The Influencing Factors of Customer Trust to Great Discount Online Shops
Based on the Chinese market

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Abstract
With the increasing popularity of online shopping, various new business models are emerging in this area. A successful example is great discount online shops, which quickly attract the attention from Chinese online shopping customers. In order to avoid the risk perception of customers caused by information asymmetry, and maintain competitiveness, great discount online shops should increase their customers’ trust. In this research, a number of key factors are tested from both sellers’ aspect and customers’ aspect. The finding shows both objective influencing factors, such as security, reputation of the online shop, reputation of the products’ brands, sellers’ service quality, and customers’ cognitive factors, such as perceived usefulness and perceived ease of use, have significant correlation with customers’ trust to great discount online shop. Among them, the objective influencing factors are more influential and have stronger effect on customers’ trust in ability, integrity and benevolence to the online shops. These findings will further shed light on how to build trust with the customers of great discount online shops.

Keywords: online shopping, customer trust, great discount online shops
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1 Introduction

1.1 Great discount online shops in Chinese e-commerce market

According to the report from China Internet Information Center, there are 564 million Internet users in China by April 24th, 2013. With the development of information technology, Internet has spilled over into every part of our daily life and online shopping is attracting people’s attention and becomes popular. A big advantage of online shopping is no geographic or time restriction, so customers have more choices in online shops comparing with traditional physical stores which are fixed in one place and just open in fixed period of time. Furthermore, because there are no cost of shop rent, price for the same goods are lower. In addition, huge amount of information can be searched online, so more optimal decisions can be made by customers.

In accordance with the increasing popularity of online shopping, various business models appear in the online shops. Recently, a new business model of great discount online shops such as Weipinhui, Jushangwang and Meilihui become more and more popular in Chinese market. Different from other online shops, such “great discount online shops” apply the new kind of business model called “famous brand sold at great discount + flash sales + genuine product guarantee”. They also adopt zero stock control into logistics management docking with e-commerce seamlessly. Thousands of premium brands and second-tier brands including apparel, shoes, bags, accessories, perfumes, cosmetics, travel goods gather in these shops.

Vendors of this field sell products at great discount, and many of the discounts can be even 80% or 90%. All goods they sell are “leftover products” which are left after factories of those famous brands delivering products in order. Although they are leftover products, the quality can be assured and the rate of fake goods is low, because the products come from brand suppliers directly. Moreover, most brands great discount online shops selling are not bought out. Vendors can return them to brand suppliers if they are not sold out finally, which contributes to zero stock control. It can’t be ignored that great discount online shops
sell products with great discount in a very short period of time usually from one day to three days. After this period there is no discount of the certain brand anymore.

1.2 The importance of consumer trust in great discount online shops

A large number of new great discount online shops appear in China after the first several ones’ outstanding performance. In order to attract and retain customers in this increasingly competitive market, building customers’ trust becomes a big issue. Like other e-commerce, customers of great discount online shop feels high pressure of risk than traditional shopping in brand stores, despite of the genuine product guarantee from the great discount online shops, because the information asymmetry is more apparent in online shopping mode. As Servet (1995) in Gefen (2000) pointed out, the need of trust is built on the flaw of information. In this case, customers’ purchasing behaviors online are strongly directed by their trust in online vendors.

Given the importance of customers’ trust,

**How to build customers’ trust to great discount online shops?**

This is an important concern of great discount online ships, and also is the aim of this research. The authors aim to find effective ways to help great discount online shop venders to build customer trust and thus become competitive in this emerging market. More concretely, the question

**What are the influencing factors of customers’ trust to great discount online shop?**

is researched in this paper. According to the widely-accepted three-dimensional model of trust proposed by Mayer et al. (1995), trust can be divided as ability trust, benevolence trust and integrity trust. What factors will influence the different dimensions of trust? How do they influence trust? What is the most important influencing factor for each dimension? How to increase customers’ trust based on these findings? This paper will give clear answers to these questions.
1.3 Structure of the thesis

The structure of the thesis is as follows: Firstly, in the literature review part, researches about trust in different disciplines and about trust in e-commerce/online shopping are reviewed. Based on the literatures and research needs, research model and 13 hypotheses are raised. In the methodology part, the procedure of questionnaire design the variables measure scales, survey samples and data collection are stated. The following chapter is the results of collected data analyzed with regression analysis through SPSS. Based on the statistical results, hypotheses are tested. In the following part, the results are discussed and implications for great discount online shops are suggested. Finally, the last part gives out conclusion, limitation and future research suggestions.

2 Literature review and research model

This chapter consists of 5 parts. In section 2.1, the concepts of trust in three different disciplines - sociology, psychology and economics and management science- are reviewed first, followed by a more in-depth review of researches about trust in e-commerce/online shopping in section 2.2. Based on prior studies, a research model was built in section 2.3 and hypotheses were established in section 2.4. The last part of this chapter, section 2.5, provided a summary of the research hypotheses.

2.1 Researches about trust in different disciplines

Trust is a widely-studied concept in many academic disciplines and has corresponding definitions. Due to the difference in perspectives about the problem and research methods in different disciplines, the definitions of trust are consequently different. However, there is also intercross and penetrations among definitions in different disciplines, so these definitions are generally consistent. Here is an overview of the definition of trust in the various disciplines.
2.1.1 Trust in sociology

In the early 20th century, the German sociologist Georg Simmel (1908) firstly discussed the trust issue in his book *Sociology: Investigations on the Forms of Sociation*, building a theoretical framework for analyzing trust. He believes that trust is very important for society. Apart from generalized trust among people, the society will become a mess. The reason is that relationship can hardly be built on accurate cognitions of others. If trust is not as strong as rational evidence or personal experiences or even stronger, relationships are very difficult to continue.

In sociology, trust is regarded as an interpersonal communication process, derived from the basic needs of cooperation and mutual assistance. When the rational expectations don’t work, trust comes into play. In book *Trust and power*, the German sociologist Luhmann (1979) pointed out that the function of trust is to reconstruct or to reduce the growing complexity of society. Trust has this social function, because it’s beyond the existing information and able to summarize some behavior expectations, thus generate a sense of security to make up the lack of required information.

Luhmann’s theory of “trust acts as a reductor of social complexity” is an important theoretical basis and reference for later scholars’ study. Scholars based on this further discussed the value of trust in social field, economic field, and especially in transaction field.

Trust is also considered as a product of social system and cultural rules, a social phenomenon established on the basis of ethics and customs. Sociologist Lewis & Weigert (1985) define trust as a collective attribute of collective units (ongoing dyads, groups and collectivities). It is associated with the interaction between people rather than the characteristics of isolated individuals. Lewis & Weigert believes there are three sociological base of trust: cognitive, emotional and behavioral factors.

Throughout the sociologists’ studies, most of them define trust as an important dimension of social relations from the sociological perspective. They believe trust derived from society and cannot exist independently from society and culture. Therefore the sociologists’
studies on trust usually focus on impact of social and cultural factors on trust.

2.1.2 Trust in psychology

Trust is first studied as impact factor of interpersonal relationships in psychology field. In the 1950s, Deutsch (1958) utilized a two-person non-zero-sum game, a variation of the “prisoner’s dilemma”, to study the interpersonal trust by exploring how people resolve conflicts. He proposed that trust is an individual behavior, a response to conditions, and the trust level will change according to the change of context. In his study, he defined a person’s trust of a certain event as he expects its occurrence and his expectation leads to corresponding behaviors.

Rotter (1980) defined interpersonal trust as “a generalized expectancy held by an individual that the word, promise, oral or written statement of another individual or group can be relied on”. He believed that generalized expectancy differs among individuals and proved trust has positive effect on people and the whole society by experiments. Moorman et al. (1992) defined trust as “a willingness to rely on an exchange partner in whom one has confidence”.

Rempel et al. (1985) proposed four critical elements for the definition of trust: “First, trust is seen to evolve out of past experience and prior interaction; thus, it develops as the relationship matures. Second, dispositional attributions are made to the partner, such that he or she is regarded as reliable, dependable, and concerned with providing expected rewards. Third, trust involves a willingness to put oneself at risk, be it through intimate disclosure, reliance on another's promises, sacrificing present rewards for future gains, and so on. Finally, trust is defined by feelings of confidence and security in the caring responses of the partner and the strength of the relationship”.

In summary, trust, in psychologists’ understanding and in accordance with the traditional paradigm of psychology, is personal characteristics and individual behavior. Different personal characteristics create different disposition to trust. Psychologists’ studies on trust focus more on impact of individual psychological traits on trust cognition and trust
behavior.

2.1.3 Trust in economics and management science

Since the 1970s, the scholars of economics and management have realized the importance of trust in economic and managerial activities, thus begun to discuss trust issues from economics and management perspectives. Generally, there are two main economic management perspectives:

(1) Macroeconomic development and organizational performance

This perspective mainly focuses on the impact of trust in interpersonal communication and social activities on economic development and organizational performance. Researches on this level can be viewed as extension of sociological or psychological research on trust issues in general interpersonal communication and social activities. The definitions of trust in these researches are basically same with the aforementioned definitions of general social trust and interpersonal trust proposed by sociologists and psychologists; the difference is that they more emphasize the role and value of trust in economic and management activities.

“Trust: The Social virtues and the Creation of prosperity” written by Francis Fukuyama is considered to be an important study of the trust effects on macroeconomic development. Fukuyama (1995) considered that mutual trust is a kind of social capital. Trust, under different culture backgrounds, will affect the capacity to form new associations and to cooperate within the terms of reference they establish” in society, thus it has effect on the developing mode and speed of different countries and areas.

Fukuyama believes that if employees in an enterprise follow common ethical rules and trust each other, the operating cost of the enterprise will be much lower. From the culture comparative perspective, Fukuyama figured that: when a society’s standard of trust is high, the spontaneous sociability will be strong, and there will be more intermediate communities, and it allows enterprises to grow beyond family into professionally managed organizations. Conversely, when the standard of trust in the society is low and the spontaneous sociability is weak, people mainly build family-centered relationships. It will be difficult to form big
professional managed corporations.

