings of this study are expected to help companies which agree to the e-commerce market of Malaysia. The results can help the policy makers and business managers to efficiently address the concern of Malaysians regarding the risk and trust

in online environment. Moreover, the findings are expected to develop the knowledge of the global diffusion of e-commerce in the developing countries in general and in Malaysia with its unique features specifically.

Another problem is considered the cultural differences of various nations have been considered the factors influencing the perception related to online trust and risk. Most of the studies are conducted on westeren countries (CheskinResearchGroup, 2000; Cyr, 2008; Cyr, Bonanni, Bowes, &Ilsever, 2005;Peikari, 2010a; Talukder&Yeow, 2006; Alam&Yasin, 2010). Malaysia represents an Asian country with its unique culture of collectivism and uncertainty avoidance (Hofstede, 1984, 2001) which has made them skeptical in revealing sensitive information in the online trust (Alam&Yasin, 2010a; Peikari, 2010)

1.6 Definition of Terms (Theoretical definitions)

1.6.1 Third-Party Seal (Independent Variable)

Related to the previous behaviors, efficacies, and intentions of E-retailers, the party seal is considered one source of formal information of third party (Kimery & McCord, 2002).

1.6.2 Financial Risk

The definition of financial risk can be "the belief of trusting individual related to the outsides losses by credit cards and gains of consideration that comprises the association with particular trustee" (Mayer, Davis, & Schoorman, 1995).

1.6.3 Perceived Ease-of- Use

The perceived ease of use means "the belief of a person using a system would be free from efforts" (Davis, 1989).

1.6.4 Moderating Variable (Internet Experience)

Internet experience defines the gained skill and information in a specific time about internet use" (Wallen, 2000)

1.6.5 Dependent Variable (Online Consumer Trust)

"The expectation of trusting individual related to the trustee's behaviors and motive" is known as consumer trust (Doney& Cannon, 1997).

CHAPTER 2

LITERATURE REVIEW

2.1 Trust in Internet Shopping

Yong Joon Kim (2013) , Iakov Y. Bart (2005) Chan Jenn Ming (2012) said Various factors, including quality of service, system, information and characteristics of vendor and channel, demographics and personal behavior traits, the help in influencing the online behavior related to purchasing (Saeed, Hwang, & Yi, 2003). The behavior of consumer is being considered an old problem: however, the behavior of online consumer is being considered a new area of discussion (Saeed et al., 2003). The technology acceptance model was considered in recent literature related to the behavior of online consumer (Davis, Bagozzi, &Warshaw, 1989), the Theory of Reasoned Action (Fishbein & Ajzen, 1975), and Flow Theory (Csikszentmihalyi, 1988).

2.2 Online Consumer Trust

The sale of products and services with the help of internet is known as e-commerce. The picture is only shown to the consumer at the time of purchasing the products online. Moreover, the online consumer knows nothing about the size of online store. Thus, trust is being considered an important factor for online consumers. The study of Jarvenpaa, Tractinsky, and Vitale (2000) indicated that the trust model of consumer is

comprised of perceived size and reputation, and the trust of consumer can be impacted by these factors. Therefore, trust can cause risk perception and attitude. Subsequently, the willingness to buy is influenced by attitude and risk perception. The integrity, efficacy, and benevolence were considered three factors in the study of Chen and D hillon (2003) influencing the trust of consumers. According to the study of Liu, Marchewka, and Ku (2004), Raffaele Filieri (2010), Audun and Roslan Ismail (2002), Ilias O. Pappas (2012), Jinhu Jiang (2013), Sulin Ba (2001) and Dan J. Kim (2003) the factors of notice, choice, and security is encompassed n privacy and these factors influence the level of trust of consumer.

2.3 Online Trust

Tao Zhou (2012), Oliver Schilke (2009), Philipp Klaus, Susan Rose (2012) , Anna Morgan-Thomas (2013) and Anne Mollen (2009) said trust is being considered a psychological state including the intention of accepting the vulnerability on the basis of positive expectation of other's behaviors or intentions (Rousseau, Sitkin, Burt and Camerer 1998, p. 395). In the literature of marketing (Doney and Cannon 1997; Dwyer, Schurr and Oh 1987; Ganesan 1994; Ganesan and Hess 1997; Morgan and Hunt 1994), the study of trust is based on the relationship marketing. In studying the relationship of buyer seller, trust is sales is being considered an evolving process and is done on the basis of sale representative's honesty, reliability, consistency and trustworthiness (Anderson and Narus 1990; Doney and Cannon 1997; Ganesan 1994).

Kwek Choon Ling (2010), Susan Rose (2011), westa (2001) and Yulin Fang (2014) said the focus of this research is on online trust, which is considered different from offline trust. In contrast to offline trust, web site, internet, or technology is being considered the object of online trust. The website of a firm can be considered as a store for developing customer trust, and metaphor extension of sales person (Jarvenpaa et al., 2000). The interaction with website is considered the customer interaction with the store, and the perception of customer trust is built in web site on the basis of interaction. The trust is developed with the site, if the impression of consumer is positive and the vulnerability is accepted. The perception of consumer regarding the efficacy of site in practicing the required function, and the firm perception of good intention, is making a contribution to the individual trust in a site. Online trust are being considered having the perception of consumer regarding the way of site delivering the expectations, and making the information of site believable, and the extent of confidence in the site.

2.3.1 Effects of Consumer Characteristics on Online Trust

The web site trust influenced by the features of consumer. Any previous variation of theoretical expectations is not available related to the influence of categories of web site, so this problem is considered an empirical issue.

Some consumers are being considered more familiar in comparison to others. And this is because of previous visits to the site and having satisfied experience.

According to the study of Yoon (2002), the prior satisfaction and consumer familiarity is influencing the trust of web site. The consistent expectations are building with familiarity of a web site that may cause positive impact on web site.

The web site trust is affected by consumer experience. The confidence of experienced internet user are higher in comparison to a new one. Thus, if the individual is expert the online trust can also higher as well (Novak, Hoffman and Yung 2000).

In order to determine the attitude on a web site, the experience of customer in the online environment is being considered important (Novak, Hoffman and Yung 2000). The trust propensity of individual is influenced by previous experience (Lee and Turban 2001). The customer satisfaction is also driven by previous experience (Boulding et al. 1999; Shankar et al. 2003) and satisfaction is a determinant of trust (Singh and Sirdeshmukh 2000). The shopping experience of consumer can consider it as inoculation against regret feelings which are potential which is created from a negative impact of web site behavioral intent for the purpose of justifying the intent of individual on a website, and subsequently building web site trust (Inman and Zeelenberg 2002).

The internet is used by many people for the purpose of online entertainment; many use chat to share their expertise, obtaining information from consumers related to service and product, which increased the web site confidence. Therefore, if the

experience in chat and entertainment is high on the internet, the higher the trust in web site.

High financial risk is involved in computer web sites, Auto, and financial services web sites. In the web sites of communities, the risk of high information is involved. The sites of sports and portals have high level of information. High information risk is involved in travel web sites and also in e-tail web site which are related to with high financial risk.

2.3.2 Trustee factors.

The study of Aghdaie, Piraman and Fathi (2011) explored that people decide to either trust or not on the basis of features of trustee and also on the basis of assessing the individual factors. The feature of trustee is ensured in two parts: first, some features like reputation and size about merchant or companies, second feature is related to design, security, and appearance of the web site. Moreover, on the basis of these two features, the factors of trustee are further divided into five elements. First, lack of error and perceived quality according to (Kim et al 2005; Hoffman et al 1999; Chiu et al 2010), if the website is trusted by consumer comprise of information which are guaranteed like quality, they are mostly focusing the dealer's honesty, the claim made related to the products and unwanted messages (Kim et al 2005). Ensuring important information can cause the enhanced brand improvement and perception.

As the expectation of customer regarding every web site is error free, the good information web site is trusted. In various studies it is explained that with the help of providing comprehensive information in web site related to health, the trust on web sites is increased (Beldad et al 2010). The graphic and design feature is considered the second element (Jones & Leonard 2008; Beldad et al 2010). Since, with the help of strategic planning customers are attracted towards web sites, the aesthetic design is considered important tool for the development of trust. The definition aesthetic design is beauty with help of which elements like language, colors, shapes, songs and animation are being expressed (Li &Yeh 2010). The influence of graphical features was evaluated by Kim and Moran like colors and images in the development of web site for the database of a bank. The result of the study revealed the increase in the three dimensional dynamic images, the feeling of the user is getting better regarding the reliability of banking system (Beldad 2010). Increasing the website efficacy of raising the number of consumer is considered an important feature of the website.

This can be achieved if entertainment is provided to the customers, allowing their feedback and interaction through email which encourage the customer to re visit the web site and is sustained. Online games, animations, photos, display products can be the content of entertainment (Samaniego et al 2006). Therefore, when new areas are considered familiar, people feel free to do things accordingly, and easily understand things (Lu et al., 2010). Help is considered an important aspect for measuring the efficiency of website and are comprised of technical skills of web designer,

effectiveness in operations, and ensuring fast and useful guidance. Reputation and performance is considered third element influencing trust (Eastlick et al 2006). The vendor reputation and positive word of mouth are revealed by researchers as influencing factors in internet organization.

Furthermore, if the trust of consumer in product or organization is increased, the perceived risk of an individual can be minimized (March 2006). Reputation is considered a valuable asset which is in need of resource related long term investment, and also greater effort making their focus on the relationship of customers. Moreover, customer's trust and perceived risk are considered related in online stores (Liu &teo 2007). Therefore, the sellers with good reputation must sustain it. Two things are very important in every trade, payment method and exchange of product. The system of payment can make an influence on others (Kim et al 2010) and the delivery of the product including guarantee of specific product related to timely and quality delivery, and returning system of the product can influence trust (Kolsaker & Payene 2002).with the establishment of e-commerce, the need for electronic payment service was peered and for the purpose of payment the traditional system of was used as e-payment service model.

However, the e-payment system is considered the interface between the users allowing customers for accessing their bank account. Normally, the categories of e-payment are as follow: Digital cash, credit card, prepaid cards, debit cards, and payment on delivery. The benefits of e-payments system are more in comparison to

traditional system, it is also consider free from fraudulent activities and the security of e-payment is considered its success factor. Although, different tools and mechanism are developed for the security of e-payment, still the security issues are available. Hence, the need of reducing the risk in e-payment is increased (Kim et al 2010).

