

Jeffrey Semon

ISAS 610: Information Systems Management and Integration

Do All Consumers Value Web Assurance Services?

“Implications of Web Assurance Services on E-Commerce” discusses how consumers are not completely comfortable with transacting business on the internet (Runyan, Smith, Smith, 2008). The article discusses how consumers value web assurance services. The article identifies various web assurance seals and their function. The study is based on the Assurance Gaps Model, which describes expectation gaps the consumers have about the benefits the web assurance seals offer and what they expect the web assurance seals are offering. In the study e-commerce consumers are classified into older consumers and younger consumers. I think that it is interesting that consumer trust and confidence can be enhanced by web assurance seals. With the power the internet offers to purchase a product and have it delivered to your doorstep, complete banking instantaneously without leaving your house and the fantastic convenience of having your desires quenched immediately one could think, who cares if the site offers assurance, I want it now! With the saturation of consumers by various marketing strategies one could think that consumers look directly past assurance as they drool over the products they desire. With the fact that one is not paying attention to assurances in mind, the considerations of it enhancing consumer trust and confidence is moot. However, not all consumers are influenced this way and even the those that are probably overcome their immediate impulse to buy. The conclusion that all consumers value web assurance services is a powerful statement. However, the article presents research to support this statement.

Since the inception of the seals consumers have begun to recognize the seals and the nature of their functions. According to Moores and Dhillon, “In July 2000, Cheskin Research reported that 69% of Web users recognized the TRUSTe seal (up from 10% in January 1999), with 37% recognizing the BBBOnline seal (up from 18%)”(2003, p. 268). Web assurance seals have also improved consumer

confidence in web sites. According to Moores and Dhillon, “The TRUSTe seal increased the confidence in a website for 55 percent of the sample (40 percent for BBBOnline)” (2003 p. 269). Moores and Dhillon point out studies and show that without knowing what the seal’s function is, consumers still placed value on the seal, “Even without specifying what the seal stood for, 62% of respondents recognized the WebTrust seal as an information protection measure, with 59% believing WebTrust minimized the potential for fraud. While these results are encouraging, it should be pointed out that 22% went further and believed that WebTrust guaranteed protection against fraud, which it does not” (2003 p. 269).

When consumers do not have an understanding of the function of the web assurance seal and are later educated in the function of the seals they find value in the seal before they completely understand it because it represents a security protection mechanism. “When consumers are educated about the purpose of web assurance seals it has been found that there is a statistically significant relationship between the web assurance seal before and after the educational intervention”(Kim, Stienfield and Lai, 2008). This implies that consumers value web assurance seals for their security protection mechanism without having a complete understanding of what their function is. Informing consumers about the functions of web assurance seals increases the value that they procure from these services. Kim, Stienfield and Lai go on to tell us, “Educating consumers about the role of WASSs increases awareness and perceived importance of the seals” (2008, p. 1012). With this in mind one can think that consumers value web assurance seals before and after an educational intervention.

In a study of 211 consumers in Taiwan conducted via Wretch Blog (the most popular blog web site in Taiwan owned by Yahoo) and Yahoo Blog it was found that consumers do find value in web assurance seals. The study focused on e-security seals. In the study by Ho an Oh, “when we asked the question about whether e-security seals could increase or decrease the trust between consumers and web sites, 173 respondents gave a positive response” (2009, p. 666).

A study by Odom and Kumar indicates that consumers find assurance in web seals in the areas of security, privacy, legitimacy, and documentation (2002, p. 1). With this in mind we can conclude that consumers are getting some value out of the seals, as they are meeting their needs in the aforementioned areas.

Some researchers believe that web assurance seals have very little effect on the consumers. In a study in which the hypotheses tested the higher the level of assurance online consumers perceive, the higher the price the online consumers are willing to pay and the higher the number of web assurance seals displayed on a web site, the higher the price the online consumers are willing to pay; the study by Kim concluded, “web assurance seals had marginally positive effects on perceptual trust online” and “the relation of number of seals to price levels was not something noticeable either” (2008, p.50). With this in mind we can conclude that web assurance seals are providing little value to consumers and are not influencing their purchasing habits.

A study of 109 business students at a large Singapore university explored two types of privacy assurance. The study focused on privacy statements and privacy seals. In the study students were invited by email to a website to participate in a disguised study with a controlled password to prevent repetition of the survey. According to Hui, Teo and Lee’s field experiment, “The existence of a privacy statement induced more people to disclose their personal information to a website. By contrast, presenting a TRUSTe privacy seal did not have any significant influence” (2007, p. 26). From this study one can conclude that consumers are not finding value in web assurance seals but are looking to other mechanisms on websites for assurance when making their purchases. According to Ho and Oh,

For tailoring, personalized security measures such as the need to log on and obtain email confirmation for all transactions will make users feel better protected against fraudulent activities. Also, consumers are likely to visit a web site more if it is convenient and easy to use,

and particular attention to design and improving such attributes as navigation, download time, frequent updating of contents and working links in e-commerce web sites are important (2009, p. 665).

This insight from Ho and Oh also shows us that consumers are deriving value from other sources than web assurance seals for the attributes that web assurance seals offer to consumers.

In a study of online shopping cart abandonment findings indicated that a key predictor of shopping cart abandonment is perceived risk. The study states that various methods are utilized to counter this problem, such as privacy statements, consumer feedbacks, and expert reviews. However, even with the support of the above mentioned mechanisms, web assurance seals still fail to provide any value to the consumer. According to Rajamma, Paswan and Hossain,

The fact remains that even after an online retailer succeeds in winning the trust of its customers by employing all the trust evoking techniques mentioned above, a large number of customers still leave without completing their purchase. A possible explanation for this anomaly could stem from the privacy and security risks that consumers might perceive during the process of checkout (2009, p. 190).

The abandonment of these shopping carts during the checkout process shows us that consumers are not placing any value on web assurance seals at the most critical point of shopping online, the purchasing point.

In conclusion I think that the author's statement that all consumers value web assurance services is a bit too broad considering the evidence that other articles have presented in this paper. It is true that some consumers are deriving value from the placement of web assurance seals on their web sites but other consumers are not deriving the same value from these services, which we can plainly see

in Rajamma, Paswan and Hossain's presentation about shopping cart abandonment as well as with Ho and Oh's discussion of the alternative areas of websites such as privacy statements, need to log in, email confirmations, etc that stimulates consumers to consume.

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