Along with the evolution of organization’s form under new economic conditions, trust is highly focused since the 1990s. The main researches include the impact of different levels of trust on organizational performance, motivation and origin of trust in organizations, the development mode of trust in organizations, and so on. As mentioned above, these researches on trust issues in organizations are usually not isolated problems, but closely connected with studies of sociology and psychology.

(2) Interpersonal trust in transaction activities

There are a lot of definitions of interpersonal trust. In marketing area, trust is considered to be consumers’ “confident belief that the salesperson can be relied upon to behave in such a manner that the long-term interest of the customer will be served” (Crosby et al., 1990), and the further “willingness to rely on an exchange partner in whom one has confidence” (Ganesan, 1994). Swan et al. (1988) defined trust as the buyers’ feeling of whether it is safe to depend on what the salesperson has said or promised.

Arrow (1974) emphasizes the important effect and value of trust on trading activities. Arrow said trust is the lube of trading, the most effective contract control mechanism, the soft contract, and the unique commodity hardly to buy. Trust is the necessary public morality of a lot of economic trading. The significance of trust is to help people predict the other part of dealing.

2.2 Researches about trust in e-commerce/online shopping

Information is believed to being an essential component in trusting relationship building and in the online environment. Servet (1995) in Gefen (2000) pointed out that if no information exists, it is impossible to establish trust; conversely, if information is assumed to be flawless, then there is no need for trust. Although there is big information gap between the two sides of transaction, the trust between the two sides still can help them reach a successful transaction. The information-advantaged side (usually the seller) will try to improve the trust degree of the information-disadvantaged side (usually the buyer) in
order to make the disadvantaged side believe that he will not take advantage of access to
information and harm other’s interests. Compared with traditional trading, the problem of
information asymmetry in e-commerce transactions significant. Therefore more and more
scholars gradually begin to study the trust issue in e-commerce.

In order to explore the trust issue in e-commerce transactions, scholars mostly take
traditional trust theory as basement, propose trust model in e-commerce transactions based
on assumptions, and then conduct theoretical exploration and empirical analysis

Mayer et al. (1995) proposed the three-dimensional model of trust in the traditional
environment, which are ability, benevolence and integrity. Gefen & Straub (2004) bring this
model into Internet environment. Though survey of 250 MBA students in the United States,
they prove the overall trust feeling of the customer to online transactions comes from the
trust to sellers ability, benevolence and integrity, which have a decisive impact on
purchasing decisions. Ability is the assessment that the trusted party knows its job and that
this knowledge reduces the uncertainty that is involved in the trusting party obtaining its
expected outcomes from the relationship by virtue of reducing the possible range of
undesirable behaviors relating to inadequate ability that the trusted party may show.
Benevolence, deals with the belief that the trusted party actually cares about the trusting
party, is willing to assist and support, and with consideration toward the customer. Integrity
refers to the trusted party’s honesty and keeping of promises to trusting party.

Some scholars also regard trust as a conceptual structure composed by credibility and
benevolence. Credibility refers to one party’s expectation to action undertaken by the other
party (to perform the contract) in the future (Anderson & Weitz, 1989). Benevolence refers
to one party will treat the other party fairly and unbiased, will not take unexpected actions
that would result in negative outcomes (Anderson & Narus, 1990). Ba & Pavlou (2002) and
McAllister (1995) proposed the e-trust is also divided according to the above two
dimensions. Credibility refers to buyer’s expectation of online sellers can perform the job
effectively and reliably, will acknowledge contracts, and will fulfill implicit and explicit
requirements of an agreement; it also contains assessments of the sellers’ competence and
professional skills. Benevolence refers to the belief that online sellers are genuinely
interested in the buyers’ welfare and has intentions and motives beneficial to the other party even under adverse conditions for which a commitment was not made.

Overall, the above studies are starting from the view of bipartite building of trust, which are rational and emotional perspectives. Although the results are different, but in general, customers’ trust to e-commerce comes from judgment in two aspects. On the one hand, customers analyze sellers’ market competence, marketing capabilities, brand strength, etc.; on the other hand, customers analyze sellers’ honest, virtuous quality and their customer care.

McKnight et al. (1998) proposed two factors of institution-based trust based on Zucker’s (1986) research: situational normality and structural assurances. Situation normality is defined as the belief that success is likely because the situation is normal. When the case of online shopping, if the seller design the purchasing rules in accordance with customer’s previous buying habits, they will meet customers familiar buying patterns and will get customers’ trust. Conversely, if the interface looks dubious, or asks customer to use unfamiliar purchase programs, the customer trust will be reduced. Structural assurances is defined as the belief that success is likely because such contextual conditions as promises, contracts, regulations, and guarantees are in place. McKnight conducted an in-depth analysis on institution-based trust and summarized the structure of institutional trust. Many scholars have subsequently used his classification method for the analysis of the structure of institutional trust.

With the development of the research, more and more scholars accept the psychology research’s view, that personal trust tendency also has a large correlation with the e-commerce transaction trust. Most of them do the research both from the theoretical side and empirical side, and proposed the three dimensional trust model of institutional, interpersonal and personal. Interpersonal trust is regarded as an assessment of the credibility of the online seller. They believe that the transaction itself is an interpersonal interaction process. Different from the daily interpersonal interaction, buyers, in transaction process, are at a disadvantage. Buyers will not decide to make a purchase until they fully understand the seller’s ability, benevolence and other information, and then make a
judgment whether to trust the seller based on previous transactions experience.

Tan & Sutherland (2004) conducted a study about trust in the B2C environment, and developed a theory of a multi-dimensional model of trust under online environment, which takes consumer trust as a three-dimensional building, including dispositional (consumer’s dimension), interpersonal (seller’s dimension) and institutional (Internet environment dimension). Among them, the dispositional trust is measured with the five factors (OCEAN) which are usually used to measure personality traits in psychological research. The results shows these three dimensions interacted and combined affect the purchase decision. This theoretical framework they proposed is supported by other scholars in later studies. Kim & Prabhakar (2002) focused their research on Internet banking. They believed that propensity-to-trust, word-of-mouth (WOM) referrals and structural assurances are important factors to establish the initial trust of Internet banking. They used multiple logistic regression analysis to test their hypothesis, and the results confirmed that all these three factors can affect consumer’s trust.

Kim et al. (2005) studied the antecedents of trust in e-commerce in two expert groups’ perspectives (academia and practitioners). They proposed six main factors affecting e-commerce trust, including consumer behavioral, institutional, information content, product, transaction, and technology dimensions. These six dimensions can be further decomposed and form an online trust theoretical framework covering consumer’s online transactions at different stages.

In another study, McKnight et al. (1998) combine Currall & Judge (1995) & Mayer et al. (1995)’s point of view, and proposed the two constructs of the high-level trust concept in organizations: trusting intention and trusting beliefs. Trusting intention means that one is willing to depend on the other person in a given situation, while there may be bad results. Trusting beliefs means that one believes the other person is benevolent, competent, honest, or predictable in a situation. Trusting beliefs will positively impact trusting intention, and trusting intention will positively impact trusting behavior. They use this theory to study the formation of initial trust in organizations.
There are also many researchers studying the influencing factors of online trust. Koufaris & Hampton-Sosa (2004) studied customer behavior online, proposed influencing factors such as customer’s perceived security control, perceived usefulness, perceived ease of use, and company’s perceived willingness to customize, etc.. Walczuch & Lundgren (2004) studied the psychological antecedents that influence consumer trust in e-retailing.

Overall, the research on trust issues in e-commerce/online shopping can be summarized as three main perspectives. The first perspective decomposes trust in e-commerce into trust in ability, trust in benevolence, trust in integrity and so on. The second perspective is that the e-trust is constituted by three dimensions, which are personal disposition to trust, interpersonal trust and institutional trust. The third perspective is that trust can be divided into trusting beliefs and trusting intention. Trusting beliefs are the result of trust determinants, and trusting intention determines the trusting behavior.

This research is mainly based on the first two perspectives. The third perspective is not involved, because it focuses on the result or utility of trust, instead of the antecedents.

2.3 Research model

From literature review of previous study about trust in e-commerce/online shopping, three main research perspectives are summarized. In accordance with the actual research needs, the theoretical research combines the first two perspectives, that is, (1) trust in e-commerce is decomposed into three classic dimensions - ability trust, integrity trust and benevolence trust, (2) influencing factors of trust are classified from internal to external, from personal factors (consumer’s dimension) to interpersonal factors (seller’s dimension). In this research, these two aspects of factors are named as “customer cognitive factors” and “objective influence factors” to be more intuitive and easy to understand. The institutional trust factors (Internet environment dimension) are integrated into the interpersonal factors. For example, the general security of the online shopping environment is replaced by the security of the great discount online shop, because this research focus on customers’ trust to great discount online shop, instead of the trust to general online shopping in previous
studies. Overall, the model is designed for a deep and close observation of characteristics of great discount online shop and their customer, and the interaction between these two parts.

The research model is as shown in Figure 2.1. Combining results from previous researches and the actual research needs, the proposed model consists of three parts. The core part is the three-dimensional customer trust proposed by Mayer et al. (1995). The other two parts are trust influencing factors which are divided from external to internal. One is objective influence factors of customer trust in great discount online shop, including (1) Security of great discount online shop, (2) Reputation of great discount online shop, (3) Reputation of products’ brands, and (4) Service of great discount online shop. The other is customer cognitive factors measured by the technology acceptance model (TAM), including (1) Perceived ease of use, and (2) Perceived usefulness. These two types of factors combined affect customer’s trust externally and internally.