However, the exchange of product is considered the important factor of transaction (Kim et al 2005). The delivery of product can increase the expertise of customer regarding the brand (Yeh& Li 2009).because of the e-commerce nature and failure in the delivery of particular goods causes an increase in the perceived risk by the consumer. When consumer gets a receipt for their shopping, and they have the efficacy of tracking online its order, they can then buy online. If the need of returning the good arises, the return of the product must be ensured to the customer for problem solving. With the tracking system of the order, customers are allowed to examine the process of purchasing which helps in reduction of the possible abuse (Gregory et al 2013).

2.4 Previous studies on Perceived Risk

According to the study of Cheung and Lee (2001) and McCole et al. (2010), which is same to the study of Tan and Sutherland's (2004) related to conceptualization of institutional risk. It is concerned with online environment where the customer is needed to trust the technology included in making searches and purchases (McCole et al., 2010; Tan and Sutherland, 2004). Perceived risk is considered having negative

influence related online behavior (Kim et al., 2008). The study of Forsythe et al. (2006) evaluated three different factors: financial, product, and time risk. Moreover, perceive risk influence those respondents who purchase online less frequently in comparison to more frequent customers (Forsythe et al., 2006). Perceptions like this are considered related with the used of medium, i.e. with transaction reliability and security over internet, known as transaction risk (Biswas and Biswas, 2004).

However, it is not only the amount of money, or the actual product, but losing money with fraudulent practices of credit card fraud (Andrews and Boyle, 2008; Bhatnagar et al., 2000; Biswas and Biswas, 2004). The results make a suggestion regarding the advantages of doing so Kuhlmeier and Knight, 2005; Yang and Jun, 2002; Bhatnagar and Ghose, 2004; Andrews and Boyle, 2008).

A detailed framework was designed by Saeed et al., (2003) for the purpose of online purchasing and behavior. The study used 42 different studies for the purpose of comparing its findings, and integrating the findings of research across studies. People of higher age, income and education were more open to buy online (Bellman, Lohse, & Johnson, 1999; Liao & Cheung, 2001). Reviving the findings of 42 researches, the study made a conclusion that the process of online shopping is comprised of three stages: use of internet, online shopping, and post buying.

The perception of consumer was found an important variable by authors in the prediction of online purchasing behavior of consumer, and further discusses and

examined. The framework of Saeed's et al., (2003) is comprised of system, information, and quality of service, and features of channel and vendors, in additionto the below discussed personal traits and consumer demographic

2.5 Internet Experience

The increase experience in internet can make easy the decision of consumer perceived risks, security and privacy related to internet shopping (Miyazaki & Fernandez, 2001). The internet purchases are being influence by experience in the use of internet (Hoffman, Novak, & Peralta, 1999). The new user of internet hesitates in buying online products (fox, 2000).

Experience is considered the time a consumer has used personal computer, and if the consumer has obtained a level of skill (George, 2002). The experience use consider internet more trustworthy in comparison to novice user (George, 2002). According to the study of Miyazaki and Fernandez (2001), both qualitative and quantitative study was conducted for the purpose of finding out the relationship between online customers, experience of internet, and actual purchase. The study used a non-experimental, causal comparative and both design (qualitative and quantitative) taking 189 respondents. The ages of the subject were in the range of 15 to 76 years; gender was equal, and the educational level is from high school to university. The literature review of Miyazaki and Fernandez's (2001) was current, in making comparison and contrasting theories of online shopping. Empirical studies of the privacy and security

related to online consumers was analyzed with the help of online behavior of buying, which cause a gap in the previous studies that the problems of security and fraudulent potentials were not considered predictors of the rates of online purchasing. The hypothesis that "in doing online purchases, the influence of experience of internet was negative on perceived risk" was backed by findings (Miyazaki & Fernandez, 2001, p. 30), with the help of multiple regression analysis. These findings were interpreted by Miyazaki and Fernandez's (2001) as purchase behavior was influenced by concern of some information of internet consumer. This derived a conclusion, that with the increased internet experience, the risk is not concerned in online shopping

The two trained data collectors were considered the significant strength of the study of Miyazaki and Fernandez's (2001). Analysis of the mixed procedures was considered the limitation of the study which resulted in specific area of concern to the online buyers. The following fields of study were created by these authors: the descriptive data outcome being generalized might not be gathered from national or global sample. The application for practice was that appropriate policies related to privacy must be posted to the particular web site of e-commerce, thereby making sure the online purchaser to understand the way of retailer's using the data of online purchasers.

The important strength of this research was in the testing of hypothesis related to the theory of perceived risk, but the validity and reliability is not reported in this study. The sample was randomly picked, and the experience of internet was analyzed from

to point of views: 1) the experience duration, and 2) using frequency. The focus of future studies must be non-random and increased sample size.

2.6 Perceived Ease of Use

The most important factors determining whether customers return to a website are ease of use and the presence of user-friendly features.[25]Usability testing is important for finding problems and improvements in a web site. Methods for evaluating usability include heuristic evaluation, cognitive walkthrough, and user testing. Each technique has its own characteristics and emphasizes different aspects of the user experience.

Since behavioral intent depends on cognitive choice, a potential Internet shopper can either respond favorably or unfavorably towards engaging in online purchasing. Meaning, the "like/dislike nuance" would be based on whether the tradeoff is beneficial to the potential Internet shopper as opposed to other forms of retailing. Partly, this study believes that the power to attract online shoppers lies in the technology's usability and usefulness. This is in line with Davis (1989) who defines the latter as perceived usefulness (PU), i.e. the belief that using the application would increase one's performance. In this context, the performance would be centered in the benefits of purchasing a product through Internet retailing minus the tradeoff of a physical retailing. Additionally, the Internet retailing should be "free from effort", which reflects the former as the perceived ease of use construct in the TAM of Davis

(1989). In the past, researchers (e.g. Koufaris, 2002) have validated the construct of PU and they were found to influence the intention of potential Internet shoppers. However, study on Internet retailing from the TAM perspective is limited, nevertheless the PU construct still garnered tremendous support from many other technological applications. For example, Horton et al. (2002) asserted the existence of a positive influence of PU on intention in Intranet media. Additionally, Agarwal and Prasad (1999); Chau and Hu (2002); Davis, et al. (1989); Hu et al. (1999); Igbaria et al. (1995); Igbaria (1993); Mathieson (1991); Mathieson et al. (2001); Moon and Kim (2001); Ramayah et al. (2002); Venkatesh and Davis (2000) also reported that PU is significant and positively influences the behavioral intent.

2.7 Perceived Risk

When the date related to online purchaser was collected, customers were having reservation regarding the selling and exchanging of data (Wang, Lee, & Wang, 1998). The theory of risk propensity was introduced by stikin in 1999 on the basis of qualitative study he made on the intent of online purchasers. Two basic constructs related to privacy and securities of internet were indicated in this theory. The basic proposition of this theory were 1) the experienced internet user do shop online; and 2) both experienced and non-experienced online purchasers would like to do online shopping if statements related to online privacy and security are available (Sitkin, 1995).

A model was developed by Milloy, Fink, and Morris (2002) which illustrates both direct and indirect association among these ideas. The (Sitkin, 1995) theory related to the propensity of risk discussed important problems related to the privacy and security of web in e-commerce, and was considered significant in prediction, explanation, and discrimination among consumer having or not having intention of purchasing. No basic proposition was present in empirical studies having conflicting results, because the proposition is not tested in this theoretical report to become hypotheses.

2.8 Previous studies on Trust in third party assurances

Ozpolat, Jao, Jan and Viswanathan (2013) found that third-party quality assurance seals have emerged as a prominent mechanism to reduce uncertainty and increase purchase conversion in online markets. However, systematic studies of the effectiveness of these seals are scarce. This study found a unique data set of 9,098 shopping sessions at an online retailer's website to empirically measure the value and effectiveness of assurance seals on the likelihood of purchase by shoppers. The data set is collected from a randomized field experiment conducted by a large seal provider, which enables us to infer the causal impacts of the presence of an assurance seal. This study finds strong evidence that the presence of the assurance seal increases the likelihood of purchase conversion.

For the purpose of mitigating the risk related to the online purchasing, and for the purpose of increasing the vendor trust, internet firms, on their websites, must display

assurance of third party. According to the study of Cheung and Lee (2001), this concept is known as recognition of third party and making suggestion that assurance seal like these are known as external to the online vendors. Certification indicators can be ensured by vendors, like internet assurance seal, providing symbol of credit card on their websites, trust marks, which helps in rising the trust propensity of an individual (Wu et al., 2010) and act as risk relievers (McCole et al., 2010). The public trusted and recognized third party seals of approval are represented by them Park et al., 2010). With the help of using third party assurance, the negative perception related to the risk of doing online business is relieved, therefore, the consumer trust is created in online stores (Biswas and Biswas, 2004; Drennan et al., 2006;Wanget al., 2004).

2.9 Third-Party Assurance Seal

This term is referring to the information and resources of third party related to its previous behavior, purposes, and efficacies (Kimery& McCord, 2002). Recently, various e-retailers have gained third party seal for the purpose of developing trust in online purchasers (Kimery& McCord, 2002). With getting the assurance seal of third party, the given standard of trust is met and can be trusted by consumer (Kimery& McCord, 2002).

A quantitative study was made by Kimery and McCord (2002) for the purpose of analyzing the use of third party seals in increasing trust. The experimental research

design was used by these researchers. The literature review of the study of Kimery and McCord's (2002) was most recent. The basic limitation of the study was that it was never mentioned that the seal of third party influence the trust of online purchasers.

In the study of Kimery and McCord's (2002), a plan of non probability sampling was used. For internal consistency, the estimates of reliability were considered high and validity constructs were developed. The method of collecting data was clearly explained, but the IRB or other approvals were not reported in the study. Findings, with the help of using exploratory regression analysis and coefficient paths, backed the hypothesis when the trust on online store is developed; the online shopping increases (Kimery& McCord, 2002). According to the study of Kimery and McCord's (2002), these findings were interpreted as that the seals of third party assurance influence online consumer visiting an unknown online store. The application of this is that the decision must be made clearly regarding the joining of third party assurance (Kimery& McCord, 2002). The following areas for the future study were developed by Kimery and McCord (2002): finding out other related elements with the help of which the trust variables and seals of assurance are reconciled.

