

A Trust Model for E-Commerce in Pakistan: An Empirical Research

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Abstract: Trust is a vital ingredient that contributes to the successful online business. Despite the richness of trust in e-commerce literature, only few of it focuses on developing countries. Drawn from previous literatures on trust in e-commerce transactions, this study proposed a new framework for investigating trust in online shopping, which focused on Pakistan, one of the developing countries. This study attempts to investigate the role of trust in Internet shopping among Pakistan's nations.

Key words: Trust, e-commerce, Pakistan, online shopping, consumer behaviour

INTRODUCTION

The arrival of Internet and World Wide Web technologies has tremendously changed today's business environment. Consumers now are turning into other alternative channels; e-commerce for shopping, as it could offers them more choices of products and services, convenience and cost-savings. More importantly, they could also compare prices using online shopping. Around the globe, more than 600 million people access Internet by the end of 2002 and spent more than US\$1 trillion buying goods and services online (Mansuwe *et al.*, 2004). The growing numbers of online shopping activities and changing trends of consumer behavior have attracted more companies to join the bandwagon.

While e-commerce is no longer a new phenomenon in developed countries like U.S and Japan, the growth and penetration of e-commerce in countries like Pakistan is low (Khan and Bawden, 2005). Previous literature (Aljifri *et al.*, 2003; Papadopoulou *et al.*, 2001; Tan and Sutherland, 2004; Mc Cole, 2002; Doolin *et al.*, 2005) suggested that consumer trust in Internet shopping is a vital ingredients that contribute to the successful online businesses.

Jarvenpaa *et al.* (2000), Dawar *et al.* (1996), Lynch *et al.* (2001) suggest that trust varies across cultures and nationalities with consumers coming from an individualistic culture may have greater trust and be more willing to conduct online transactions than those from a collectivistic culture. This study attempts to investigate the role of trust towards Internet shopping among Pakistan's nations. Specifically, this study tries to

determine the level of trust among them towards Internet Shopping. Further on, the study also attempts to identify the factors that influence the level of trust among Pakistani and determine the relationship of trustworthiness towards e-vendors, propensity to trust and distrust in e-commerce transactions.

INFORMATION, COMMUNICATION AND TECHNOLOGIES (ICT)'S GROWTH IN PAKISTAN

Advancement in telecommunication technologies have helped flourishes and fosters an e-commerce environment around the globe. As the e-commerce has grown and become an important tool for those living in highly developed countries, e-commerce has yet to take root in most of developing countries. According to (Aljifri *et al.*, 2003), the successful implementation of e-commerce in developing countries is subject to a variety of forces. One of these forces is the trust within the system itself. Issues such as cultural encroachment, technological dependence, economic issues and local regulations are the factors that contribute to the trust level among developing nations such as Pakistan.

As with most developing countries, the growth of ICT in Pakistan has been relatively slow (Khan and Bawden, 2005). However, the Pakistan's national policies which have been consistently focused on the development of a domestic ICT sector have encouraged e-commerce development in the nation. Under the National IT Policy, the government of Pakistan has established seven "IT universities" and one virtual university as a step to produce more qualified knowledge workers and professionals in conformity with the current

needs of ICT age. Similarly, the National Education Policy (1998-2010) seeks to modernise education in Pakistan through the use of ICT and to ensure that children of all ages become aware of ICTs. Besides that, the government is also providing a lucrative tax relaxation for software exporters and abolished custom duties on computer and networking equipment. Following the government initiatives to encourage ICT growth, numbers of foreign companies such as Cisco, Microsoft and Oracle have found it attractive to invest in Pakistan. In response to government's policy, the Internet penetration is growing in an exponential manner. From a humble starts of 10,000 users in the year of 1998 the Internet users have reached to 1.3 million in 2001 and to 7.5 million by the end of 2005 (Shahzada, 2006). As of January 2006, Pakistan has been ranked to be in 26th place in the list of countries with highest Internet penetration with United States being in the lead.