**Fig. 2.1 Research Model**

2.4 Research hypothesis

The relationship between customer trust and these two types of influencing factors constitutes the basic hypotheses that this paper will verify. In the following part, the variables involved in the research model and the hypotheses between variables are defined.
2.4.1 Customer trust in great discount online shop

This paper uses the three dimensions of customers’ trust proposed by Mayer et al. (1995). They are ability trust (Y1), integrity trust (Y2), and benevolence trust (Y3). Customers’ trust is regarded as a kind of attitude towards online great discount vendors focusing on their perception of online great discount vendors’ trustworthiness comprehensively. Specifically, three dimensions of online purchase trust in reality can be comprehended as follows:

Ability trust (Y1) refers to customers’ confidence in online vendors’ abilities and skills to meet their demand, such as offering rich information of products and purchase decision, convenient and safe payment methods, and in time and high quality after-sale service, etc. A potential customer can become a real customer only if he perceives online vendors to be able to satisfy him from those perspectives as mentioned above.

Integrity trust (Y2) in actual online market includes customers’ confidence in the truthfulness of information released by online vendors, the level of responsibility for completing their commitments and complying with the contractual stipulations.

Integrity has always been the foundation of commercial activities especially those online. Customers can not directly know, check or experience products and services when purchasing online as traditional shopping mode. Moreover, it’s not a short time from payment to receiving the products, so customers also face emotional challenges in the whole procedure they examine if online vendors comply their contractual stipulations. If customers have no trust in vendors’ integrity, not only this single deal but also deals in a long time may difficult to be completed. Thus, online purchase can be conducted only if customers have enough confidence in the integrity of vendors.

Benevolence (Y3) in real online transaction refers mainly to customers’ confidence in online vendors’ consideration about customers’ benefits when they pursue their own profits. It’s a basic requirement of modern marketing that vendor should not only offers better service but also deliver more value to customers. When online vendors’ products and services benefit customers more, customers’ confidence in them and their purchase
intention will be more.

Three aspects of customer trust above constitute a rough structure of buyers’ trust in online vendors. Those three dimensions can be used as criterions to evaluate how much the customer trust is when he conducts a purchase in certain great discount online shop.

2.4.2 Objective influence factors of customer trust in great discount online shop and related hypotheses

(1) Security of great discount online shop (X1)

Security is the most important thing customers worrying about. Compared with traditional shopping mode in which payment is made directly and people pay and receive products at the same time transaction procedure online is separated and customers may feel risky. There are five elements in security. The first is payment. Almost every great discount online shop uses online payment nowadays. Customers are worried about things like the confidentiality of the personal information, the safety of their money and whether they can receive what they purchase on time. To make customers feel less risky, online shops adopt multiple payment modes such as cash on delivery, online bank and third party payment platform. The second is communication security. Vendors also use many pathways including online question-and-answer, phone call and various instant communication software. The third is clear and reasonable purchase rules and the fourth is privacy policy. When customers buy online they need to register then continue to make a deal. Personal information also has to be offered in this step because vendors need the information to deliver products. But customers don’t know if vendors use such information for other illicit purpose. So both two elements above can affect customers’ trust in online vendors. The fifth element is the construction of customer community. In online community users can evaluate, make feedback and suggestions, and propose questions. Vendors can reply in time and communicate with buyers to share experience. This section of online shop interface can satisfy customers’ emotional needs and supply the gap caused by the lack of face-to-face communication. Moreover, community section can also help vendors get more feedback.
from customers to handle their problems and give suggestions to make them feel their friendly attitude then enhance mutual trust. Based on the analysis above, hypotheses are raised below,

**H1** Security affects ability trust positively and obviously

**H2** Security affects integrity trust positively and obviously

**H3** Security affects benevolence trust positively and obviously

(2) Reputation of online shop (X2)

Reputation is considered as a record of past activities. Good reputation is a kind of important intangible assets of companies. Numerous studies have shown that online shop’s reputation is a key factor affecting customers’ trust in online vendors. The reputation of the great discount online shop is divided into three categories according to the actual conditions of e-commerce. First, this website is well-known, in other words, it’s popular in the whole business world in customer’s impression. Furthermore, this shop is often mentioned as a model among all the great discount online shops. Finally, this website gets high evaluation and recognition from netizens.

In the market competition, good reputation helps companies get long term profits but it needs very careful maintenance. Good reputation insinuates high quality products and service, comfortable shopping environment and less risky level. Companies have to make sustained efforts to shape a rosy image so the cost of damaging customer’s interests is high. Good reputation of online shops can deliver more safety to buyers and improve their trust in online vendors. When the great discount online shop is very famous, often mentioned as the typical successful model among competitors and able to get positive evaluation from those who talk about it, the reputation of such shop will be higher, thus customers trust will be higher. According to above analysis three hypotheses are raised below,

**H4** Reputation of the great discount online shop affects ability trust positively and obviously.
H5 Reputation of the great discount online shop affects integrity trust positively and obviously.

H6 Reputation of the great discount online shop affects benevolence trust positively and obviously.

(3) Reputation of products’ brands (X3)

Besides the reputation of great discount online shop itself, brands of products it sells may also influence customers’ trust in the shop. Customers have better impression of high reputation brands, which enhances their trust in the certain shop. Good reputation of products’ brands in this study contains three aspects. Firstly, they are famous. Secondly, they are considered quality-high by customers. Last but not least, such brands are rarely counterfeited in the market. If the brands online shops selling are famous and superior in quality, customers may have more confidence in the shops, and especially have more ability trust which means this shop is able to offer good products they dream about. Therefore two hypotheses are built about these elements,

H7 Reputation of products’ brands affects ability trust positively and obviously

H8 Reputation of products’ brands affects integrity trust positively and obviously

(4) Service of online shop (X4)

There are three main parts in website service during the whole purchase procedure, merchant communicative (MC), commodity delivery and after-sale service.

In online shopping, communication is an important segment. Through communication with vendors, customers can further understand information of products they want to buy and perceive the seller’s credibility. In traditional commerce, customers find out the actual condition of goods and give trust to vendors after hearing their introduction or searching by themselves in physical stores. When they do shopping online, they can get information by introduction, pictures and evaluation from others buyers on the web page, or directly communicate with vendors by call, e-mail, MSN or other instant messaging tools. The communication ability of vendors is mainly represented in their attitude and the level of
their comprehension of their products, which has effect on customers’ experience of interaction with vendors. Then the positive experience is likely to make customers have more trust in this great discount online shop.

In commodity delivery step, three aspects are integrated. First is the accuracy and timeliness of shipment. For most online vendors, they handle a lot of orders every second. Customers come from different places, if their efficiency is not high, many mistakes will be made such as they deliver product A to customer who actually want product B, types and color don’t correspond with the order or the delivery is not timely. When such problems happen, customers not only can’t get satisfaction after shopping, but also may be extremely displeasure, and their trust in vendors will greatly reduced. So vendors must try their best to prevent similar circumstances. Secondly is the safety and rapidity of delivery. There are only a few alternative methods to receive order for customers to choose, such as express, regular mail and EMS. Most customers will choose express because it’s fast and convenient with lower cost. For vendors, they also outsource the transportation segment to logistics companies. With the development of online shopping these years, express industry is improving fast. Huge amount of express companies come out at the same time in different cities in China, but the whole industry is immature and irregular.

In the delivery process, another significant issue is the safety guarantee of products, especially those precious, fragile and easily deformed. More serious are the inside jobs, after which customers only receive empty boxes. It not only constitutes a crime but also makes customers suffer the loss and may leave them a psychological shadow that no more trust exists. Thus the whole express industry need to be more sound and the professional quality of delivery persons need to be improved. Due to the big problem of logistics distribution, both vendors and customers are victims, although the online vendors are not person directly responsible but customers’ trust in them can also be affected directly.

When consumes receive their products the whole shopping process has not been closed, because their feedback and the vendors’ after-sale service is the vital link. The quality of after-sale service has influence on customers’ trust to online vendors, which are mainly represented in the two aspects: Firstly, vendors should offer invoices for purchases and
warranty cards. In traditional shopping mode, customers can get such assurance as certification for return and exchange products. In online shopping, a lot of vendors don’t offer assurance and it makes customers suspect the formality of inbound channel and reduces the trust in goods quality thus reduces the trust in online vendors. Secondly, there should be specific service policy in great discount online shop, such as indicate the period during which products can be returned or exchanged freely and be maintained, which make customers feel safer to reduce the sense of risky and improve their trust level. Three hypotheses are raised based on the discussion above,

H9 Service affects ability trust positively and obviously

H10 Service affects integrity trust positively and obviously

H11 Service affects benevolence trust positively and obviously

2.4.3 Customer cognitive factors that influence customer trust in great discount online shop and related hypotheses

Due to the high technology-related realistic background of the research topic, customer cognitive factors are researched through technology acceptance model (TAM) in this paper. TAM model (see Figure 2.2) was established by Davis (1989) according to theory of reasoned action. Davis considered that people’s attitude to new technology depends on their perception which includes perceived usefulness and perceived ease of use. The former means the level people consider certain kind of technology can increase effectiveness and output. The latter means the level people think certain kind of technology can be learned easily and can reduce their cost of energy. In TAM, both elements affect people’s attitude to new technology, which decides if people use it in practical finally. Furthermore, perceived ease of use has positive influence on perceived usefulness.

Online commerce is produced accompanied by the development of technology, and TAM consequently applies to studies discussing customer behaviors about the acceptance of online purchase. Many scholars have used this model widely in their studies, further confirmed that it’s effective under online purchase background.
In this research, these two dimensions of TAM are also used to test customer’s attitude on online purchase from customer’s cognitive perspective.