2.10 Underpinning Theory

2.10.1 Flow Theory

The study of Csikszentmihalyi (1988) developed flow theory. According to which, enjoyment, interest, and concentration of a practice must be experienced simultaneously for the purpose of flow to happen (Csikszentmihalyi, 2000). According to the study of (Csikszentmihalyi, 2000), the measurement of common flow was the enjoyment level of an activity. On the basis of this theory, concentrations are referring to the flow of experiences that were explained as state of intense focus in an activity (Csikszentmihalyi, 2000). Internet was being considered a fundamental aspect of flow experiences (Csikszentmihalyi, 2000).

If shopping is not enjoyed by customer, the web stores then cannot be visited by online purchasers (Rice, 1997). In shopping online, the impressions are cognitive and emotional, third part recognition affects online shopping (Koufaris, 2002). The re-visit of the customer can be determined by these feelings (Koufaris, 2002). The enjoyment of shopping was considered an important influence on the attitude of consumer in online shopping (Eighmey, 1997). A quantitative study was conducted by Koufaris (2002) on both cognitive and emotional responses of consumer's first visit to the online store. The fear of financial risk was associated with online shopping. Causal comparative, quantitative, and non-experimental design was used by researchers. The literature of the Koufaris's (2002) was considered more recent in

both contrasting and comparison theories about IS, and behavior of online customer. A major gap in the literature is created by empirical studies, which ensure proofs that the website is not visited by the subject on their own volition. By providing a gift card of $10 to every participant, Koufaris (2002) encouraged participants to visit website.

In the study of Koufaris' (2002), a plan of probability sampling was used. Shopping enjoyment, ease of use and usefulness were measured with the help of descriptive statistics. For internal consistency, the estimates of reliability were considered high and constructs validity was developed. The method of data collection was clearly explained. The results, with the help of linear regression, backed the hypothesis that the relationship of usefulness and the willingness of re-visit are positively associated. With the help of liner regression, the hypothesis of ease of use with intention is positively related, was not supported. Nor did the study supported the hypothesis that customer having more shopping enjoyment are considered to have more unplanned purchases.

According to the study of Koufaris' (2002), for the re-visit of new customer, the enjoyment of shopping and usefulness of were considered important. The study of Koufaris' (2002) reported no strength, but a weakness reported was the missing important variable from the framework. The limitation of the study was the registration of subject with the company of online market research, and made responses to various questionnaires online. The following fields were suggested by Koufaris' (2002) for the future study: 1) re-examine the tested relationship of the

study, and create new predictors; 2) capturing actual consumer which can best explain the factors of planned purchasing, 3) with the help of metrics determining the way of thinking, feeling, and acting of consumer at the time of online shopping.

The important strength of this study were in testing hypothesis in theories of MIS, and shopping enjoyment validity and reliability of variable measures, which results in high quality of data, analysis of data, and for replication, clearly explained mechanism. External validity was the limitation of the study, where the results were limited to a number of 300 visitors to Books a Million website, and gift certificate of $10 was given for participants (Koufaris, 2002). This study recommended the inclusion of other bookstore websites or overall online purchase for future studies (Koufaris, 2002).

CHAPTER 3

RESEARCH METHODOLOGY

3.1 Introduction

A quantitative procedure was utilized to study the variables affecting online consumer trust. This chapter discusses the technique of the study, arrangement and setting of instruments, selection of sample, data collection and model of the study.

3.2 Framework of the Study

The theoretical framework is the foundation on which the entire research project is based. It identifies the network of relationships among the variables considered important to the study of given problem. The dependent variable is online consumer trust which is the variable of primary interest. The variance in which is attempted to be explained by the independent variables are perceived ease of use, Financial Risk, and third-party recognition while the, internet experience is selected as a moderator variable. The selection of the variables is based on technology acceptance model, theory of reasoned action and flow theory. The theoretical framework displays the relationships among the concepts as follows: (a) perceived ease of use, online consumer trust, (b) the use of a financial risk would impact on online consumer trust (c) online consumer trust was affected by third-party seal and (d) Internet experience

moderate the relationship between perceived ease of use, financial risk, third-party seal and online customer trust.

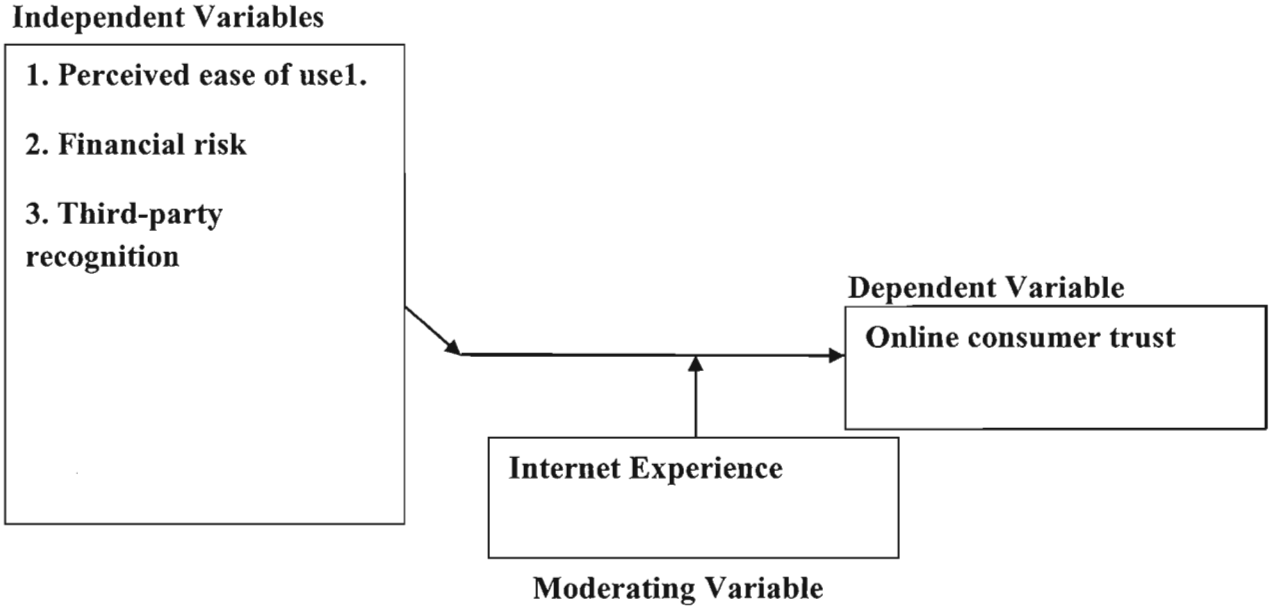

Figure 1: Framework of the study

3.3 The Research Variables

Perceived ease of use, financial Risk, third-party recognition, internet experience and customer's online trust are the main variables of this study. The following section discusses the operational definition of the main factors used in the research framework.

3.3.1 Perceived ease-of-use

It refer the degree to which a person believes that using a particular system would be free from effort (Davis, 1989).

3.3.2 Independent Variable (Financial risk)

Financial risk means "the Internet users' perception on the possibility of yielding unexpected outcomes through credit and debit cards with undesirable consequences" (Cheung & Lee, 2001Perceived risk (3 items) was measured by trust in Internet shopping questionnaire by Professors Cheung and Lee (2000).

3.3.4 Independent Variable (Third-Party Seal)

Third party seal means "the assurance of the trustworthiness of Internet vendors by third party recognition bodies" (Cheung & Lee, 2001). Third party seal (3 items) was measured by trust in Internet shopping questionnaire by Professors Cheung and Lee (2000).

3.3.5 Moderating Variable (Internet Experience)

The researcher defined internet experience in this study as the number of years that the subjects have used the Internet. Internet experience (3 items) was measured by trust in Internet shopping questionnaire by Professors Cheung and Lee (2000).

3.3.6 Dependent Variable (Online Consumer Trust)

In this study, trust was defined as "the psychological status of involved parties who are willing to pursue further interactions to achieve a planned goal" (Turban & King, 2003). Trust (3 items) was measured by trust in Internet shopping questionnaire by Professors Cheung and Lee (2000).

3.4 Measurement and Instrument

The instrument is used to establish internal consistency regarding Cronbach's (a) on the total scale and subscales. The total scale contained 26 items. Perceived ease of use (6 items), Financial Risk (8 items), Third party assurance sea (4 items), internet experience (3 items) and online trust (5 items). Scale type of the instrument is on a 5-point Likert Rating Scale (1 represents "strongly disagree", 3 indicates "neutral" and 5 means "strongly". The detail and source of variables perceived ease of use, financial risk, third party assurance seal, internet experience and online trust) are given below.

Table 3.1

Construct	Items	Source
Online Trust (cot)	5	Cheung's and Lee's (2000)
Internet experience (IE)	3	Cheung's and Lee's (2000)
Third party Recognition (TPR)	4	Cheung's and Lee's (2000)
Perceived ease of use (PEOU)	6	Chen et al. (2004).
Financial Risk (FR)	2	Laroche et al. (2004).

3.5: Hypothesis of the study...

H1. Perceived ease of use has impact on with online consumer trust.

H2. Financial Risk has impact on online consumer trust.

H3. Third-party assurance seal has impact on online consumer trust.

H4a. Internet experience moderates the relationship between perceived ease of use and consumer trust.

H4b. Internet experience moderates the relationship between Financial Risk and online consumer trust.

H4c. Internet experience moderates the relationship between third-party assurance seal and online consumer trust.

3.6: Research Design

It has been pointed out in the literature that research design is a master plan that is prepared by the researcher to direct his steps in the undertaking of the research project through the data collection and data analysis stages (Zikmund, 2003). From the research methodology point of view, there are different research designs that can be deployed in doing research. As pointed out by Zikmund (2003), those are four-research methods for descriptive and causal research. These methods are survey, experiments, secondary data study, and observation. In addition, from another standpoint, the literature of social science has identified four major categories of research designs. These categories are descriptive, correlation, experimental, and quasi-experimental (Leary, 2004). A study that investigates the relationships between various variables can be categorized as a correlational study. When correlation studies are conducted in organizations, they are called field studies (Sekaran, 2003). Sample of the study was the UUM, UniMap and USM students. The number of the international students in UUM were 4624, USM 2000 and in UniMap 440 international students were recorded with the help of universities administration.