Defining trust: Trust is a cross-disciplinary concepts, which incorporating ideas from economics, marketing, sociology, psychology, organization behavior, strategy, information systems and decision sciences (Mukherjee and Nath, 2003). According to (Moorman *et al.*, 1993), trust could be defined as a willingness to rely on an exchange partner in whom one has confidence. (Mayer *et al.*, 1995), defined trust as a willingness to be vulnerable. (Rosseau *et al.*, 1998) build on this central idea of vulnerability, presenting that trust is a psychological state comprising the intention to accept vulnerability based upon positive expectations of the intentions or behaviors of others. (McKnight and Chervany, 2002), who viewed trust in psychology perspectives defined trust as a deep-rooted feeling or belief that is shaped by the individual's life experiences. Lewirs and Weigert (1985) describe trust as being applicable to the relations among people rather than to their psychological states taken individually and therefore theorize that trust does not exist in the individual, but rather is the collective property of the groups involved. The social psychology however, views trust as expectations of one party in regards to another, as well as associated risks bring along with it (Lee and Turban, 2001).

The concept of trust has been studied from various angles and perspectives employing the dimensional concepts discussed in previous sub-topic. Various models (Belanger *et al.*, 2002; Cardholm *et al.*, 2000; Cheung and Lee, 2001; Dekleva, 2000; Doney and Cannon Earp *et al.*, 2002; Gefen, 2002; Hosmer, 1995; Lee and Turban, 2001; Lewis and Weigert, 1985; Mayer, *et al.*, 1995; Mc Knight and Chervany, 2002; Rosseau *et al.*, 1998; Yoon, 2002) have been drawn from extensive research in trust.

Perceived security control: Lee and Turban (2001) defined perceived security controls as Internet user's perceptions on the e-vendor's ability in fulfilling security requirements such as authentication, encryption and non-repudiation. (Ranganathan and Ganapathy (2002) discovered that security plays an important role in discriminating between high and low intentions to purchase online. Contradict with the study done by Ranganathar and Ganapathy (2002); however, found that consumers are less concerned about the security of online transactions. Tools such as digital certificates, Secure Socket Layer (SSL) and Secure Electronic Transaction (SET) are used by e-businesses to enhance security control and further earn consumer's trust. A report made by Wall Street Journal (April 13, 2005), found that almost 30% of Internet users in North America did not purchase online because they perceived that there is still insufficient e-security controls install by the e-businesses. Inline with the Wall Street Journal report, Yoon (2002) also discovered that the perceived security controls affect consumer's trust towards online shopping. Their studies implied that consumers who perceived adequate security control during online shopping, have a greater propensity to trust the online mechanism. According to Belanger *et al.*, (2002); Dekhleva, (2000) the third party security seals and approval do have a positive effect on consumer's perceptions on security controls.

Perceived privacy controls: Apart from concerns on security controls, Internet trustworthiness is also affected by consumer's concerns on privacy issues. Privacy control can be defined as an individual's ability to control the terms by which their personal information is acquired and used Hoffman and George suggest that the increasing privacy concerns is negatively associated with online purchase. Consumers are found to be concerned that their personal information collected will be used by third parties. Swamintahan *et al.*, (1999) found that consumers who make online purchase more, have a greater concerned on the creation of privacy laws. Internet users who had encountered bad experience (personal data being tampered either intentionally or unintentionally) during online shopping will not continue to shop online.

Perceived integrity: Tan and Sutheeland (2004) and Lee and Turban (2001) defined perceived integrity as a belief or perceptions of Internet users on the honesty of the e-vendor. A fair transactions between customers and E-vendors is an important attribute that can contribute to the high level of trustworthiness in terms of e-vendors' integrity. According to Papadopoulou *et al.*, (2001) a customer evaluates the service encounter and compares the service they expected according to the promise that was initially made to him with the service they actually