(1) Perceived ease of use (X5)

It is important for a high quality website that visitors can use it conveniently. Great discount online shops are platforms of information communication and making deals. For such shops, perceived ease of use including the design and organization are easily to be skimmed through, the information and products are easily to be searched for, the vendors are easily to be connected and communicated, orders are easily to be placed, etc. It’s similar with software development that the interface of websites are paid great attention to. Low quality designing websites are proved to have negative influence on customer behaviors (Lohse & Spiller, 1998). Those easy-to-use interfaces of online shops give customers impression that this online vendor is competent and this can improve their trust in vendors (Kim, 2002). Thus the hypothesis are raised below,

**H12** Perceived ease of use affects ability trust positively and obviously.

Six questions are developed,

(2) Perceived usefulness (X6)

Online purchase has advantages traditional shopping mode can’t replace. Firstly, there is large amount of information on the platform of online trade, and customers can find what
they need and related vendors by search engine, which can make the whole process more convenient and accurate. Secondly, products offered by online vendors are much cheaper generally. Because vendors don’t have real stores, they have price advantage. Meanwhile, customers can get higher quality products at the same price. Thirdly, online purchase can meet customer’s individual demand. Nowadays, people’s needs are becoming increasingly diversified and there are a lot of products can’t be found through traditional way. Fourthly, real store is restricted by time and space. Its business hours are fixed. Its customers most come from the same area. But online shops are open on all day, customers can purchase once they have Internet connection. Although online purchase has a lot of merits, customers can not perceive all of them immediately. The more utility customers perceive when they conduct online purchase, the higher their level of recognition and acceptability, and the higher their level of trust in online vendors. In conclusion, a hypothesis is given,

**H13** Perceived usefulness affects ability trust positively and obviously.

**2.5 Summary of the research hypotheses**

In this research, 13 hypotheses are presented to be tested, see Table 2.1 and Figure 2.3.

<table>
<thead>
<tr>
<th>Number</th>
<th>Hypothesis Content</th>
</tr>
</thead>
<tbody>
<tr>
<td>H1</td>
<td>Security affects ability trust positively and obviously</td>
</tr>
<tr>
<td>H2</td>
<td>Security affects integrity trust positively and obviously</td>
</tr>
<tr>
<td>H3</td>
<td>Security affects benevolence trust positively and obviously</td>
</tr>
<tr>
<td>H4</td>
<td>Reputation of the great discount online shop affects ability trust positively and obviously</td>
</tr>
<tr>
<td>H5</td>
<td>Reputation of the great discount online shop affects integrity trust positively and obviously</td>
</tr>
<tr>
<td>H6</td>
<td>Reputation of the great discount online shop affects benevolence trust positively and obviously</td>
</tr>
<tr>
<td>H7</td>
<td>Reputation of products’ brands affects ability trust positively and obviously</td>
</tr>
<tr>
<td>H8</td>
<td>Reputation of products’ brands affects integrity trust positively and obviously</td>
</tr>
<tr>
<td>H9</td>
<td>Service affects ability trust positively and obviously</td>
</tr>
<tr>
<td>-----</td>
<td>-------------------------------------------------------</td>
</tr>
<tr>
<td>H10</td>
<td>Service affects integrity trust positively and obviously</td>
</tr>
<tr>
<td>H11</td>
<td>Service affects benevolence trust positively and obviously</td>
</tr>
<tr>
<td>H12</td>
<td>Perceived ease of use affects ability trust positively and obviously</td>
</tr>
<tr>
<td>H13</td>
<td>Perceived usefulness affects ability trust positively and obviously</td>
</tr>
</tbody>
</table>

**Fig. 2.3 Summary of the research hypotheses**

### 3 Methodology

The main aim of this thesis is to study the influencing factors of customers’ trust to great discount online shops, find what factors can influence customers’ trust and to what extent their influence is. This chapter provides a detailed overview of the research methodology, including the choice of research approach, research design, process of data collection, methods of data analysis and what’s more, evaluations of results, which should be considered to ensure the quality of the results.

#### 3.1 Research approach

Quantitative approach is used based on the aim of this study, which is to find the quantitative effect of the independent variables of influencing factors on the dependent variable of customers’ trust. This is a typical deductive research, with a topic has been discussed in large amount of literatures from which the theoretical framework is defined.
and hypotheses are established (Creswell, 1994). Quantitative approach is required for
deductive research. Compared with qualitative approach, quantitative approach is based
more directly on its original plans and its results are more readily analyzed and interpreted
(Best & Khan, 1989), and based on which causality statements can be produced, through
the use of controlled experiments (Burns, 2000). Therefore, a quantitative approach will
help to test the causality between influencing factors and customers’ trust.

More specifically, questionnaire survey is conducted to test which factors will influence
customers’ trust in great discount online shops. Survey is beneficial because it allows the
collection of a large amount of data from a sizeable population in a highly economical way
and the result data are standardized, allowing easy comparison, and can be used to suggest
possible reasons for particular relationships between variables and to produce models of
these relationships (Saunders et al., 2009). The frequent use of questionnaire survey in prior
studies of trust issue (McAllister, 1995; Bart et al., 2005; Miyazaki & Fernandez, 2001;
Gefen & Straub, 2004; Kennedy et al., 2001; Kolsaker & Payne, 2002; Kim & Prabhakar,
2004; Davis, 1989; Walczuch & Lundgren, 2004; Moorman et al., 1992; Chang, 2003;
Koufaris & Hampton-Sosa, 2004; Corbitt et al., 2003; Gefen et al., 2003; Rempel et al.,
1985) also proves questionnaire survey fits this research topic very well.

3.2 Sample selection

The sample used to test the research hypotheses included university students and office
employees between 18 year-old and 40 year-old who had shopping experience or show
potential purchasing interest in great discount online shops. This age limit considers the
customers’ purchasing power and new technology adaptation. According to the report of
China Online shoppers’ behavior Research (iResearch, 2011), 86.2% of China’s online
shoppers are between 18 year-old and 40 year-old. Customers less than 18 year-old has
limited income and older people feel less comfortable with using a new technology
compared to younger people (Morris & Venkatesh, 2000; Schumacher & Morahan-Martin,
2001).

Because the authors were not in China and far from the target population when the research
was conducted, it is difficult to finding relevant respondent and collect answers from them at a distance. Given these limitations, authors are not able to use probability sampling method or doing field study, instead a non-probability, self-selection sampling methodology was adopted in this research in order to get access to the relevant respondent. Self sampling is a sampling method allowing individuals to identify their desire to take part in the research (Saunders et al., 2009). The questionnaires were spread through Internet. Respondents were directed to the online survey using links placed on university BBS, online shopper discussion groups, online shop forums, professional questionnaire survey websites, and through e-mail, MSN, OICQ and so on. This self-selection sampling method helped to reduce the amount of time to search for appropriate respondent, and the respondent are likely to be committed to take part in the study, and have greater willingness to provide more real information. Cases that self-select often do so because of their feelings or opinions about the research questions or stated objectives. A disadvantage of self-selection sampling is bias may occur. However, since the target research group of this thesis is customers who show interest in great discount online shop, the self-selected respondents are exactly what the authors’ want (Saunders et al., 2009).

3.3 Data collection

As mentioned above, because of the distance between authors and respondents, data is collected via Internet. 133 responses were collected in total. Because a tip of “don’t fill out the questionnaire repeatedly please” is provided with the questionnaire link, and there is no reward for filling out the questionnaire, multiple responses from the same person is avoided. 15 responses chose no both in question “I have purchase experience in great sale online shops” and “I may purchase from great sale online shops in the future” was eliminated, because they were not the target population, which was (potential) customer of great discount online shops. 12 incomplete responses were also eliminated. The final sample comprised of 106 responses.
3.4 Questionnaire design procedure

Prior to designing the questionnaire, the authors need to have reviewed the literature carefully, discussed their ideas widely, and conceptualized their own research clearly (Ghauri & Grønhaug, 2005). Based on this belief, the design of the questionnaire follows these steps:

Firstly, literatures is referred and integrated. After carefully reviewing of a large number of literatures, relevant applicable measurement scales and questions are drawn from previous studies. Combining these existing measurement scales and the real situation of this research, and the initial questionnaire is designed. Then through communication with the thesis supervisor and other students, precious comments are collected and the questionnaire is further modified. Especially for the expression of questions, most of the questions come from previous authoritative studies, they are high quality but expressed in English. The target market of this research is the Chinese great discount online shops’ market and the respondents are all Chinese customers, so the questions had to be translated into Chinese. Saunders et al. (2009) pointed out that translating questions and associated instructions into another language requires care if the translated or target questionnaire is to be decoded and answered by respondents in the way the author intended. In order to ensure the original meaning will convey to Chinese respondents, authors used the parallel-translation method, which means one author translate the questions from English to Chinese, and the other one retranslate it back to Chinese. The differences were discussed and the translation of the questionnaire was further modified. Then, the accuracy of the translation was tested among Chinese exchange students in Uppsala University.

The completed questionnaire was pretested in 8 Chinese students and 3 office employees before administer into large scale. Based on the feedback, some questions are further modified to adapt the Chinese language habit and make respondents easier to understand. After these steps, the ultimate questionnaire is finally formed.
3.5 Measurement

The questionnaire consists of three parts. The first part is a preface, which describes researcher’s identity and the aim of the study, and thereby make interviewees trust the researchers and take this survey seriously. Moreover, survey participants also get brief instruction to answer the following questions.

The second part of the questionnaire is the measurement of the given variables, including 39 questions about 9 variables. The scales were adopted from existing mature scales in prior studies and adjusted combined with the reality. Therefore, the validity and reliability of the scales are assured. The variables and the sources of various scales used to measure them are shown in Table 3.1. The reputation of products’ brands is a new variable in this thesis; therefore, the measurement of this variable was built by the authors. For the measurement of variables, seven-point Likert scale was used to show the comparability between the answers. It has been used widespread and has outstanding empirical validity.