Since there is no hard and fast rule in choosing the best research design, deciding which research design to be followed in doing research is fully dependent on the research purpose and the research context (Zikmund 2003).

Two research questions and the four research hypotheses would lead to the development of a self-administrated questionnaire research study, with descriptive and exploratory purposes. The design focuses on quantitative methods with close-ended questions on the survey tool. The research questions and research hypotheses are addressed through quantitative methods. The dependent variable is online consumer trust and the independent variables are perceived ease of use, the existence of a third-party assurance seal, and perceived product related risk (Financial Risk). The moderating variable is Internet experience, Variables is measured by questions on the Trust in Internet Shopping Survey, using a 5-point Likert Rating Scale (1 represents "strongly disagree", 3 indicates "neutral", and 5 means "strongly agree"). The survey was developed by Cheung and Lee (2000). The sample size would be selected by formula suggested by Morgan (2002).

3.7. Research Method

This study utilized survey design. According to Zikmund (2008), survey elaborates a phenomenon and examines the causes of any specific activity. According to Neuman (1997), this method is very useful as it assists the researcher in data collection from a large sample size in order to measure multiple variables and test multiple hypotheses. The survey method is quite popular and is commonly used for conducting quantitative research in the domain of business management (Cooper & Schindler, 2006; Hair, Bush, & Ortinau, 2003).

3.8 Data Collection

Survey research is a popular method of collecting data in the applied social research and is considered quite reliable (Babbie, 1990). A survey can range from a brief paper-and-pencil feedback form to an elaborative individual in-depth interview. In this study, self-administered questionnaires was used. According to Bryman and Bell (2003), self-administered questionnaires are useful as they cover wider geographical area, offer convenience to respondents and contain well-structured questions. Self-administered questionnaires were also chosen mail survey was chosen to collect the data.

Once the questionnaires were completed by the respondents, they returned directly to the enumerators. The purpose of this approach was to avert procrastination (that is an accepted practice in the country) in filling up the survey due to their polychromic reference of time. The major benefit of this approach is in its enhanced ability in obtaining adequate and precise information (Zikmund, 2008). Both male and female enumerators were used for the collection of data based on the cultural orientation of the country.

3.8.1 Population of the Study

According to the the Malaysian Communication and Multimedia Commissions, 2007, for Malaysia, the Internet users are around 13,528,200 million users which only make

up 3.4% of the Asia Users. Three universities (UUM, UniMap and USM) were the target population of this study. The number of the international students in UUM were 4624, USM 2000 and in UniMap 440 international students were recorded with the help of administration of said universities.

3.8.2 Sampling Method

A sample is a group of individuals or firms that are chosen in a particular study. Meanwhile, sampling is the application of a subset of the population to represent the whole population. The approach of choosing the categories of individuals can be done by using several sampling techniques. There are two types of sampling techniques: non-probability and probability sampling. In selecting a suitable sampling technique, one is required to make sure that the sample represents the whole population and can be generalised to other contexts.

The non-probability sampling is a method whereby there are unequal chances for every subject to be chosen as a sample. What it means is that some individuals may have a higher chance of being selected than the others. The drawback of non-probability sampling is that the results cannot be generalized to the whole population (Bryman & Bell, 2003). In comparison, probability sampling is a method where every individual has an equal opportunity of being chosen as a sample at random. However, when the population of the study is too big, non-probability sampling technique becomes more feasible and applicable (Wretman, 2010). Taking into account that the

population in this study includes online shoppers who already have shopping experience in universities in Kedah, Malaysia and thus it is not feasible to conduct a probability sampling technique. A non-probability sampling technique known as convenient sampling technique was used in this study.

3.8.3 Determination of Sample Size

The main purpose of the survey research is to collect data that is representative of the population. One of the fundamental advantages of a quantitative method is its ability to use smaller groups of people to make inferences about larger groups that would otherwise be prohibitively expensive to study (Holton & Burnett, 1997). Hence, the researcher utilized information collected from the survey to make generalizations of the results to the population within the limits of random error. However, in order to be able to generalize well, an appropriate sample size should be considered.

The sample size for this study based on Morgan table which suggest that sample size of 305 or above is sufficient for the population above 10,000 (Morgan, 1960). Therefore, researcher collected the sample of international students of three universities name UUM, USM and UniMap.

Table 3.1: Selection of sample size

Universities	Number of International Students in 2015	Selected sampl of international students in 2015	Samples to be Collected (according to Morgan)
USM	2000	107	
UUM	4624	107	
UniMap	440	106	
Total Population	7064	320	305

The specific total number of samples to be taken in each university was determined later.

Participants needed to have internet experience. Subjects were willing to join the study and complete the survey.

3.9 Data Analysis

3.9.1 Partial Least Squares (PLS) Technique

PLS SEM technique is termed a second generation structural equation modeling (Wold, 1982). The comparatively newly used technique works well with structural equation models that contain latent variables and a series of cause-and-effect connection (Gustafsson & Johnson, 2004). The PLS SEM analysis technique is a good and flexible tool for statistical model building as well as prediction (Ringle, Wende,

&wiliam, 2012). Specifically, the PLS technique was applied in this research work because of these given reasons. Firstly, structural equations models have been shown to be superior models that perform estimations better than regressions for assessing mediation (Brown, 1997; Iacobucci, Saldanha, & Deng, 2007; Mattanah, Hancock, & Brand 2004; Preacher & Hayes, 2004). Apart from that, it has been reported that PLS SEM accounts for measurement error and can provide more accurate estimates of mediating effects (Chin, 1998a).

Secondly, PLS path modeling becomes more appropriate for real world applications and it is more advantageous to use when models are complex (Fornell & Bookstein, 1982; Hulland, 1999). The soft modeling assumptions of PLS technique (i.e., ability to flexibly develop and validate complex models) gives it the advantage of estimating large complex models (Akter et al., 2011). The current study examined the relationships among five variables (third-party assurance seal, perceived product related risk (Financial Risk), perceived ease of use, internet experience and online consumer trust) within the structural model and therefore employing the use of PLS SEM techniques was suitable for better estimation.

Thirdly, when date have normality problem (Osborne, 2010) and PLS path modeling does not require data to be normal (Chin, 1998a). Particularly, PLS takes non-normal data and handle in better way. In general, PLS path modeling was selected for this study to help avoid any normality problem that might arise in the course of data analysis for the study. Fourthly, PLS SEM offers more meaningful and valid results,

while other methods of analysis like software package used for statistical analysis (SPSS) often result in less clear conclusions and would require several separate analyses (Bollen, 1989).

Hair et al. (2010) stated that partial least squares (PLS) is now a famous alternative to SEM method – this includes LISREL, AMOS among other programs. The PLS modeling has to be employed in the initial stage of theoretical development to assess and validate exploratory models. Additionally, one of its powerful features is its suitability for prediction-oriented research where the methodology helps researchers to concentrate on the explanation of endogenous constructs. An additional ability of PLS is its vulnerability to multicollinearity. PLS also determines measurement models and structural models through multiple regressions, and hence its estimates can be vulnerable to issues of multicollinearity. Lastly, the PLS path modeling can be utilized in reflective as well as formative measurement models.

3.9.2 The Goodness of Fit of the Model

Unlike the CBSEM approach; PLS Structural Equation Modeling has only one measure of goodness of fit. Tenenhaus et al. (2005) explained as a global fit measure (GoF) for PLS path modeling is the geometric mean of the average communality and average R^2 for the endogenous constructs. Thus, the goodness of fit measure accounts for the variance extracted by both outer and inner models. In order to support the validity of the PLS model, GoF value was estimated according to the guidelines set up

by Wetzels, Odekerken-Schroder, and Van Oppen (2009) as given in the following formula.

$$Gof = \sqrt{(\overline{R^2} \times \overline{AVE})}$$

3.9.3 The Prediction Relevance of the Model

It is well known that R2 of the endogenous variable accounts for the variance of a specific variable that is described with the help of predictor variables. Though, the magnitude of the R2 for the endogenous variables was considered as an indicator of predictive power of the model. Moreover, the sample reuse technique was implemented as developed by Stone (1975) and Geisser (1975) to verify the predictive validity of the model. Wold (1982) discussed that the sample's reuse technique to fit just fine, the PLS modeling approach (Götz, Liehr-Gobbers, & Krafft, 2011).

Particularly, the predictive relevance of the model can be determined by the Stone–Geisser non-parametric test (Chin, 1998; Fornell & Cha, 1994; Geisser, 1975; Stone, 1975). This can be done with the help of blindfolding techniques embedded in Smart-PLS 2.0 package. Blindfolding procedure is designed to remove some of the data and to handle them as missing values to estimate the parameters. Furthermore, the estimated parameters are then used to reconstruct the raw data that are assumed previously missing. Accordingly, the blindfolding procedure produces general cross-validating metrics Q2.

Generally, there are different forms of Q2 that can be acquired based on the form of desired prediction. A cross-validated communality Q2 is obtained when the data points are predicted using the underlying latent variable scores. Whereas, if the prediction of the data points is obtained by the LVs that predict the block in question, then a cross-validated redundancy Q2 is the output.

Fornell and Cha (1994) indicated, the cross-validated redundancy measure can be an indicator of reliability of the predictive relevance of the examined model. If the test criterion, redundant communality is larger than 0 for all the endogenous variables, the model is considered to have predictive validity, else the predictive relevance of the model cannot be obtained (Fornell & Cha, 1994).

3.9.4 Path Coefficient Estimation

The PLS path modeling method is often used to estimate causal relation in the field of path models using latent constructs that are measured indirectly by some indicators. Wold (1982), Lohmöller (1989), Chin (1998), Tenenhaus, Vinzi, Chatelin, and Lauro (2005) draw light on the methodological basis and methods for outcome evaluation and presented few examples of this methodology.