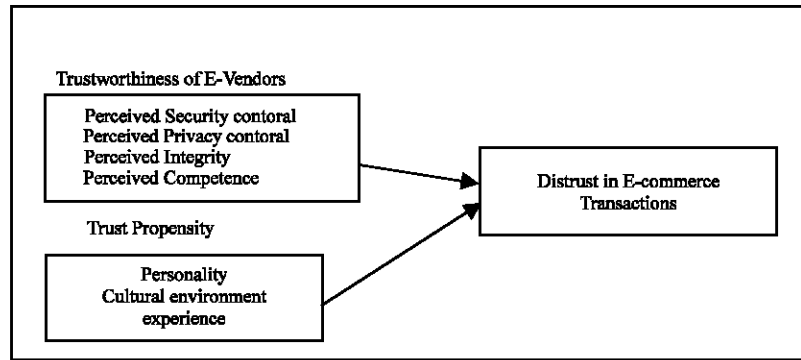


Fig. 1: Theoretical framework

received upon the fulfillment of the promise. Lee and Turban (2001) discovered that the way consumers perceive the e-vendor in terms of their integrity has a significant impact on the consumers' trusts towards Internet shopping. The risk of poor economic decision through an inability to compare prices, being unable to return a product, or not receiving a product paid for are among the attributes that will constitute to a low trustworthiness that can hinder the consumers to shop online (Jarvenpaa *et al.*, 2000).

Perceived competency: Previous literature (Cheung and Lee, 2001) on consumer trusts in terms of e-vendors' competency illustrated that the skills and abilities of the e-vendors are among the factors that contribute to the trust worthiness among the Internet users who wish to shop online. Mayer *et al.* (1995) George (2004) have identified that the web environment, vendor reputation and perceived quality of web delivery are central determinant to the perception of e-vendors' competency. Similarly, George suggest that the availability, reliability and the response time of the e-commerce sites are among the important attributes that affect the perception of e-vendors' competency.

Propensity to trust: Mcknight and Cheruany (2002) proposed that propensity to trust other stemming from personality and cultural factors (Dispositional trust). An individual who has difficulty to trust others in general, is likely to have difficulty trusting Internet as a shopping medium. Thus it can be assumed that trust among Internet users is not only depending on the e-vendor's characteristics alone, but it also depends on the personality traits of the Internet users as well. George demonstrated that an individual will only engage in online shopping if their level of trust exceeds their personal threshold.

Besides personality, cultures and upbringing of an individual also have a significant effect on the dispositional trust. Kolsakee *et al.* (2004) demonstrated that individual with diverse cultural environment have

different levels of propensity to trust, with individual coming from collectivist cultures illustrates low level of trust propensity compared to individual with individualistic cultures. Similarly, Lohse and Spiller (1999) discovered that American and Japanese indicated higher level of trusting others compared to the Chinese and French. Nevertheless, Jarvenpaa *et al.* (2000) did not find any significant relationship between culture and online trust.

MATERIALS AND METHODS

This study adapted trust model which is developed by Cheung and Lee (2001). The trust model suggests that trustworthiness of e-vendor (perceived security control, perceived privacy control, perceived competence and perceived integrity), external environment (third party recognition, legal framework) and propensity to trust affects the level of trust among consumers towards Internet shopping (Appendix 1).

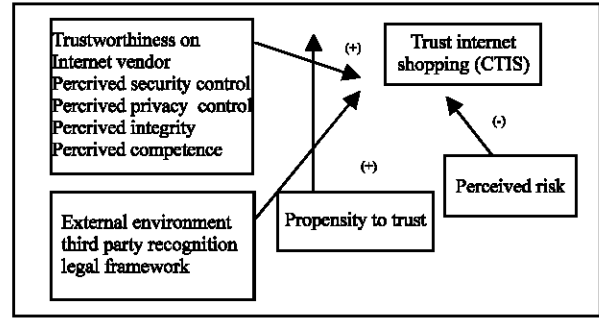
The following research model was developed (Fig. 1) with reference to the literature review. Two independent variables which include trustworthiness of e-vendors and trust propensity are identified while distrust in e-commerce transaction is determined as the dependent variable. Perceived security control, perceived privacy control, perceived integrity and perceived competence are the four constructs proposed to measure the trustworthiness of e-vendors. Personality, cultural and environment on the other hand are used to measure the trust propensity.

Primary data was collected using the questionnaires sent and distributed using drop-off method. Pre-testing with a sample of 50 users was done to ensure that the questionnaire was understandable. A convenience sampling was adopted to obtain the respondents. This method is used as it is economical and convenient. The targeted respondents were Internet users within three cities; Karachi, Lahore and Islamabad, and age above 15 years old. Karachi, Lahore and Islamabad are chosen as the areas have highest Internet penetration in Pakistan.