<table>
<thead>
<tr>
<th>Variables</th>
<th>Measurement questions</th>
<th>Source</th>
</tr>
</thead>
<tbody>
<tr>
<td>Security of great</td>
<td>Q1 I consider that the transaction method of this online shop is safe and reliable</td>
<td>Koufaris &amp; Hampton-Sosa (2004), Bart et al. (2005)</td>
</tr>
<tr>
<td>discount online shop</td>
<td>Q2 I consider that the communication method of this online shop makes me feel safe</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Q3 There’s specific purchase principle to protect online shopping security</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Q4 This online shop has specific privacy policy</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Q5 This online shop offers perfect comments or interactive section to customers</td>
<td></td>
</tr>
<tr>
<td>Reputation of online shop</td>
<td>Q6 This online shop is very famous.</td>
<td>Bart et al. (2005), Shneiderman (2000)</td>
</tr>
<tr>
<td></td>
<td>Q7 This online shop is often mentioned as a model of a lot of similar great discount</td>
<td></td>
</tr>
<tr>
<td></td>
<td>online shops by customers.</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Q8 This online shop has positive evaluation and recognition from online buyers.</td>
<td></td>
</tr>
<tr>
<td>Reputation of products’</td>
<td>Q9 Products’ brands in this great discount shop is famous</td>
<td>New variable proposed by this research</td>
</tr>
<tr>
<td>brands</td>
<td>Q10 Products’ quality in this great discount shop is recognized by customers</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Q11 Products in this great discount shop are rarely counterfeited.</td>
<td></td>
</tr>
<tr>
<td>Service of</td>
<td>Q12 I can communicate with the vendor very</td>
<td>Gefen et al.</td>
</tr>
</tbody>
</table>

Tab. 3.1 Source of variables measurement
<table>
<thead>
<tr>
<th>online shops</th>
<th>conveniently like inquiring or offering comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q13</td>
<td>In my communication with this vendor, I appreciate the service attitude</td>
</tr>
<tr>
<td>Q14</td>
<td>The delivery and distribution of the goods are in time and fast</td>
</tr>
<tr>
<td>Q15</td>
<td>This online shop can secure the safety of goods in logistics</td>
</tr>
<tr>
<td>Q16</td>
<td>The quality of goods purchased from this online shop is quality-assured</td>
</tr>
<tr>
<td>Q17</td>
<td>This online shop has specific after-sale service terms. Moreover, services including return, exchange and maintenance are all available and in time.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Ability trust</th>
<th>Q18 The vendor is competitive</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q19</td>
<td>The vendor comprehends the market well</td>
</tr>
<tr>
<td>Q20</td>
<td>The vendor comprehends the products well</td>
</tr>
<tr>
<td>Q21</td>
<td>The vendor has the ability to offer excellent service</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Integrity trust</th>
<th>Q22 I consider the vendor is with integrity</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q23</td>
<td>The product information released by the vendor is real</td>
</tr>
<tr>
<td>Q24</td>
<td>The vendors will keep their commitments</td>
</tr>
<tr>
<td>Q25</td>
<td>The suggestions of vendors are made based on their optimal judgment</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Benevolence trust</th>
<th>Q26 The intention of vendor is benevolence</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q27</td>
<td>I think this vendor not only cares about his own interests, but also the consumers’ interests.</td>
</tr>
<tr>
<td>Q28</td>
<td>If I make requests, the vendor will help me at full stretch</td>
</tr>
<tr>
<td>Q29</td>
<td>I believe the vendor will look after consumers’ interests</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Perceived ease-of-use</th>
<th>Q30 In the process of purchase, it’s easy to master the flow of online shopping</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q31</td>
<td>It’s easy to find what I need in this online shop</td>
</tr>
<tr>
<td>Q32</td>
<td>I feel it’s easy to communicate with the online vendor</td>
</tr>
<tr>
<td>Q33</td>
<td>I think it’s easy to get a pattern of payment which suits me</td>
</tr>
<tr>
<td>Q34</td>
<td>I think it’s easy to receive what I buy from this online shop</td>
</tr>
<tr>
<td>Q35</td>
<td>In summary, it’s convenient for me to purchase in this online shop</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Perceived usefulness</th>
<th>Q36 In this online shop, I can save a lot of time to search and purchase products.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q37</td>
<td>In this online shop, I can buy cheaper products.</td>
</tr>
<tr>
<td>Q38</td>
<td>In this online shop, I can buy higher quality</td>
</tr>
</tbody>
</table>

(2003), Kennedy et al. (2001)
Davis (1989)
The third part of the questionnaire is demographic information, including gender, age, degree of education, occupation, monthly disposable money and so on. Meanwhile, questions are set to test whether they have related shopping experience before and their willingness of purchasing in great discount online shops in the future, to exclude the non-target populations and keep the validity of the data.

### 3.6 Data analysis

All of the data analysis is conducted with SPSS 19.0. Statistical reliability and validity testing was firstly proceed to examine the quality of the questionnaire from a statistical perspective.

Reliability indicates the accuracy or precision of the measuring instrument (Norland-Tilburg, 1990). The reliability testing of questionnaire is used to measure the consistency and stability of the result. In this paper, Cronbach consistency coefficient (Cronbach α) indicator (Cronbach, 1951) is used to examine the reliability of variables involved in the questionnaire. The value of Cronbach α is generally between 0 and 1. An α close to 1 refers to the higher reliability. An alpha of 0.50 or higher indicates a sufficient level of internal reliability (Nunally, 1978).

Validity is the extent to which a concept, conclusion or measurement is well-founded and corresponds accurately to the real world. In other words, internal validity of the questionnaires refers to the ability of the questionnaire to measure what the author intend it to measure (Saunders et al., 2009). Generally, the validity of a questionnaire includes content validity, criterion-related validity and construct validity (Blumberg et al., 2008). Content validity refers to the extent to which the measurement questions provide adequate coverage of the investigative questions. Criterion-related validity refers to the ability of the measures to make accurate predictions. Construct validity refers to the extent to which the measurement questions actually measure the presence of those constructs the author
intended them to measure (Saunders et al., 2009).

The content validity is usually determined by the reasonableness of the questions’
distribution. The questions for variables in this research are based on existing mature
questions in related researches, and adjusted combined with the reality. Therefore, this
questionnaire has high content validity.

The criterion-related validity is usually assessed with correlation analysis, which is
conducted before the regression analysis.

The construct validity is commonly tested through factor analysis. In this research, factor
analysis is used to test the validity of the questionnaire and calculate the corresponding
value for each variable, for subsequent correlation and regression analysis. Before
proceeding factor analysis, KMO and Bartlett’s test of sphericity is firstly used to determine
whether the questions are suitable for factor analysis. It is generally believed that factor
analysis is suitable when KMO value is above 0.5 and sig., is less than 0.01 in the result of
Barlett’s test.

Before proceeding the regression analysis, correlation analysis was conducted for studying
the closeness of variables. Correlation means there is a certain relationship between the
changes or value of two variables, but it is not clear which is the independent variable and
which is the dependent variable. Correlation coefficient is a quantitative measurement of
the strength and direction of the linear relationship between two ranked or quantifiable
variables (Saunders et al., 2009). In order to verify the relationship between the variables in
the research model, Pearson’s product moment correlation coefficient (PMCC) analysis was
conducted.

Finally, multiple regression analysis was proceeded after correlation analysis to further
clarify the specific quantitative relationship between variables, and establish mathematical
model between the dependent variable and independent variables. Stepwise regression
method is used. In statistics, stepwise regression includes regression models in which the
choice of predictive variables is carried out by an automatic procedure (Draper & Smith,
1981). The advantage of stepwise regression is twofold. On one hand, it permits screening
of a large number of potential independent variables to obtain the best ones for building the optimal regression model. On the other hand, it can be used to limit the number of independent variables to the few that make the most important contributions to the dependent variable (Ohring, 1971).

4 Results

This chapter presents the analysis result of the quantitative data collected from questionnaires. As stated in methodology section, the statistical analysis includes reliability and validity testing, correlation analysis and multiple regression analysis.

4.1 Statistical reliability and validity testing

4.1.1 Reliability analysis

As mentioned in methodology section, Cronbach consistency coefficient (Cronbach $\alpha$) indicator is used to examine the reliability of variables involved in the questionnaire. An alpha of 0.50 or higher indicates a sufficient level of internal reliability. The reliability testing results are shown in Table 4.1.

<table>
<thead>
<tr>
<th>Variables</th>
<th>Measuring questions</th>
<th>Cronbach $\alpha$</th>
<th>Cronbach $\alpha^*$</th>
</tr>
</thead>
<tbody>
<tr>
<td>Objective factors</td>
<td>1-17 (17 in total)</td>
<td>0.877</td>
<td>0.889</td>
</tr>
<tr>
<td>Transaction Security</td>
<td>1-5 (5 in total)</td>
<td>0.791</td>
<td>—</td>
</tr>
<tr>
<td>Website Reputation</td>
<td>6-8 (3 in total)</td>
<td>0.875</td>
<td>—</td>
</tr>
<tr>
<td>Brand Reputation</td>
<td>9-11 (3 in total)</td>
<td>0.458</td>
<td>0.871</td>
</tr>
<tr>
<td>Website Service</td>
<td>12-17 (6 in total)</td>
<td>0.858</td>
<td>—</td>
</tr>
<tr>
<td>Customer trust</td>
<td>18-29 (12 in total)</td>
<td>0.921</td>
<td>—</td>
</tr>
<tr>
<td>Ability Trust</td>
<td>18-21 (4 in total)</td>
<td>0.863</td>
<td>—</td>
</tr>
<tr>
<td>Integrity Trust</td>
<td>22-25 (4 in total)</td>
<td>0.882</td>
<td>—</td>
</tr>
<tr>
<td>Benevolence Trust</td>
<td>26-29 (4 in total)</td>
<td>0.834</td>
<td>—</td>
</tr>
<tr>
<td>Cognitive factors</td>
<td>30-39 (10 in total)</td>
<td>0.892</td>
<td>0.914</td>
</tr>
<tr>
<td>Perceived Ease-of-use</td>
<td>30-35 (6 in total)</td>
<td>0.904</td>
<td>—</td>
</tr>
<tr>
<td>Perceived Usefulness</td>
<td>36-39 (4 in total)</td>
<td>0.591</td>
<td>0.724</td>
</tr>
</tbody>
</table>

“—” means data unchanged

Cronbach $\alpha$ shows the result of the initial reliability testing. Question 11: “Products in this
great discount shop are rarely counterfeited” shows low consistency coefficient (Cronbach \( \alpha < 0.5 \)), indicating a low reliability of these two questions and possible problems exist in these two questions. The problem of Question 11 may due to counterfeit as a common phenomenon in China, especially for the well-known brands like Nike, Adidas, and CK etc. In this case, the high counterfeit rate doesn’t mean the reputation of the brand is low.