A PLS path model's description is presented by two models; a measurement model that relates the manifest variables (MVs) to their latent variables (LVs), and a

structural model that links endogenous LVs to other LVs. The measurement model is called the outer model whereas the structural model is called the inner one.

The inner model explains the link of unobserved or latent variables while the outer model explains the association lies among a latent variable and its manifest variable for instance, PLS path model. The general design of a PLS provides a recursive inner model that is exposed to predictor specifications. Thus, the inner model carries a causal chain system and two changing outer models; the reflective and the formative measurement models are represented by Mode A&B respectively. The selection of a specific outer mode is described by theoretical rationale (Diamantopoulos & Winklhofer, 2001).

3.9.5 Structural Path Significance in Bootstrapping

Smart PLS can develop T-statistics for significance testing of inner as well as outer model, applying a procedure called bootstrapping. In bootstrapping, a large number of subsamples (e.g., 500) are extracted from the original sample with replacement to give bootstrap standard errors, which sequentially approximate T-values for significance testing of the structural path.

3.9.6 Reliability of the Instrument

The reliability and validity of the instrument was used for data collection is important. The findings of the study can only be considered reliable if the study used a valid instrument. Reliability means that repetitive studies would produce similar findings and results. This study employed Cronbach's alpha as an indicator of reliability of the research instrument. It is a commonly used indicator to measure the internal consistency of items (Onwuegbuzie & Daniel, 2002). A Cronbach's alpha value of 0.6 is regarded as an acceptable value. If the value of alpha is closer to one, it shows higher reliability of the instrument and indicates higher inter-item consistency.

3.10 Summary

Chapter 3 detailed the methodology used in conducting this dissertation study. This chapter detailed the theoretical framework, hypotheses and research design that described the proposed population, sample and sampling technique, explained the plans for data collection and analysis, and established the validity and reliability of the proposed model. The following chapter (Chapter 4) presents the analysis of the study.

CHAPTER FOUR

DATA ANALYSIS AND RESULTS

4.1 Introduction

This chapter provides the findings of the data analysis and sheds light on the characteristics of respondents and statistics of descriptive statistics of all dimensions. Furthermore, the chapter outlines the preparation data screening and examining details to describe how the respondents were distributed according to the demographic variables by using the SPSS. Then, Partial Least Squares Structural Equation Modeling (PLS-SEM) evaluates the outer measurement model as a standard for the inner structure model assessment. The outer model is the part of the model that highlights the situations lie among the latent variables and their indicators. The inner model is a part of the model which identifies the relation of the latent variables that develop the model.

Furthermore, this research signifies the value of the outer model related to the constructs of this study namely perceived ease of use, third-party assurance seal, financial risk and online consumer trust. Lastly, the findings of the hypothesis testing procedures indicate the direct relationship between variables. Consequently, the moderating role of internet experience between perceived ease of use, financial risk, third-party assurance seal and online consumer trust was documented.

4.2 Data Preparation and Screening

Before the data analysis was conducted, it is important to take into consideration the accuracy of the data; entered into the data file so that the accurate findings would be achieved. This section describes the necessary data screening procedures prior to data analysis and identification of missing data and outliers, as these invalid values may threaten the validity of the researcher's findings and therefore it must be determined and dealt with (Hair, Black, Babin, & Anderson, 2009) validity and reliability of the research construct and then other assumptions were tested to check the integrity of measure and the data.

Different procedures were performed to testify that the data was clean from coding errors through a careful screening. The following sections show the data screening procedures that were followed in this study.

4.2.1 Missing Data

Hair *et al.* (2010) suggested that the cases should be excluded if more than 50% of data is missing for a particular respondent. As a result, the researcher omitted 12 out of 320 questionnaires from further analysis. Thus, 308 complete responses were utilized for evaluation of the data.

4.2.3 Detection of Outliers

Before moving further towards analysis of data, it is very essential to identify any influential outliers in this research. Mahalanobis distance (d2) was employed to identify the outliers. The researcher utilized the method proposed by Tabachnick and Fidell (2007) to observe the outliers. The researcher used the number of variables (i.e. 6) to represent the degree of freedom at $p > 0.001$ and found chi-square cut off value of 45.315. Thus, each case for which Mahalanobis distance exceeded 45.315 was identified as outlier, as shown in Table.

Table 4.1
Detection of Outliers

Number	Observation cases	Mahalanobis d^2
3	308	55.7623

Three cases were then excluded from further analysis, making 307 cases valid for the next analysis.

4.2.4 Detection of Missing Data

Hair et al. (2006) illustrate missing data as information not available for a case about whom other information is available. There is no adequate percentage of missing values in a data set for making a valid statistical implication. Researchers have generally agreed that missing rate of 5% or less is inconsequential

(Tabachnick&Fidrall, 2007). Moreover, researchers have drawn conclusion that the variables containing missing data of 5% or fewer, such cases were handled using mean substitution in which the missing data was replaced by the average of the data from the cases where complete data was available (Meyers, Gamst&Guarino, 2006). Hence, in this study, 1 missing survey questionnaires were replaced using mean substitution.

4.2.5 Normality Test

The normality employed to show the symmetrical curve that has the greatest frequency of scores towards extremes in the small and middle frequencies (Pallant, 2005). To do so, some researches such as Kline (2005) and Pallant (2005) investigated that to assess the normal distribution of scores for the independent and dependent variable is through examining their skewness and kurtusis values. In social sciences, the nature of the constructs has many scales and measures may results skewed positively or negatively (Pallant, 2005). Furthermore, kurtusis is also a score for measuring distribution that represents the degree to which observations around the central mean are collected.

According to Hair et al. (2006) the values of skewness outside the range of +1 to -1 are significantly skewed distribution. However, Kline (1998) denotes that the cut off between +3 to -3 will be tolerable. Based on these criteria proposed by many researchers, the skewness values were within the acceptable range (+3 to -3).Based on

discussion above, the results indicate that some of values in skewness deviate from being normally distributed. Therefore, to be able to handle not-normal and skewed data to test the hypothesized relationships, this study employed the PLS Structural Equation Modelling that is the distribution free statistical modeling technique, (Chen, 1998).

Table 4.2:
Results of Skweness and Kurtusis for Normality Test

	Skewness		Kurtosis	
	Statistic	Std. Error	Statistic	Std. Error
Online consumer Trust	.303	.139	.417	.277
Third Party Recognition	.228	.140	.124	.279
Internet experience	.841	.141	.095	.281
Perceived Ease of Use	.717	.140	.052	.280
Financial Risk	.289	.140	.286	.278

4.2.6 Multicollinearity Test

The test of multicollinearity variables is approved before testing the recommended model (Hair et al., 2010). It shows the existence of relapse of in the correlation matrix in which the independent variable is high and significantly correlated with another

independent variable. Furthermore, the revelation of multicollinearity can be found out when the correlation value is more than 0.90 (Hair et al., 2010). The test of multicollinearity is assisted by investigating the variance influence factor (VIF) and the tolerance value.

In addition to that the value of the VIF is the amount of variability of selected independent variable that is explained by other independent variables while the tolerance is the inverse of VIF (Hair et al., 2010). The VIF and tolerance values cut-off points are 10 and 0.10 respectively which shows that VIF closer to 1.00 represents little or no multicollinearity.

However, in this study there is no issue of multicollinearity as below table shows.

Table 4.3 :
Multicollinearity Test

Model		Collinearity Statistics	
		Tolerance	VIF
Consumer Online Trust	Third-party assurance seal	.898	1.114
	Internet Experience	.798	1.253
	Perceived ease of use	.758	1.320
	Financial Risk	.972	1.029

4.2.7 Test of Linearity

Linearity testing explores the relationship of independent variables with dependent variable which anticipates the right direction of hypotheses; therefore, the positive values suggest that the association is supposed to be positive. Hair et al. (2006) denote that the partial regression plot was used for each variable when there is more than one independent variable to guarantee the best representation in the equation. In order to get this point, the normal P-P plot of regression standardized residual plot was established for independent variables on dependent variable. The findings substantiate the normal distribution.

4.3 Characteristics of the Respondents

In this research 51.1% males and 41.7% females respondents were included. The respondents belonged to different age group. Age was divided into four categories. Respondents of 51.1% lie in the age group 20-30, 41.7% in 31-40, 5.9% in 41-50 and 1.3% were in the age group of 51-60.

Moreover, 8.2% respondents were undergraduate while 91.8% respondents were postgraduate students. Those respondents who stay in Malaysia were divided into four groups. 8.2% respondents were staying in Malaysia from 1-3 months, 9.2% in 4-6 months group, 28.3% in 7 -12 months group and 54.3% respondents lie in above 12 months group.

Table 4.4
Characteristics of the Respondents

variables	Groups	Frequency	Cumulative Percent
Gender	Male	198	51.1
	Female	109	41.7
	Total	307	100
Age	20-30	157	51.1
	31-40	128	41.7
	41-50	18	5.9
	51-60	4	1.3
	Total	307	100
Education	Degree	25	8.2
	Postgraduate	282	91.8
	Total	307	100
Duration of studying in Malaysia	1-3 months	25	8.2
	4-6 months	28	9.2
	7-12 months	87	28.3
	>12- above months	167	54.3
	Total	307	100

4.3.1 Descriptive Statistics Analysis

To get a summary of the data, a descriptive analysis was conducted to illustrate the general situation of all constructs, third-party assurance seal, financial risk, perceived ease of use; internet experience and online consumer trust, the mean, standard deviation, maximum and minimum of the constructs were explained. These findings

reflected to the level of all the constructs which were investigated.

All the constructs have the meanings just above the average ranged from 2.9668 to 3.8456 and the standard deviation ranged from 0.74902 to 0.96282, the minimum and maximum responses on the constructs were also mentioned in table 4.5.

Table 4.5
Descriptive Statistics Analysis

	Cases	Minimum	Maximum	Mean	Std. Deviation
Consumer Online Trust	307	1	5	2.9668	.82440
Third Party Rec	307	1	5	3.2456	.74902
Internet Experience	307	1	5	3.8456	.96282
Perceived ease of use	307	1	5	3.6865	.81471

4.4. The Convergent Validity of the Measurements

The composite reliability values ranged from 0.859 to 0.937 which exceeds the recommended value of 0.7 (Fornell & Larcker, 1981; Hair et al., 2010). Furthermore, the average variances extracted (AVE) values ranged between 0.537 and 0.670 which expressed a good level of construct validity of the measures used (Barclay et al., 1995). These findings confirm the convergent validity of the outer model.