Table 1: The degree of respondents' perceptions towards the e-commerce transactions and the demographic data of the respondents

| Construct | Measure | Sources |
|-------------------------------------|---|---|
| Perceived Security control | E-vendors protect Internet shoppers via security measures. E-vendors usually ensure that transactional information is protected from being accidentally altered or destroyed during transmission on the Internet. | Cheung and Lee (2001) |
| | I feel confident and secure on the E-payment systems implemented by E-vendors. | Cheung and Lee (2001) |
| Perceived Privacy control | I feel that E-vendors are concern about Internet Users' privacy. E-vendors will not divulge consumers' personal data to other parties. | Cheung and Lee (2001) |
| | I feel safe and secure about the privacy control of E-vendors. | Cheung and Lee (2001) |
| Perceived integrity | E-vendors are honest to their consumers. E-vendors will not charge Internet Shoppers more for Internet Shopping. | Cheung and Lee (2001) |
| | Most E-Vendors have a good reputation in handling their sales transactions. E-vendors have sufficient expertise and resources to do business on the Internet. | Cheung and Lee (2001) |
| | E-vendors have adequate knowledge to manage their business on the Internet. | Cheung and Lee (2001) |
| Perceived competence | I find it easy to trust someone/thing. | Cheung and Lee (2001) |
| | My tendency to trust a person/thing is high. I tend to trust a person/thing, even though I have little knowledge of it. | Cheung and Lee (2001) |
| Cultural Environment | A high degree of trust exists in my family. I am living in a high trust society. | Cheung and Lee (2001) |
| Experience | I have good experiences of using the Internet. | Cheung and Lee (2001) |
| Distrust in E-commerce Transactions | Internet shopping cannot be trusted; there are just too many uncertainties. In general, I cannot rely on E-vendors to keep the promises that they make. Any one trusting Internet shopping is asking for trouble. | Cheung and Lee (2001) Chow and Holden 1997 Chow and Holden 1997 |

Likert scales with weights of 7,6,5,4,3,2 and 1 are used to measure the attitudes of respondents. Respondents indicate their attitudes by checking how strongly they agree or disagree with carefully constructed statements that ranged from very positive to very negative toward the attitudinal object. The questionnaire is divided into two sections. Section A was intended to find out the degree of respondents' perceptions towards the e-commerce transactions while section B was intended to gather the demographic data of the respondents. Table 1 illustrates each items used.



Appendix 1:

Customer Trust in Internet Shopping (CTIS) Model

Source: Cheung and Lee, 2000, Trust in Internet Shopping: A Proposed Model and Measurement Instrument, Proceedings of the 2000 America's Conference on Information Systems (AMCIS).

RESULTS AND DISCUSSION

Profiles of respondents: Out of 250 respondents, 52% of them have experience on online shopping while 48% of them do not yet experience it. Approximately, 74% of the sample had used Internet between 4 to 10 years. Only 8% of the total respondents had used Internet more than 10 years (Table 2). Based on those respondents that reported their gender, there was a slight imbalance of male respondents (77.2%) over female respondents (22.8%). Similarly, there were also imbalance between respondents who were married and single, as 76% of them were reported to be single while 22% of them were reported to be married. In terms of age distribution in the sample, majority of them (68%) were between 21 to 30 years old. Only 14% of the sample were above 36 years old. Majority of the respondents were represents by Punjabi ethnic group (58%), followed by Sindhi (20%), Pakktoon (18%), Balooch (2%) and Azad Kashmir (2%). In terms of education level, half of the sample (50%) currently possessed a post-graduate degree, 28% of them possessed a bachelor-degree. Approximately, 44% of the respondents are professionals, 10% holds a middle level management post (executive post) and only 4% of them are at operational level. In terms of total monthly income, majority of them (42%) earned above Rs35,000 while only 8% of them earned below Rs10,000 (Table 2).