Cronbach \( \alpha^* \) indicates the re-computing results when Question 11 was deleted. The value of Cronbach \( \alpha^* \) of all variables in the questionnaire is above 0.5, indicating that data collected in this survey has high reliability, and is qualified for the subsequent statistical analysis.

### 4.1.2 Validity analysis

Factor analysis is used to test the validity of the questionnaire and calculate the corresponding value for each variable, for subsequent correlation and regression analysis. In factor analysis, KMO and Bartlett’s test of sphericity is firstly used to determine whether the questions are suitable for factor analysis. It is generally believed that factor analysis is suitable when KMO value is above 0.5. Most of the measurement questions passed the KMO test and Bartlett’s test of sphericity, and one factor was extracted from the further principal component analysis. After the modification of questionnaire by eliminating the questions with a KMO value less than 0.5 or show cross-load, each measurement consisted of one factor as expected. The eliminated questions are as follows:

Among the measurement of Security of great discount online shop, Question 5 “This online shop offers perfect comments or interactive section to consumers” shows cross-load between two factors, with load values of 0.587 and 0.690, both of which are above 0.5, so this question should be deleted. After the modification, only one factor is extracted, and the factor load component of the security related questions are all above 0.5, indicating that this factor can pass the test.

Among the measurement of Service of great discount online shop, Question 12 “I can communicate with the vendor very conveniently like inquiring or offering comments”
shows cross-load between two factors, with load values of 0.548 and 0.753, both of which are above 0.5, so this question should be deleted. Question 13 “In my communication with this vendor, I appreciate the service attitude” has the same cross-load problem, and should be deleted as well. After the modification, only one factor is extracted and the factor load component of the security related questions are all above 0.5, indicating that this factor can pass the test.

Among the measurement of Perceived usefulness, Question 38 “In this online shop, I can buy higher quality products” shows big difference from other three. After this question is deleted, the KMO value increased from 0.485 to 0.544, above the minimum level of 0.5, so factor analysis turns to be feasible. There is only one factor is extracted, and the factor load component of the perceived usefulness related questions are all above 0.5, indicating that this factor can pass the test.

In summary, question 5, 12, 13 and 38 failed to pass the validity analysis. After the elimination of these 4 questions, the final analysis result of the whole questionnaire can pass the test, and only one factor is extracted from each measurement, which can be used in further correlation analysis and multiple regression analysis.

4.2 Correlation Analysis

The result of correlation analysis is as shown in Table 4.2. All the 6 variables of objective influence factors and customer cognitive factors (security $X_1$, reputation $X_2$, brand’s reputation $X_3$, service $X_4$, perceived ease of use $X_5$ and perceived usefulness $X_6$) shows a significant correlation with the 3 dimensions of customer trust (ability trust $Y_1$, integrity trust $Y_2$ and benevolence trust $Y_3$). The correlation between variables has been verified. The influencing extent of each factor will be further researched through the following regression analysis.

<table>
<thead>
<tr>
<th>Tab. 4.2 Correlation of variables</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Security</strong></td>
</tr>
<tr>
<td>Pearson Correlation</td>
</tr>
</tbody>
</table>

31
<table>
<thead>
<tr>
<th></th>
<th>Sig. (2-tailed)</th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Reputation</td>
<td></td>
<td>.000</td>
<td>.000</td>
<td>.000</td>
</tr>
<tr>
<td></td>
<td>Pearson Correlation</td>
<td>.371**</td>
<td>.484**</td>
<td>.493**</td>
</tr>
<tr>
<td></td>
<td>Sig. (2-tailed)</td>
<td>.000</td>
<td>.000</td>
<td>.000</td>
</tr>
<tr>
<td>Brand’s Reputation</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Pearson Correlation</td>
<td>.619**</td>
<td>.519**</td>
<td>.466**</td>
</tr>
<tr>
<td></td>
<td>Sig. (2-tailed)</td>
<td>.000</td>
<td>.000</td>
<td>.000</td>
</tr>
<tr>
<td>Service</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Pearson Correlation</td>
<td>.716**</td>
<td>.690**</td>
<td>.537**</td>
</tr>
<tr>
<td></td>
<td>Sig. (2-tailed)</td>
<td>.000</td>
<td>.000</td>
<td>.000</td>
</tr>
<tr>
<td>Perceived ease of use</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Pearson Correlation</td>
<td>.582**</td>
<td>.533**</td>
<td>.477**</td>
</tr>
<tr>
<td></td>
<td>Sig. (2-tailed)</td>
<td>.000</td>
<td>.000</td>
<td>.000</td>
</tr>
<tr>
<td>Perceived usefulness</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Pearson Correlation</td>
<td>.489**</td>
<td>.351**</td>
<td>.378**</td>
</tr>
<tr>
<td></td>
<td>Sig. (2-tailed)</td>
<td>.000</td>
<td>.000</td>
<td>.000</td>
</tr>
</tbody>
</table>

**Correlation is significant at the 0.01 level (2-tailed).**

4.3 Regression analysis

This research conducts multiple linear regression analysis on three sets of variables: the 6 influencing factors and ability trust, the 6 influencing factors and integrity trust, and the 6 influencing factors and benevolence trust. There are three basic assumptions for multiple linear regression. In order to ensure the correctness of regression and to avoid violation of the basic assumptions, heteroscedasticity, autocorrelation and multicollinearity should be tested and avoided in regression analysis.

(1) Heteroscedasticity test. It can be tested by variance analysis. In all the variance analysis below, the significance of F is less than 0.05, indicating no heteroscedasticity will influence the regression results.

(2) Autocorrelation test. It can be tested by the value of Durbin-Watson. Autocorrelation does not exist when the value of D-W is around 2. In all the regression analysis below, the value of D-W is around 2, indicating no autocorrelation exist.

(3) Multicollinearity test. It can be tested by VIF (variance inflation factor). Multicollinearity does not exist when the value of VIF is less than 10. In all the regression analysis below, the value of VIF is less than 10, indicating no multicollinearity exist.

Moreover, (1) test of goodness of fit of the regression model, (2) significance testing of the regression equation and (3) significance testing of regression coefficient was conducted.
during the regression analysis.

Test of goodness of fit of the regression model is tested by the multiple correlation coefficient $R$ and $R^2$, the bigger value of $R$ or $R^2$ means the better fit of the regression model. The significance of regression equation is tested through variance analysis (F-test). If the significance of $F$ is less than 0.05, the measurement can pass the test. The significance of regression coefficient is tested through t-test. If the significance is less than 0.05, it will pass the test.

The results of all the regression models/ equations/ regression coefficients have passed these tests.

### 4.3.1 Regression analysis of Influencing factors of ability trust

The independent variables are security $X_1$, reputation $X_2$, brand’s reputation $X_3$, service $X_4$, perceived ease of use $X_5$ and perceived usefulness $X_6$, and dependent variable is ability trust $Y_1$. We assume: $Y_1 = a*X_1 + b*X_2 + c*X_3 + d*X_4 + e*X_5 + f*X_6$

From the standardized coefficient Beta of each variable in Table 4.3, the standardized regression equation of the optimal model of ability trust influencing factors can be summarized as:

$$Y_1 = 0.345*X_4 + 0.330*X_1 + 0.227*X_3 + 0.174*X_2$$

<table>
<thead>
<tr>
<th>Tab. 4.3 Coefficients$^a$</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Model</strong></td>
</tr>
<tr>
<td></td>
</tr>
<tr>
<td>1 (Constant)</td>
</tr>
<tr>
<td>Service $X_4$</td>
</tr>
<tr>
<td>2 (Constant)</td>
</tr>
<tr>
<td>Service $X_4$</td>
</tr>
<tr>
<td>Security $X_1$</td>
</tr>
<tr>
<td>3 (Constant)</td>
</tr>
<tr>
<td>Service $X_4$</td>
</tr>
<tr>
<td>Security $X_1$</td>
</tr>
<tr>
<td>Brand’s Rep $X_3$</td>
</tr>
</tbody>
</table>
4.3.2 Regression analysis of Influencing factors of integrity trust

The independent variables are security X₁, reputation X₂, brand’s reputation X₃, service X₄, perceived ease of use X₅ and perceived usefulness X₆, and dependent variable is integrity trust Y₂. We assume: 

\[ Y₂ = a\times X₁ + b\times X₂ + c\times X₃ + d\times X₄ + e\times X₅ + f\times X₆ \]

From the standardized coefficient Beta of each variable in Table 4.4, the standardized regression equation of the optimal model of integrity trust influencing factors can be summarized as:

\[ Y₂ = 0.496\times X₄ + 0.268\times X₂ + 0.181\times X₃ \]