4.4.1 Reliabilities of Items Scale

One way to elaborate convergent validity in a construct; is by examining the reliability of each measurement item in the scale that is used to measure the construct.

In this study the individual item reliability presents the factor loading of each measurement item on its respective construct. As demonstrated, all of the items that are used in this study highly and significantly loaded on their corresponding construct and all these items exceeded the 0.50 recommended values for exploratory research (Hair et al., 2011; Hulland, 1999). Cronbach's alpha coefficient is the most commonly used to examine the internal reliability (McCrae, Kurtz, Yamagata, & Terracciano, 2011; Peterson & Kim, 2013). It could be seen from the table that all the constructs had alpha values above 0.7 (see Table 4.6). This indicated a high level of internal consistency of reliability.

4.4.2 Composite Reliability of Constructs

One of the measures to support the existence of convergent validity is the composite reliability of each construct in the research model. The composite reliability of each construct assesses its internal consistency (McCrae, Kurtz, Yamagata, & Terracciano, 2011). This means that the construct is internally consistent due to the consistency (the measuring of the same concept) among the construct measures.

Therefore, as compared to the individual item reliability scores that are mentioned above, composite reliability is a measure of the 'overall' reliability of the collection of all measures under a certain construct (Hair et al., 2011; Hulland, 1999). As a rule of thumb, 0.70 is suggested as a minimum standard for acceptable construct reliability

(Hair et al., 1998; Segars, 1997). Table 4.8 refers that the composite reliability of every construct in this study was well above the suggested 0.80 threshold.

Table 4.6 **Factor Analysis/Cross Loading**

	COT	**IE**	**PEOU**	**PPR**	**TPR**
COT1	**0.663**	-0.153	-0.192	0.245	0.241
COT2	**0.749**	-0.108	-0.105	0.284	0.279
COT3	**0.509**	-0.004	0.065	0.158	0.139
COT4	**0.840**	-0.128	-0.067	0.395	0.371
COT5	**0.764**	-0.100	-0.074	0.364	0.357
IE1	-0.076	**0.820**	0.371	0.100	0.024
IE2	-0.159	**0.931**	0.420	0.079	-0.033
IE3	-0.136	**0.884**	0.340	0.051	0.027
PEoU1	-0.041	0.347	**0.630**	0.175	-0.009
PEoU2	-0.021	0.363	**0.599**	0.149	-0.008
PEoU3	0.031	0.277	**0.472**	0.063	-0.099
PEoU4	-0.015	0.323	**0.548**	0.102	-0.085
PEoU5	-0.128	0.351	**0.948**	0.098	-0.096
PEoU6	-0.023	0.383	**0.658**	0.107	-0.042
PPR1	0.371	0.095	0.045	**0.759**	0.381
PPR2	0.303	0.052	0.166	**0.796**	0.208
PPR3	0.311	0.038	0.148	**0.779**	0.142
TPR4	0.410	0.001	-0.071	0.325	**1.000**

Table 4.7
Significance of the Factor Loadings

Construct	Item	Loadings
COT	**COT1**	0.663
	COT2	0.749
	COT3	0.509
	COT4	0.840
	COT5	0.764
IE	**IE1**	0.820
	IE2	0.931
	IE3	0.884
PEOU	**PEoU1**	0.630
	PEoU2	0.599
	PEoU3	0.472
	PEoU4	0.548
	PEoU5	0.948
	PEoU6	0.658
PPR	**PPR1**	0.759
	PPR2	0.796
	PPR3	0.779
TPR	**TPR4**	1.000

4.4.3 Average Variance Extracted (AVE)

Average Variance Extracted (AVE) evaluates the magnitude of variance that a variable captures from its indicators compared to the amount that results from measurement error (Chin, 1998a). A high construct AVE stresses that the indicators (or measure) under it are capturing the same underlying construct, which refers the exhibition of convergent validity of the construct. In order to support a satisfactory convergent validity, it is recommended that the AVE of each construct in the model

exceeds 0.50 (Fornell, 1982; Fornell&Larcker, 1981). As Table 4.8 shows, all constructs exceeded this approach.

Table 4.8
The Convergent Validity Analysis

Construct	Item	Loadings	Cronbachs Alpha	Composite Reliability	Avrage Variance extacted
COT	COT1	0.663	0.761	0.835	0.510
	COT2	0.749			
	COT3	0.509			
	COT4	0.840			
	COT5	0.764			
IE	IE1	0.820	0.859	0.911	0.774
	IE2	0.931			
	IE3	0.884			
PEOU	PEoU1	0.630	0.844	0.814	0.535
	PEoU2	0.599			
	PEoU3	0.472			
	PEoU4	0.548			
	PEoU5	0.948			
	PEoU6	0.658			
PPR	PPR1	0.759	0.677	0.822	0.606
	PPR2	0.796			
	PPR3	0.779			
TPR	TPR4	1.000	1.000	1.000	1.000

a: Composite Reliability (CR) = $(\Sigma \text{ factor loading})^2 / \{(\Sigma \text{ factor loading})^2) + \Sigma$ (variance of error)}
b: Average Variance Extracted (AVE) = Σ (factor loading)^2 / (Σ (factor loading)^2 + Σ (variance of error)}

To sum up, as indicated by the results that measurement model used in this study met and exceeded the requirements for establishing convergent validity. The next sections review discriminant validity, which is the second criterion for establishing the adequacy of measurement model in this study.

4.4.4 The Discriminant Validity of the Measures

On the other hand, convergent validity, which ensures the unity or relatedness of the measures of each construct, discriminant validity is related to discrimination or differentiation among measures of different constructs (Duarte &Raposo, 2010). Discriminant validity is thus shown when there is a low correlation between the measures of each construct in the research model. It is very essential to assess since the measures of each construct are intended to measure a different notion.

There are different other ways to establish discriminant validity. In this research, discriminant validity was assessed by examining two evaluation criteria as below:

1. Item cross-loadings on various constructs
2. Interrelations between first order constructs and square roots of AVEs.

Each of these analyses is presented in the following sections.

Table 4.8.1
Discriminant Validity Matrix

Construct	COT	IE	PEOU	PPR	TPR
COT	**0.714**				
IE	-0.149928	**0.88**			
PEOU	-0.119897	0.426725	**0.66**		
PPR	0.426014	0.082037	0.148103	**0.779**	
TPR	0.410417	0.000877	-0.070852	0.324818	**1**

4.5 Cross-Loadings

To express satisfactory discriminant validity, the loading of each measurement item on its corresponding construct should be higher than its loading on other constructs

(Chin, 1998a; Gefen et al., 2000; Straub et al., 2004). This shows that the measurement items of a construct are measuring their construct and their construct only. Table 4.6 illustrates the satisfaction of this criterion. Validity of the model was gotten by comparing the loading values of every individual indicator with the reflective indicators' cross-loadings as proposed by Chin (1988), where the indicator loadings, all were compared well to the cross-loadings, satisfactory discriminant validity in the model.

4.5.1 The Goodness of Fit of the Model

On the contrary to the CBSEM conception; PLS Structural Equation Modeling has only one measure of goodness of fit. As identified by Tenenhaus et al. (2005), a global fit measure (GoF) for PLS path modeling is the geometric mean of the average communality and average R^2 for the endogenous constructs. That is why, the goodness of fit measure accounts for the variance extracted by both outer and inner models. To assist the validity of the PLS model, GoF value was evaluated according to the guidelines set up by Wetzels, Odekerken-Schroder, and Van Oppen (2009) as given in the following formula.

$$Gof = \sqrt{(\overline{R^2} \times \overline{AVE})}$$

In this study, the obtained GoF value was 0.475 as calculated by the formula.

Table 4.9:
The Goodness of Fit of the Model

Construct	R Square	AVE	GOF
COT		0.510	
IE		0.774	
PEOU		0.435	
PPR		0.606	
TPR	0.305	1.000	
Average	0.305	0.665	45%
GOF Small			0.1
GOF Mediam			0.25
GOFLarge			0.36

The comparison was made with the baseline values of GoF (small =0.1, medium =0.25, large =0.36) as recommended by Wetzels et al. (2009). The findings indicated that the model goodness of fit measure was large indicating an acceptable level of global PLS model validity. In addition to that, the $R^2$of consumer online trust which as a DV of this study was at moderate level account 0.305 so the other endogenous latent variables were at substantial level which was more than 26% (Cohen (1988).

4.6 The Assessment of the Inner Model and Hypotheses Testing Procedures

After confirmation of the goodness of the outer model, the next step was to test the hypothesized relationships among the constructs. Using the Smart PLS2.0, the hypothesized model was analyzed by running the PLS Algorithm. The path coefficients were then generated as shown in the Figure 4.1 and Figure 4.2.

