

“Can I Trust the Trustmark?” An Empirical Analysis of the Impact of Trustmarks on Online Retailer Websites in Germany: An Abstract

Corina Braun and Sven Tuzovic

Abstract Online retailing represents an important business model or sales channel for many firms (Chiu et al. 2014; Zhang et al. 2015). In this context, the need for consumer protection and security has gained considerable attention (EEC-Net 2013). Research shows that the perceived risk associated with online retailing represents a significant barrier to the growth of e-commerce (Jarvenpaa et al. 2000; McKnight et al. 2002; Gefen et al. 2003; Choi and Nazareth 2014). The perceived lack of security can be attributed to the absence of a brick-and-mortar store as well as the distance and lack of direct interaction between buyers and sellers (Ba and Pavlou 2002). Moreover, personal data and customers’ credit card information can simply be collected and abused from third parties (Pavlou and Fygenon 2006). For example, a current study shows that there have been numerous reports of online stores getting hacked (Rampton 2014). Hence, e-commerce provides a unique environment in which trust is of paramount importance for reducing customers’ perceived risk (McKnight et al. 2002; Gefen et al. 2003). As a result of consumer concerns about the security, privacy, lack of direct interaction, and the credibility of information, numerous trust intermediaries were created (e.g., Jarvenpaa et al. 2000; McKnight et al. 2002; Gefen et al. 2003). In this context, the most significant intermediaries represent trustmarks, which are “electronic labels or visual representations indicating that an e-merchant has demonstrated its conformity to standards regarding, e.g., security, privacy, and business practice” (EEC-Net 2013, p. 7). However, seals of approval have a problem of misperceptions. For example, several surveys show that the most important German trustmarks are rarely noticed by online shoppers and that typical misperceptions exist with regard to the content of trustmarks (Rüdiger 2008).

C. Braun (✉)
University of Hohenheim, Stuttgart, Germany
e-mail: Corina.Braun@uni-hohenheim.de

S. Tuzovic
Queensland University of Technology, Brisbane, QLD, Australia
e-mail: sven.tuzovic@qut.edu.au

In this context it is important to note that over the last few years, the market environment of online purchasing has changed significantly: (1) the number of Internet users and the frequency of Internet usage have substantially increased; (2) the number of online shoppers has tremendously grown; and (3) online retail sales have become profitable for firms (Rüdiger 2008; Sun 2011; Li et al. 2012). At the same time, the number of online retailers displaying trustmarks has also increased. In addition, trustmarks of online retailers have appeared more frequently on television and print advertising over the last 3 years. These developments suggest that general awareness of trustmarks may have improved among consumers. However, there is still a lack of empirical research with regard to the development of trustmarks on retailers' websites and their impact on customers' risk and trust perceptions. To close the research gap and provide insights for online marketing managers, we conducted two empirical studies in Germany in 2012 ($n=175$) and 2015 ($n=258$) to investigate how customers' trust perceptions in e-commerce have evolved. Measures were adopted from existing scales in literature. We assessed the relationships in our model using structural equation modeling (SEM). The results suggest that the two models fit the empirical data well (Study 1— $\chi^2/df=1.37$, CFI=.97, TLI=.96, RMSEA=.04; Study 2— $\chi^2/df=2.05$, CFI=.94, TLI=.91, RMSEA=.06). The results of our two empirical studies highlight the critical importance of trustmarks in establishing trust in an online context over the years. Regardless of levels of Internet experience, consumer concerns about privacy and security with regard to unfamiliar online shops may be overcome with the implementation of trustmarks. We contribute to current research by providing deeper insights in consumer trust perceptions in e-commerce in the context of a longitudinal study. Furthermore, antecedents of customer trust based on trustmarks are analyzed offering online marketing researchers and managers the possibility to gain deeper insights into the function of trustmarks.

References Available On Request