<table>
<thead>
<tr>
<th>Model</th>
<th>Unstandardized Coefficients</th>
<th>Standardized Coefficients</th>
<th>t</th>
<th>Sig.</th>
<th>Collinearity Statistics</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>B</td>
<td>Std. Error</td>
<td>Beta</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1</td>
<td>(Constant)</td>
<td>-.006</td>
<td>.682</td>
<td>.080</td>
<td>-.077</td>
</tr>
<tr>
<td></td>
<td>Service X₄</td>
<td>.000</td>
<td>.585</td>
<td>.077</td>
<td>.585</td>
</tr>
<tr>
<td>2</td>
<td>(Constant)</td>
<td>.002</td>
<td>.289</td>
<td>.078</td>
<td>.287</td>
</tr>
<tr>
<td></td>
<td>Service X₄</td>
<td>.002</td>
<td>.289</td>
<td>.078</td>
<td>.287</td>
</tr>
<tr>
<td></td>
<td>Reputation X₂</td>
<td>.002</td>
<td>.289</td>
<td>.078</td>
<td>.287</td>
</tr>
<tr>
<td></td>
<td>Brand’s Rep X₃</td>
<td>.002</td>
<td>.289</td>
<td>.078</td>
<td>.287</td>
</tr>
<tr>
<td>3</td>
<td>(Constant)</td>
<td>.002</td>
<td>.289</td>
<td>.078</td>
<td>.287</td>
</tr>
<tr>
<td></td>
<td>Service X₄</td>
<td>.002</td>
<td>.289</td>
<td>.078</td>
<td>.287</td>
</tr>
<tr>
<td></td>
<td>Reputation X₂</td>
<td>.002</td>
<td>.289</td>
<td>.078</td>
<td>.287</td>
</tr>
<tr>
<td></td>
<td>Brand’s Rep X₃</td>
<td>.002</td>
<td>.289</td>
<td>.078</td>
<td>.287</td>
</tr>
</tbody>
</table>

4.3.3 Regression analysis of Influencing factors of benevolence trust

The independent variables are security X₁, reputation X₂, brand’s reputation X₃, service X₄,
perceived ease of use $X_5$ and perceived usefulness $X_6$, and dependent variable is benevolence trust $Y_3$. We assume: $Y_3 = a*X_1 + b*X_2 + c*X_3 + d*X_4 + e*X_5 + f*X_6$

From the standardized coefficient Beta of each variable in Table 4.5, the standardized regression equation of the optimal model of benevolence trust influencing factors can be summarized as:

$$Y_3 = 0.418*X_4 + 0.363*X_2$$

**Tab. 4.5 Coefficients**

<table>
<thead>
<tr>
<th>Model</th>
<th>Unstandardized Coefficients</th>
<th>Standardized Coefficients</th>
<th>t</th>
<th>Sig.</th>
<th>Collinearity Statistics</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>B</td>
<td>Std. Error</td>
<td>Beta</td>
<td></td>
<td>Tolerance</td>
</tr>
<tr>
<td>1 (Constant)</td>
<td>-0.042</td>
<td>0.095</td>
<td>-0.444</td>
<td>0.658</td>
<td>1.000</td>
</tr>
<tr>
<td>Service X4</td>
<td>0.521</td>
<td>0.093</td>
<td>0.521</td>
<td>5.623</td>
<td>0.000</td>
</tr>
<tr>
<td>2 (Constant)</td>
<td>-0.041</td>
<td>0.087</td>
<td>-0.466</td>
<td>0.642</td>
<td>1.000</td>
</tr>
<tr>
<td>Service X4</td>
<td>0.418</td>
<td>0.089</td>
<td>0.418</td>
<td>4.713</td>
<td>0.000</td>
</tr>
<tr>
<td>Reputation X3</td>
<td>0.372</td>
<td>0.091</td>
<td>0.363</td>
<td>4.087</td>
<td>0.000</td>
</tr>
</tbody>
</table>

a. Dependent Variable: Benevolence trust $Y_3$

**4.4 Summary of analysis results**

The result of research hypothesis testing obtained by regression analysis is as shown in Table 4.6. The results will be further discussed in the next chapter.

**Tab. 4.6 Summary of analysis results**

<table>
<thead>
<tr>
<th>Hypothesis</th>
<th>Testing result</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>H1</strong>: Security affects ability trust positively and obviously</td>
<td>Supported</td>
</tr>
<tr>
<td><strong>H2</strong>: Security affects integrity trust positively and obviously</td>
<td>Not supported</td>
</tr>
<tr>
<td><strong>H3</strong>: Security affects benevolence trust positively and obviously</td>
<td>Not supported</td>
</tr>
<tr>
<td><strong>H4</strong>: Reputation of the great discount online shop affects ability trust positively and obviously</td>
<td>Supported</td>
</tr>
<tr>
<td><strong>H5</strong>: Reputation of the great discount online shop affects integrity trust positively and obviously</td>
<td>Supported</td>
</tr>
<tr>
<td>H6: Reputation of the great discount online shop affects benevolence trust positively and obviously</td>
<td>Supported</td>
</tr>
<tr>
<td>H7: Reputation of products’ brands affects ability trust positively and obviously</td>
<td>Supported</td>
</tr>
<tr>
<td>H8: Reputation of products’ brands affects integrity trust positively and obviously</td>
<td>Supported</td>
</tr>
<tr>
<td>H9: Service affects ability trust positively and obviously</td>
<td>Supported</td>
</tr>
<tr>
<td>H10: Service affects integrity trust positively and obviously</td>
<td>Supported</td>
</tr>
<tr>
<td>H11: Service affects benevolence trust positively and obviously</td>
<td>Supported</td>
</tr>
<tr>
<td>H12: Perceived ease of use affects ability trust positively and obviously</td>
<td>Not supported</td>
</tr>
<tr>
<td>H13: Perceived usefulness affects ability trust positively and obviously</td>
<td>Not supported</td>
</tr>
</tbody>
</table>

5 Discussion and implications

5.1 Discussion of regression analysis results

This research explored the factors that influence customers’ trust in great discount online shop from two aspects, that is external objective influencing factors and internal customer cognitive factors. 13 hypotheses are proposed and tested through survey. In the analysis part, reliability and validity testing are conducted firstly to ensure the questions with low reliability and questions cross-load between two factors are deleted.

The result of correlation analysis shows the 6 influencing factors (security of great discount online shop $X_1$, reputation of online shop $X_2$, reputation of product’s brands $X_3$, service of online shop $X_4$, perceived ease of use $X_5$ and perceived usefulness $X_6$) are all significantly correlated with the 3 dimensions of customer trust (ability trust $Y_1$, integrity trust $Y_2$ and benevolence trust $Y_3$) at the 0.01 level, preliminarily supporting the hypotheses H1-H13. In the stepwise regression analysis phase, 4 influencing factors entered the final optimal model and 2 factors failed. The following is the discussion of these 6 factors.
5.1.1 Security of great discount online shop

In the correlation analysis, security of online shop shows a significant correlation with all the three trust dimensions, and is the second factor entered the regression model of ability trust, indicating security factor can influence customers trust, especially their confidence of the online shop’s ability. Security is fundamental to the success of online transaction and customers will not expect an unsafe online shop to have the ability to provide high quality service. Specially, great discount online shops usually have a segment for luxury-brand products; big amount of money is transferred in the transaction process and security becomes even more important for these luxury buyers. Therefore, the great discount online shop must maintain a high level of security to earn their customers’ trust.

There are many technologies and secure products to protect the site safety. The online shop can use these technologies and products to perfect their security management mechanism. Apart from ensuring the web safety, online shops should also convey the security signal to their customer, thereby enhancing customers’ trust. Online shops can also improve customer trust by third-party certification, which has been proved effective in many successful cases.

5.1.2 Reputation of online shop

In the regression analysis, this factor shows a significant positive impact on all the three levels of customer trust, indicating the reputation of online shop has a strong and comprehensive importance on customer’s trust, especially for customers without shopping experience. The customers who don’t have buying experiences in this online shop or similar shops judge the credibility of the seller mostly by reputation. It is not easy to build and maintain good reputation. The establishment of reputation requires unremitting efforts; however, the destruction of reputation often needs only one wrong step. Because of the difficulty to obtain good reputation, customers always give more comprehensive trust to sellers with good reputation, and believe they can provide better products or services than other sellers.
5.1.3 Reputation of products’ brands

Reputation of products’ brands is proved to be positively influential to ability trust and integrity trust though regression analysis. This factor has not been studied in previous researches of influencing factors of customer trust. This factor is added into this study, because it is important for the great discount online shops. The purpose of great discount online shops is to help customers to buy products of certain brands with a lower price. If the online shop is able to provide products of well-known and highly acclaimed brands, it means this online shop is trusted by the supplier and can provide customers with better quality products and service. In other words, they can earn customers’ ability trust and integrity trust easier than their competitors.

5.1.4 Service of online shop

According to the regression analysis result, service of online shop is the most influential factor of customers’ trust. It first entered the regression models of all three trust dimensions, indicating it has a strong influence on every aspect of customer trust. In this research, the service of online shop is mainly reflected in three aspects, that is merchant communicative (MC), commodity delivery and after-sale service. It is a basic requirement for customers’ satisfaction to maintain the high quality performance during the whole purchase procedure. Good service is the basis to establish good reputation. It helps to earn customers’ trust and is necessary for retaining old customers and attracting new customers. Therefore, good service consequently enhances the competitiveness of online shops, especially for great discount online shops, since other competitors are providing basically the same products.

5.1.5 Perceived ease of use and Perceived usefulness

Perceived ease of use and perceived usefulness shows a significant positive correlation to customers trust in great discount online shops. However, these two customer cognitive factors failed to enter regression models. The reason may be: (1) the influence of customer cognitive factors are not as strong as objective factors, or (2) customers regard shopping in
great discount online shops as a common way, and the difference in ease of use and usefulness from the traditional shopping way is not obvious in customers’ opinion. If great discount online shops are able to enhance customer’s perception of the shop’s usefulness and ease of use, and let customers aware of the advantages of shopping in great discount online shops, it is very possible to attract more customers from the traditional brand stores.

5.2 Implications for practice

The major findings of this study imply that some objective factors can significantly influence customers’ trust, such as security of great discount online shop, reputation of online shop, reputation of products’ brand and service of online shop. Based on these findings, great discount online shops are suggested to make more efforts in these aspects. The following are suggestions for practice in order of importance.

5.2.1 Improve service quality

This study proved the service quality has a significant impact on ability trust, integrity trust and benevolence trust, which shows customers attach great importance to service of online shops. The great discount online shops can improve their service quality from the following three aspects.