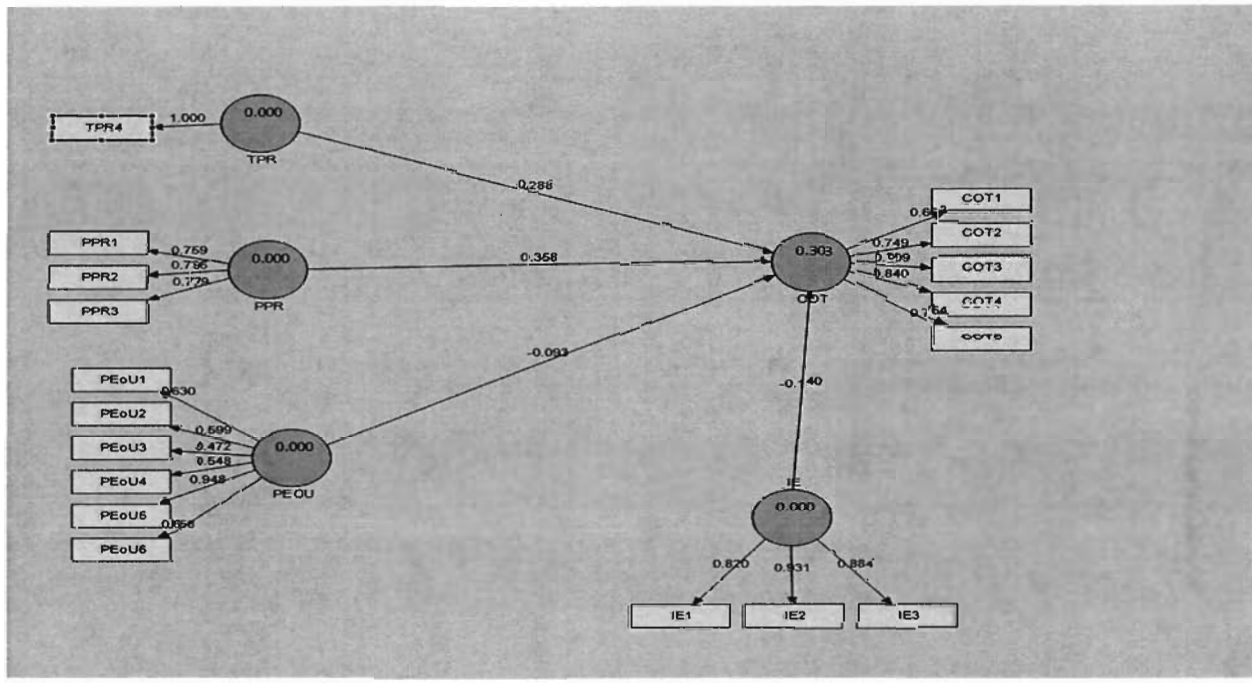

Figure 4.1: Path Model Results

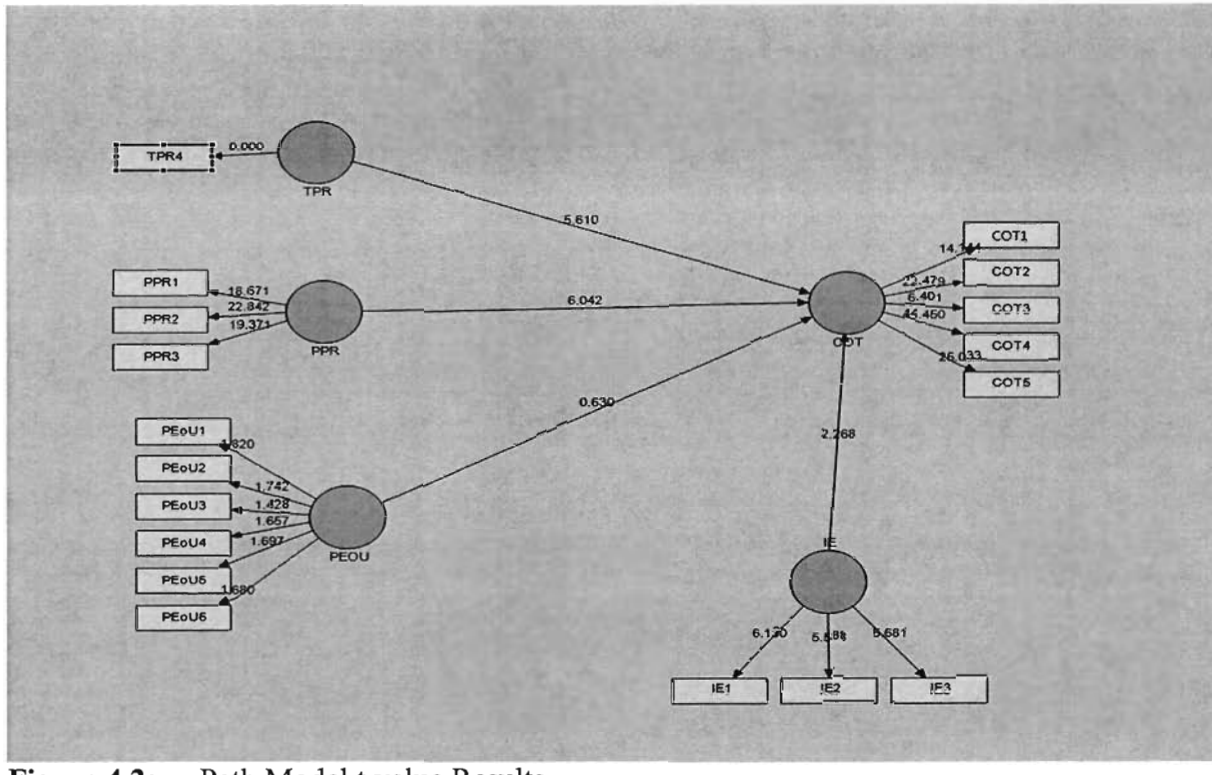

Figure 4.2: Path Model t.value Results

To be able to conclude whether the path coefficients are statistically considerable or not, this study employed the bootstrapping techniques embedded with Smart PLS2.0. To run bootstrapping of this model the researcher applied 500 samples (Resampling). More specifically, the T.values accompanying each path coefficient was generated using the bootstrapping technique and consequently the P values were made as expressed in Table 4.10.The results of this study confer that the internet experience has a positive and significant effect on online consumer trust at the 0.01 level of significance (β= -0.157, t=2.268, $p<0.01$). Nevertheless, there is no significant effect

of perceived ease of use on online consumer trust. Furthermore, there is a positive and valuable impression of financial risk on online consumer trust at 0.01 level of significance (β=0.350, t= 6.042, p<0.00). Lastly, the third-party assurance seal has a positive and significant effect on online consumer trust at 0.00 level of significance (β= 0.287, t= 5.610, p<0.00).

Table 4.10 *The Results of the Inner Structural Model*

HYPO	Hypothesized Path	Path coefficient	Standard Error (STERR)	T Value	P Value	Decision
H1	**PEOU -> COT**	-0.007	0.147	0.630	0.265	non supported
H2	**FR -> COT**	0.350	0.059	6.042	0.000	Supported
H3	**TPR -> COT**	0.287	0.051	5.610	0.000	Supported

*:p<0.1; **:p<0.05; ***, p<0.01

4.6.1 Moderating Effect Analysis

Frazier, Tix, and Barron (2004), before proceeding to get the interaction terms to measure the moderating effect, all the variables meant to be used were standardized. This denotes that the mean of each variable was subtracted from all the values of that variable and subsequently all the values of the variable were divided by its standard deviations.

On the other hand, internet experience does not play a moderating role between perceived ease of use and online consumer trust. It is not significant (β=-0.089943, t= 30.969384, p<0.332). Moreover, internet experience does not moderate between third-

party assurance seal and online consumer trust. It is not significant (β= -0.02832 ,t= 0.068168, p<0.526).

Internet experience moderates the relationship between financial risk and online consumer trust. It is significant at 0.01 level of significance (β=0.169292, t= 3.154548, p<0.00).

Table 4.11
Moderator Hypothesis Testing (inner modeling Analysis)

HYP	Hypothesized Path	Path coefficient	Standard Error (STERR)	T Value	P Value	Decision
H1	**PEOU * IE -> COT**	-0.08994	0.14103	0.9693	0.332	not supported
H2	**FR * IE -> COT**	0.16929	0.04776	3.1545	0.002	Supported
H3	**TPR * IE -> COT**	-0.0283	0.068168	0.6335	0.526	not supported

*****:p<0.001; **:P<0.01,* :P<0.05**

4.7 Summary of the Findings

This study employed Partial Least Squares Structural equation modeling (PLS-SEM) as the major analysis technique, as PLS SEM is comparatively new analytical technique in construction. Before testing the model, systematic procedures to find the validity and reliability of the outer model were followed as it is the standard of SEM data analysis reporting. As the measurement model has been termed as valid and reliable, it further tests the hypothesized relationships. Prior to examining the

hypothesized relationships, the predictive authority of the model was observed and described the goodness and verification of the overall model. After that, the structural model was analyzed and the results were reported in details. As shown in Table 4.10, the hypotheses of H_1, H_3, and H_4, were statistically confirmed with the findings of the study while H_2 was not assisted. Similarly, hypotheses of moderation effect, H_5, and H_7 were also not supported whereas H_6 was supported according to the method of Baron and Kenny (1986).

CHAPTER FIVE

DISCUSSION, CONCLUSION AND RECOMMENDATIONS

5.1 Introduction

This chapter recapitulates the study, explains the findings and highlights the contributions of the study to the existing literature. It also locates the future course of direction that might help policy makers to raise the customers' trust in online shopping. Furthermore, this chapter also investigates the constraints, faced by the researcher in this study and suggests for future explorations based on the experienced limitations. Lastly, this chapter sums up the conclusions of the study.

5.2 Results and Discussion

In the discussion, this study provides the respondents' demographic characteristic and findings of the hypothesis. Data was collected from students of three universities, UUM, USM and UniMap of Malaysia. 51 percent respondents were males' students and 41.7 respondents were female students. The respondents belonged to different age group. Age was divided into four groups, 51.1 present respondents lie in the age group 20-30, 41.7 in 31-40, 5.9 in 41-50 and 1.3 percent were in the age group 51-60. However, the majority of the students belonged to age group 20-30.

In addition, 8.2 percent respondents were undergraduate while 91.8 percent respondents were postgraduate students. Respondents stay in Malaysia was divided into four groups. 8.2 percent respondents were staying in Malaysia from 1-3 months, 9.2 in 4-6 months group, 28.3 in 7 -12 months group 54.3 respondents lie in 12-above months group.

5.2.2 Findings and Discussion

This study provides the respondents' demographic characteristic and findings of the hypothesis. 51.1% respondents were male students and 41.7 respondents% were female students. The respondents belonged to different age group. Age was divided into four groups, 51.1% respondents lie in the age group 20-30, 41.7% in 31-40, 5.9% in 41-50 and 1.3% were in the age group 51-60. However, the majority of the students belonged to age group 20-30.

Furthermore, 8.2% respondents were undergraduate whereas 91.8% respondents were postgraduate students. Respondents resided in Malaysia were divided into four groups. 8.2% respondents were staying in Malaysia from 1-3 months, 9.2% in 4-6 months group, 28.3% in 7 -12 months group and 54.3% respondents were found under the group of above 12 months.