Perceived trustworthiness of E-Vendors: Table 3 represents the mean scores and standard deviations for items which were used to measure the perception of consumers on trustworthiness of e-vendors. It can be observed from Table 3 that the e-commerce users are

Table 2: Profiles of respondents

| | Gender | |
|-------------------------|-----------|------|
| | Frequency | (%) |
| Male | 193 | 77.2 |
| Female | 57 | 22.8 |
| Marital status | | |
| Single | 190 | 76 |
| Married | 55 | 22 |
| Divorced | 5 | 2 |
| Age | | |
| 15-20 | 15 | 6 |
| 21-25 | 95 | 38 |
| 26-30 | 75 | 30 |
| 31-35 | 30 | 12 |
| 36-40 | 20 | 8 |
| Above 40 | 15 | 6 |
| Ethnicity | | |
| Punjabi | 145 | 58 |
| Pakhtoon | 45 | 18 |
| Sindhi | 50 | 20 |
| Balooch | 5 | 2 |
| Azad Kashmir | 5 | 2 |
| Highest education level | | |
| Metric | | |
| Intermediate | | |
| Bachelor's degree | | |
| Post-graduate | | |
| Others | | |
| Occupational | | |
| Professional | 120 | 44 |
| Executive | 25 | 10 |
| Clerical | 10 | 4 |
| Students | 90 | 36 |
| Others | 5 | 2 |
| Total monthly income | | |
| Under Rs10,000 | 20 | 8 |
| Rs10000-Rs14,999 | 30 | 12 |
| Rs15000-Rs19,999 | 10 | 4 |
| Rs20000-Rs24,999 | 20 | 8 |
| Rs25,000-Rs29,999 | 15 | 6 |
| Rs30000-Rs34,999 | 5 | 2 |
| Above Rs35,000 | 150 | 60 |

found to have low levels of trust towards the e-vendors' privacy controls (items 4 and 5). This could be due to the fact that most of the times, the customers' profiles are being used by third party for marketing purposes, which includes sending an online advertisement (Yamagishi and Yamagishi, 1994). In addition, customers who have experience that their data have been divulged may also lose their trust towards e-vendors, hence hindering them to make future online purchase.

In terms of security controls, it was found that consumers are quite satisfied and confident with the security control mechanism install within the web environment. This situation is illustrated by the higher mean scores of item 1, 2 and 3. It can be assumed that the incorporating newer and modern

Table 3: Perceived trustworthiness of e-vendors

| No. | Items | Mean scores | Standard deviation |
|-----|--|-------------|--------------------|
| 1 | E-vendors protect Internet shoppers via security measures. | 5.21 | 1.03 |
| 2 | E-vendors usually ensure that transactional information is protected from being accidentally altered/ destroyed during transmission on the Internet. | 4.76 | 1.14 |
| 3 | I feel confident and secure on the e-payment systems implemented by e-vendors. | 5.96 | 1.07 |
| 4 | I feel that e-vendors are concerned about the Internet user's privacy. | 3.42 | 1.21 |
| 5 | E-vendors will not divulge consumers' personal data to other parties. | 3.72 | 1.34 |
| 6 | I feel safe and secure about the privacy control of e-vendors. | 3.63 | 1.01 |
| 7 | E-vendors are honest to their customers. | 5.12 | 1.32 |
| 8 | E-vendors will not charge Internet shoppers more for Internet shopping | 6.01 | 1.12 |
| 9 | Most e-vendors have a good reputation in handling their sales transactions | 5.39 | 1.06 |
| 10 | E-vendors have sufficient expertise and resources to do business on the Internet. | 6.26 | 1.01 |
| 11 | E-vendors have adequate knowledge to manage their business on the Internet. | 5.42 | 1.14 |

Table 4: Propensity to trust

| No. | Items | Mean scores | Standard deviation |
|-----|--|-------------|--------------------|
| 1 | I find it easy to trust someone/thing. | 3.14 | 1.01 |
| 2 | My tendency to trust a person/thing is high. | 3.74 | 1.24 |
| 3 | I tend to trust a person/thing, even though I have little knowledge of it. | 3.01 | 1.32 |
| 4 | A high degree of trust exists in my family. | 4.0 | 1.2 |
| 5 | I am living in a high trust society. | 3.65 | 1.14 |

Table 5: Distrust in e-commerce transactions

| No. | Items | Mean scores | Standard deviation |
|-----|---|-------------|--------------------|
| 1 | Internet shopping cannot be trusted; there are just too many uncertainties. | 4.21 | 1.21 |
| 2 | In general, I cannot rely on e-vendors to keep the promises that they make. | 4.01 | 1.03 |
| 3 | Anyone trusting Internet shopping is asking for trouble. | 3.99 | 1.14 |

technologies such as SET and SSL to some extent has a significant contribution towards increasing the trust of online shoppers. The respondents who majority of them have high education background may also constitute to the higher scores of trustworthiness towards e-vendors in terms of security controls, as they are more acknowledge and aware of those technologies compared to the users who comes from least education background.