(1) Strengthen communication with customers

Fast and effective interaction with customers and in-time support to customers’ needs ask efficient communication channel. Good communication between seller and customers plays a key role in information transmission and solving conflicts. The online shop should provide a variety of approaches to achieve timely communication with customers in order to meet the communication needs of customers. The online shops can use instant messenger, telephone and e-mail to provide customers with information about products, distributions, service channels and other information that customers need. Great discount online shops can also increase communications with customers through online forum, answer customers’ questions, eliminate their doubt, and thereby improve their confidence of the online shop.
The online shop must not provide false information and should be honest during communication, and accept customers’ advices to gain good impression from customers.

(2) Improve the quality of logistics and distribution

The delivery is an important part of online shopping. Online shops usually outsource the commodity distribution to logistics express companies. This requires that online shops should choose logistics express companies with good service quality, and deliver commodities timely. In the same time, online shops must ensure the safety of the commodities and avoid the loss or damage of customer’s goods.

(3) Improve the quality of after-sales service

Online shops can improve the quality of after-sales service from three aspects: First, establish a complete and speedy returns procedure to reduce the dissatisfaction of customers; second, standardize purchasing channels and ensure product quality, provide customers with formal invoice, set clear after-sales policy and put it into practice; third, collect customers’ feedback and suggestions after their purchase in order to improve the quality of goods and service.

5.2.2 Improve the reputation of great discount online shops

Under the online shopping environment, reputation is particularly important to win customer trust, because of the virtualization of online transaction, as well as the obvious information asymmetry problem. The improvement of the reputation of great discount online shops will comprehensively strengthen customers’ trust on ability, integrity and benevolence, and consequently stimulate their purchase. To improve the reputation, online shop should, on one hand, strictly eliminate unfair and dishonest transactions, provide high quality products and services, strive to exceed customers’ expectation and win high satisfaction of customers. The highly satisfied customers are likely to become loyal customers. They are propagandist of the shop’s reputation and will help to attract more customers. On the other hand, great discount online shops should build good image, and use traditional mass media and network media to promote themselves.
5.2.3 Improve the reputation of products’ brands

Due to the characteristics of great discount online shop, the reputation of products’ brands is an important factor to affect customers’ trust. The reputation of products’ brands that the great discount online shop sells affects the positioning and image of the online shop, and thereby affects customers’ impressions on the online shop. Therefore, the great discount online shop should carefully select the brands of products they sell. Selling products of brands with good reputation can ensure product quality and reduce the probability of return, and increase customer satisfaction. On the other hand, the online shop should communicate with customers to understand what brands customers are interested in, and contact with these brands and establish cooperation to meet the needs of customers.

5.2.4 Improve the security of great discount online shop

The security problem is a general problem in online transactions, and is one of the main reasons for what Internet users don’t dare to shop online. Online shops can improve their security by using appropriate firewall, encryption and authentication technologies, or by third-party certifications. Online shops should provide secure server; customers’ sensitive information can be encrypted and then stored and transmitted on this server to ensure the safety of customers’ personal information.

Detailed description of safety measures and customer protection policies should be presented in prominent positions in the web page, in order to dispel the security concerns of customers and encourage their purchase.

6 Conclusion, limitations and future research

6.1 Conclusion

This paper discussed the factors that influence customers’ trust in great discount online shop from two aspects based on the three-dimensional customer trust proposed by Mayer et al. (1995), which is external objective influencing factors and internal customer cognitive
factors. Objective influence factors of customer trust consist of security, reputation of online shops, reputation of products’ brands, and service. Internal customer cognitive factors include perceived ease of use and perceived usefulness.

Security affects ability trust positively and obviously. Reputation of online shop shows a significant positive impact on all the three levels of customer trust. Reputation of products’ brands is proved to be positively influential to ability trust and integrity trust. Service of online shop is the most influential factor of customers’ trust. Perceived ease of use and Perceived usefulness have a positive correlation to customers trust in great discount online shops, but these two customer cognitive factors don’t affect customers trust very obviously. Therefore, the great discount online shop could earn their customers’ trust by improving service quality, the reputation of great discount online shops, the reputation of products’ brands and the security of online shops.

6.2 Limitations

Although the research gets some useful results, however, due to the limitations of different aspects of conditions and the authors’ capability, there are several limitations as follows.

(1) Limitation of research samples. Most of the interviewees are university students and young employees in Shanghai, but customers of the great discount online shops are cross-regional and with diverse occupation background, so these samples are not comprehensive and diverse enough, which can not represent the entire perspective and opinions of the customers of great discount online shops.

(2) Error in survey process. Questions in the questionnaire mostly come from previous mature researches, but deviations of semantics may occur during the translation from English to Chinese. At the same time, different levels of comprehension of interviewees can also influence the final results.

(3) This article classified elements influencing consumers’ trust in great discount online shops into two parts based on previous researches and the pre-research. But this kind of classification is not comprehensive and cannot cover all factors affecting trust.
Moreover, with the development of online shopping and changing of technology and consumers’ concepts, new influencing factors may come out in the future.

(4) The questionnaires are sent on the Internet, so the authors are not able to stay beside interviewees, instruct and monitor them to fill out questionnaires. Some interviewees might not think over and fill out the questionnaire seriously. In this case, the quality of the survey results is declined, which also has negative influence on research results.

6.3 Future research

(1) In this paper, only research about the relationships between customers’ trust and the influencing factors is conducted. The relationships between these influencing factors and customers’ willingness of purchasing are not included in this research. After analysis, evidences are found supporting some influencing factors can positively affect customers’ trust to great discount online shops, but it is not clear whether these factors can improve the transactions in practice. It is also unknown whether high level of trust can contribute to high level of trust intention, purchasing intention and consumer loyalty, and consequently lead to actual transactions finally. Therefore, studying trust as the intervening variable between antecedent variables and subsequent behaviors is a good issue for further research.

(2) Because of the dynamic characteristic of trust, factors affecting customer original trust and subsequent trust are different, in accordance with the changing of online purchasing experience of consumers. What is more, customers’ trust to great discount online shops also changes along with the changes of environment outside. Researchers in the future can conduct further researches about the variation of trust in different time and backgrounds.
References


Appendix

Appendix 1

Questionnaire

Dear Sir/Madam:

The purpose of this survey is to analyze the influencing factors of customer trust in consumption of great discount online shop. The questionnaire is anonymous and the findings are only for research use. We will be responsible for your information and keep it strictly confidential. Please answer following questions objectively. Thank you for your sincere support and help of this study!

Business Study Department
Uppsala University

Survey background: Great discount online shops provides big discount price for different brands’ goods for a limited time, such as Weipinhui, Jushangwang, Meilhui, Qiaoowuqiaoyu, Shangpinwang etc.. These shops are becoming popular recently. This survey will take Weipinhui [http://shop.vipshop.com/gz.html](http://shop.vipshop.com/gz.html) as example. Please visit the site and rating for the following questions.

1= totally disagree ----------------------------------------------------------7= totally agree

Security of Great Discount Online Shops
1. I consider that the transaction method of this online shop is safe and reliable
2. I consider that the communication method of this online shop makes me feel safe
3. There’s specific purchase principle to protect online shopping security
4. This online shop has specific privacy policy
5. This online shop offers perfect comments or interactive section to customers

Reputation of Online Shops
6. This online shop is very famous
7. This online shop is often mentioned as a model of a lot of similar great discount online shops by customers.
8. This online shop has positive evaluation and recognition from online buyers

Reputation of Products’ Brands
9. The brands of the products sold on this online shop are well known.
10. The quality of products of these brands is praised by customers.
11. The products of these brands are rarely counterfeited in the market.
Service of Online Shops
12. I can communicate with the vendor very conveniently, such as inquire of offer my comments
13. I appreciate the service attitude of this online shop
14. The delivery and distribution of the goods are in time and fast
15. This online shop can secure the safety of goods in logistics
16. The quality of goods purchased from this online shop is quality-assured
17. This online shop has specific after-sale service terms. Moreover, services including return, exchange and maintenance are all available and in time.

Ability Trust
18. The vendor is competitive
19. The vendor comprehends the market well
20. The vendor comprehends the products well
21. The vendor has the ability to offer excellent service

Integrity Trust
22. I consider the vendor is with integrity
23. The product information released by the vendor is real
24. The vendors will keep their commitments
25. The suggestions of vendors are made based on their optimal judgment

Benevolence Trust:
26. The intention of vendor is benevolence
27. I think this vendor not only cares about his own interests, but also the customers’ interests.
28. If I make requests, the vendor will help me at full stretch
29. I believe the vendor will look after customers’ interests

Perceived Ease-of-use
30. In the process of purchase, it’s easy to master the flow of online shopping
31. It’s easy to find what I need in this online shop
32. I feel it’s easy to communicate with the online vendor
33. I think it’s easy to get a pattern of payment which suits me
34. I think it’s easy to receive what I buy from this online shop
35. In summary, it’s convenient for me to purchase in this online shop

Perceived Usefulness
36. In this online shop, I can save a lot of time to search and purchase products
37. In this online shop, I can buy cheaper products
38. In this online shop, I can buy higher quality products
39. In this online shop, I can buy products that difficult to get by a traditional way

**Demographic Information**

40. Gender:  
   Male;  Female

41. Age:  
   18-25;  25-30;  Above 30

42. Education background:  
   High school or less;  Junior college;  Undergraduate;  Master;  PHD and above

43. Occupation:  
   Student;  Company employee;  Civil servant;  Working in research institutes or teaching;  Entrepreneur;  Liberal professions;  Unemployed;  Others

44. Monthly disposable money:  
   Under 1000 RMB;  1001-3000 RMB;  3001-5000 RMB;  5001-10000 RMB;  10001-20000 RMB;  Above 20000 RMB

45. Net age:  
   Under 2 years;  2-4 years;  4-6 years;  Above 6 years

46. Time spent online except working hours:  
   Within 1 hour;  1-2 hours;  3 hours;  Above 3 hours

47. I’ve shopped online:  
   Yes;  No

48. I have purchase experience in great sale online shops:  
   Yes;  No

49. I may purchase from great sale online shops in the future:  
   Yes;  No