Nevertheless, there is no considerable effect of perceived ease of use on online consumer trust. Luis. Carlos & Miguel (2007) found perceived ease of use effects on

consumer trust. The reason behind this, it might be because of the fact that customer do not feel comfortable as it is illustrated by sample of this research in which 79 percent people reported that their interaction with online shopping was not clear and understandable. Nevertheless, there is a significant influence of financial risk on online consumer trust at 0.01 level of significance (β=0.350, t= 6.042, p<0.00). The result specifies, if respondents purchase an item online without any fear of fraud or being duped and they think that purchasing the item on line could not involve them significant financial loss so this believe of the respondents on reduced financial risk increases the customers' trust in online shopping. The findings show that if consumer feel fear of scammer or deception by purchasing an item online or observe any financial risk, then his online consumer trust will be decreased. However, the results of this study are similar to Yang & Jun, 2002; Bhatnagar & Ghose, 2004; Andrews & Boyle, 2008.

Finally, the third-party assurance seal has an encouraging and remarkable influence on consumers' trust in online shopping at 0.00 level of significance (β= 0.287, t= 5.610, p<0.00). The findings explore the idea of respondents' particular thinking about the presence of third party recognition bodies, as it seems reasonable to maintain the interest of internet shoppers. They don't observe any risk in on online internet shopping and they have many third party certification bodies of good reputation those are available for assuring the credibility of internet sellers. McCole

et al. (2010) opine that the trust in guaranteed third party agents provides the encouraging results on the inclination of consumers' interest in shopping.

In the perspective of indirect relationships, internet experience does not play as a moderating role between perceived ease of use and online consumer trust. It is not significant (β= -0.089943, t= 30.969384, p<0.332). But, in first hand relations, there is no considerable impression of perceived ease of use on online consumers' trust. One cause for showing these insignificant results is that people think that online shopping is not reasonable and it has lack of clarity and understandability.

Moreover, the internet experience does not provide moderation between third-party assurance seal and online consumer trust. It is not significant (β= -0.02832 , t= 0.068168, p<0.526). The findings are advocating that the effect of internet experience and third-party assurance seal on online consumer trust does not depend on level of internet experience. The findings of this study are comparable to the study of McKnight et al. (2004) that the seals have shown nothing with the confidence of online consumers.

Internet experience confers middling path to the relationship between financial risk and online consumer trust. It is considerable at 0.01 level of significance (β=0.169292, t= 3.154548, p<0.00). The findings designate that the impact of internet experience and financial risk on online consumer trust does not depend on level of internet experience. If a consumer uses internet he will be able to know the procedure of online

shopping and will also be much confident about online purchasing with this particular thought that online shopping could not involve any worthwhile and significant financial loss. Therefore, his faith on a reduced amount of financial risk promotes the customers online shopping confidence. The findings drew conclusion that if there is a financial risk in online shopping then consumer will suffer panic of scammer or duplicity by purchasing an item online. Risk related awareness in using internet for purchasing can instigate the importance of perception of consumer's purchasing regarding the benefits and also can become hindrance as basic obstacle for continuation of this process of shopping (Kuhlmeier and Knight, 2005; Yang and Jun, 2002; Bhatnagar and Ghose, 2004; Andrews and Boyle, 2008).

5.3 Contributions of the study

This study has provided some contributions to the whole body of research in the field of online shopping and the factors that would lead increase in online consumer trust. The following sections address the theoretical contribution and practical contribution.

5.3.1 Theoretical Contribution

As has been mentioned earlier, the link between financial risk, third-party assurance seal internet experience, perceived ease of use and online consumer trust, and the interplay between financial risk, third-party assurance seal internet experience,

perceived ease of use and online consumer trust, have each been established in the literature. However these links have been studied separately and no prior studies have examined the variables financial risk, third-party assurance seal internet experience, perceived ease of use and online consumer trust in a single study. In other words, there is a lack of understanding of how these variables are interrelated. The current research attempts to contribute by filling this gap to offer a better understanding of the whole interplay process.

Luis. Carlos & Miguel (2007) recommendation that future researchers should examine the effect of Perceived ease of use and perceived product related risk (Financial Risk) on consumer trust. So, the present research contributes theoretically by integrating the said variables.

The study of Miyazaki and Fernandez's (2001) interpreted these results which stated that the information of some internet consumer concerns influence the behavior of purchases. This concluded, with the increased experience of online consumer, the risk will be of less importance then. The findings of Moorman, Deshpande, and Zaltman (1993) and Korgaonkar and Wolin (1999) supported the hypothesis which states a negative association between the experience of consumers related to inaccurate personal data and online purchase of products. The hypothesis of negative association between the attitude of consumer related to the use of unauthorized secondary data and online purchases was not supported by the results. Directional change which

indicate moderating role is seen as the internet experience increase and decrease along with online trust. The researcher didn't find any study that investigates the internet experience as a moderator. So, the present research contributes theoretically by integrating the internet experience as a moderation variable. This study examine moderating role of internet experience between third-party assurance seal, financial Risk, perceived ease of use and online consumer trust.

5.3.2 Practical Contribution

Mukherjee and P. Nath, (2007) argued that in northern Malaysia, online shopping is not as widely accepted by consumers as it is by those in other parts of Malaysia, The integrity of an online retailer is the main concern as a customer may be skeptical if his or her personal information is used for other purposes. This concern is especially true among Malaysian consumers, who are generally conservative and averse to changes in life, especially in northern Malaysia. In addition, online trust influences e-commerce in northern Malaysia. The adoption of online transactions by citizens and businesses is in its early stages in Malaysia (Alam&Yasin, 2010a; Delafrooz et al., 2011). Malaysian have less trust on online shopping compare to Western countries such as the US and UK where the people have a lower level of collectivism and uncertainty avoidance and have more trust on online purchase. It is therefore needed to conduct research about the factors influencing customers' trust on online purchase

and its determinants in Malaysia as the culture of Malaysia varies from western culture. So this study contributes by studying online customers trust in Malaysia.

5.4 Implications

This study managed to provide potential retailers and companies, shops insights to meet their respective online customer trust agenda. To begin with, transactional queries should be just sufficient to get the most important details of the purchase. The online retailers should take the steps to decrease the financial risk that will result in increasing the online customer trust. However, they should motivate the customers for increasing their internet experience through media and other sources. If a consumer will has internet experience, he will be confident in processing the procedure for online shop, they feel purchasing the item could not involve them important financial losses so their believe on less financial risk increase the customers online shopping trust. If the financial risk the consumer will fee fear of scammer or frond by purchase an item online. Companies should increase third party insurance and easy to use to increase online customer trust. Online purchasing process should be easy and understandable. These would lead to increase in the user and customer trust.

5.6 Limitations

The main limitations of this study can be addressed through three main classifications namely, generalizability, causality and methodology. These three categories are further discussed below.

This study did not consider the continuous changes in the psychological human aspects that could have taken place on employees in pubic organization due to the continuous exposure and growing experience. This was so, since the data was based on the cross-sectional approach and follow up data were not collected. Based on that, the conclusions of the study could have been different if the research design was longitudinal rather than cross-sectional study.

An extensive review of the financial risk, third-party assurance seal and perceived ease of use, and internet experience indicates that these are major factors to evaluate the online consumer trust. Bearing this fact in mind, observing the relationships among financial risk, third-party assurance seal and perceived ease of use, internet experience and online consumer trust at one point of time will lack the accuracy since the results will be reliant on the time of their implementation. This refers that in order to be able to evaluate the impact of all these factors on online consumer trust, so, it is highly recommended that longitudinal studies should be held to evaluate the impact of all these mentioned above factors on online consumer trust.

As methodology is concerned, there are also some other limitations in regards to methodological aspects of this research.

Limitation of this quantitative research design, is that respondents were asked to translate their perception about the statements in the survey questionnaire into numbers through Likert-scale. Nevertheless, the answers of the respondents may be affected by the biased observation of the circumstances. (Macinati, 2008). So, on the bases of these findings it is highly recommended that mixed method approach i.e. quantitative as well as qualitative research design should be utilized in the future researches to get better insight about any phenomenon and to avoid these sorts of lacking and inconveniences.

5.7 Directions for Future Research

During the entire period of time of this study, many dimensions of future research openings have been discovered. The survey questionnaire research design was used to collect the data required for the study. This study has also unlocked the door for further researches to integrate the effect of many other variables and issues in future concerning online consumer trust.

Moreover, since in this study cross-sectional data was collected at one particular period of time however, researcher had limited facilities to observe the dynamic nature, relationship and impact of financial risk, third-party assurance seal and

perceived ease of use, internet experience on online consumer trust as long-term strategies. On the other hand, this case study approach could be better potential options to study this relationship. The case study approach will facilitate the researchers to carry out a deeper investigation of the relation between financial risk, third-party assurance seal and perceived ease of use, internet experience practices at one specific period of time and online consumer trust. Other researchers of future can investigate the effect of financial risk, third-party assurance seal and perceived ease of use, internet experience on online consumer trust on objective measure.

Furthermore, on the basis of this research advanced studies could be conducted to evaluate the joint effect of factors such as financial risk, third-party assurance seal and perceived ease of use, internet experience on online consumer trust and a longitudinal research could also be extended. This study advocates that longitudinal approach could explain this complex relationship over a long period of time with better perception. This approach, however, could reveal the development of the variables over time and identify the changes in their relationships through the process.

5.8 Summary of the Findings

The purpose of this study was to investigate the effect of financial risk, third-party assurance seal and perceived ease of use, internet experience on online consumer trust through the moderating factor of internet experience. This research applied Partial Least Squares Structural equation modeling (PLS-SEM) as the major analysis

technique, since PLS SEM is a quite new analytical method in construction. Prior to testing the model of study, systematic procedures to establish the validity and reliability of the outer model were followed as it is the standard of SEM data analysis reporting. Once the measurement model had been proven to be valid and reliable, the following step was to analyze the hypothesized relationships between all variables. Before examining the hypothesized relationships, the predictive authority of the model was investigated and value of overall model was confirmed. Afterwards, the structural model was reviewed and the findings of the study were documented in detail. H_2, H_3 were statistically supported by the findings of the study while H_1 was not confirmed and hypotheses of moderation effect, H_4, H_6 were not supported whereas H_5 favored the technique given by Baron and Kenny (1986).This study contributes to theory, cross-cultures research, and management, field of marketing and to policy makers.

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