This study also indicated that the e-commerce users in Pakistan have a positive perception on the e-vendor's competency which persuaded them to shop online. This finding is similar to previous research done by (Kolsaker, *et al.*, 2004) which found that the good reputation of airline company has significantly attract the consumers to buy air ticket through online medium.

Propensity to trust: Review from the past literature has shown that the trusts of online shoppers do not only

Table 6: Underlying factors of trustworthiness towards internet shopping

| Variables | Factor 1 | Factor 2 | Factor 3 | Factor 4 | Factor 5 |
|--|----------|----------|----------|----------|----------|
| My tendency to trust a person/thing is high | 0.804 | | | | |
| I tend to trust a person/thing, even though I have a little knowledge of it | 0.777 | | | | |
| I find it is easy to trust someone | 0.773 | | | | |
| I am living in high trust society | 0.867 | | | | |
| E-vendors protect Internet shoppers via security measures | | 0.897 | | | |
| E-vendors usually ensure that transactional information is protected from being accidentally altered/destroyed during transmission on the internet | | 0.796 | | | |
| I feel confident and secure on the e-payment system implemented by e-vendors. | | 0.895 | | | |
| E-vendors have adequate knowledge to manage their business on the internet | | | 0.7953 | | |
| E-vendors have sufficient expertise and resources to do business on the internet | | | 0.8863 | | |
| I feel safe and secure about the privacy control of e-vendors. | | | | 0.802 | |
| E-vendors will not divulge consumers' personal data to other parties. | | | | 0.786 | |
| I feel that e-vendors are concerned about the Internet user's privacy | | | | 0.783 | |
| E-vendors will not charge Internet shoppers more for internet shopping. | | | | | 0.81 |
| E-vendors are honest to their customers | | | | | 0.596 |
| Eigen values | 5.459 | 2.301 | 1.554 | 1.108 | 1.029 |
| Cumulative % | 32.1 | 45.6 | 54.8 | 61.3 | 67.4 |

affect by the e-vendors, but it is also affected by the personality and cultures of an individual. Thus, this study also tries to examine the level of propensity to trust among Pakistani (Table 4).

Table 4 illustrated that the level of propensity among the Pakistani is low, which implies that in general, they have difficulty in forming trust towards other parties. The culture of Pakistan and the upbringing way of Pakistani may contribute to this factor.

Distrust of e-commerce transactions: Table 5 illustrated the mean scores and standard deviations for items which were used to measure the perceptions of consumers on e-commerce transaction in general. It can observe from Table 4 that e-commerce users in Pakistan have a moderate level of trust towards Internet as an alternative shopping medium. The majority respondents' Internet experience which is only between 4 to 10 years may contribute to this phenomenon. Besides that, the trust towards Internet technology, is rely on the propensity to trust, thus the low level of propensity to trust among the Pakistani users can be assumed to be constituted to the low level of trust towards e-commerce transactions in general.

Underlying factors of trustworthiness towards E-commerce transaction: Factor analysis was carried out in order to identify the underlying constructs of factors that contribute to the trustworthiness towards e-commerce transactions. A total of five factors are identified; perceived security, perceived competence, perceived privacy, perceived integrity and propensity to trust. Table 6 shows the five factors, their items and loadings. Factors are presented in eigenvalue sequence and items are shown in order of factor loading within factors. The alpha value for each factors exceeded the acceptance level of 0.7(Cheung and Lee, 2001; Lee and Turban, 2001).

Relationship between demographic and consumers' perceptions on e-vendors, trust propensity and distrust in e-commerce transactions: Further analysis was carried out to explore the possible association between the five constructs and the demographic variables and distrust in e-commerce transactions. Table 7 shows the intercorrelation matrix with Pearson's correlation coefficients. Age was found negatively correlated with Internet experience and positively related with propensity to trust, perceived security control, perceived privacy control, perceived integrity and perceived competence, suggesting that younger respondents had used Internet for less time and were likely to trust other parties more easily compared to older person. Besides that, it also found that age was positively correlated with distrust in e-commerce transactions in a manner that older respondents are likely to distrust e-commerce transactions. Analysis of relationship between gender, income, Internet experience and online shopping experience indicated that female respondents are likely to shop using traditional medium, have less Internet shopping experience and less purchasing power. Male, on the other hand, is discovered to have more purchasing power, spend more time on Internet and likely to shop using Internet. In terms of perception of e-vendor, propensity to trust, distrust in e-commerce transaction and gender, the results suggested that female is more concerned on the security and policy control mechanism instill within the web environment. In addition, female was also found to be more cautious on the e-vendors' competency and integrity. The result also suggested that female respondents was having difficulty trusting other parties and thus, were likely to distrust e-commerce transactions. This study discovered that as education, income level, Internet experience increase, the concern on trust of e-vendors and distrust in e-commerce transactions decreased.

Table 7: Correlation between demographic and consumers' perceptions on e-vendors, trust propensity and distrust in e-commerce transactions

| No. | | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 | 12 | 13 | 14 | |
|-----|-------------------------------------|---|--------|-------|------|-------|---------|---------|--------|--------|--------|-------|--------|---------|---------|--------|
| 1 | Perceived security Control | | .189** | .193* | .036 | .197* | -.178** | -.101* | -.198* | .153* | .017 | .184* | .053 | .183* | .176* | |
| 2 | Perceived privacy Control | | | .132* | .063 | .145* | -.163* | -.183* | .163* | .168* | .052 | .152* | .014 | .187* | .165* | |
| 3 | Perceived Competence | | | | .058 | .165* | -.236* | -.139* | .175* | .196* | .026 | .167* | .062 | .263* | .182* | |
| 4 | Perceived Integrity | | | | | .168* | -.172* | -.195** | .243** | .167* | .085 | .173* | .052 | .124* | .195* | |
| 5 | Propensity to trust | | | | | | -.164** | -.109* | .154* | .194* | .025 | .182* | .101 | .185** | .264** | |
| 6 | Distrust in E-Commerce Transactions | | | | | | | | .141** | -.162* | -.182* | 0.025 | -.231* | .041 | -.177** | -.124* |
| 7 | Age | | | | | | | | .058 | .159* | 0.19 | .035 | .015 | -.197** | -.152* | |
| 8 | Education level | | | | | | | | | .185* | .052 | .174* | .121* | .184** | .195** | |
| 9 | Monthly income | | | | | | | | | | .039 | .158* | .134* | .179** | .214** | |
| 10 | Ethnicity | | | | | | | | | | | .018 | .014 | .074 | .035 | |
| 11 | Gender | | | | | | | | | | | | .253** | .157* | .196** | |
| 12 | Occupation | | | | | | | | | | | | | .179* | .191* | |
| 13 | Internet experience | | | | | | | | | | | | | | .241** | |
| 14 | Online shopping experience | | | | | | | | | | | | | | | |

CONCLUSION

The rapid expansion of online shopping activities which is fuelled by the growth of Internet technologies has attracted more companies to start an online business. Despite the high rates of e-commerce activities, trust among consumers remains the biggest factors that hinder the consumers to continue shopping online. Drawn from empirical research which focused among Pakistani Internet users, this study proposed a framework for investigating the trust towards online shopping.

The model consists of two dimensions; trust towards e-vendors and trust propensity. Trust towards e-vendors which composed of four constructs namely perceived security control, perceived privacy control, perceived integrity and perceived competence are significantly affect the distrust level of online shopping activities. Trust propensity which includes of three constructs namely cultural, personality and experience found to have an impact on the distrust of e-commerce transactions. Demographic variables which includes of age, gender, monthly income and education level also found to play significant role in determining the distrust in e-commerce transactions as it moulds part of individual's personality.

The study contributes to the general body of empirical evidence about Internet shopping behaviours as well as presents a picture of Internet shopping behaviour in Pakistan, one of developing countries. The findings of this study will shed some lights to the e-marketers as well as e-tailers in Pakistan. It helps the e-marketers to identify the typical profiles of e-commerce users in Pakistan and further determine the perceptions of them regarding the trust towards Internet shopping. Understanding consumers' trusts in Internet shopping is a major importance for e-marketers and e-tailing for making

adequate strategic, technological and marketing decisions to increase customer satisfactions, further attract the consumers to shop online.

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