

**CREDIBILITY ON THE WEB:
A STUDY OF THE CREDIBILITY OF CONSUMER INFORMATION ON
MALAYSIAN E-COMMERCE WEBSITES**

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ABSTRACT

This study examines the credibility of e-commerce websites based on the clarity and accessibility of information that allows consumers to make an informed decision about the value of the information available on the site. The contents of 60 Malaysian registered websites dealing with products, services and health products were investigated with the guide of a coding instrument over a period of two months.

The results show that the majority of the websites were not credible as they did not contain sufficient information on claims, disclaimers and warnings, guarantees, market coverage, timeliness, source of information/advice, authority and credentials, commercial influences, protection of privacy and personal information, as well as information on cancellation, return, delivery and payment terms, which were considered to be important in assessing credibility.

Thus, consumers need to check on the site's background and the reliability of information provided. Retailers on the other hand, need to promote credibility and to ensure compliance of consumer protection laws and policies. The government too must play a role to ensure that businesses comply with existing laws, otherwise take action where necessary, encourage further research on this area, and educate consumers on their rights and responsibilities.

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1.0 INTRODUCTION

Electronic Commerce

Electronic Commerce or e-commerce has received much attention from governments, businesses and regional bodies. This new mode of transaction has raised several concerns for governments, businesses, and consumers. In addition, there is a need for international standards as the e-market transcends any national border. Governments are grappling with regulatory guidelines and frameworks in an environment of rapid technological changes in order to promote e-commerce as well as to ensure the occurrence of smooth commercial transactions. In all of this advancement, consumer protection cannot be overlooked. Without the confident e-consumer, there would be no e-commerce. Thus it is imperative to ensure that the online traders observe specific rules and guidelines to allay the fears of the consumer and promote ethical online transactions.

Asian nations have also realized that for e-commerce to take off, consumer trust in online businesses is essential. The ECSG is building trust in e-commerce by helping to protect consumers from fraudulent and deceptive practices when buying goods and services on-line. Work is underway to help economies implement APEC's Voluntary Consumer Protection Guidelines for the On-line Environment which were approved by Ministers in October 2002. These cover international cooperation, education and awareness, private sector leadership, on-line advertising and marketing, and the resolution of consumer disputes. Issues regarding privacy and cyber security also need to be addressed. (Kaur, 2000b)

E-Commerce is fast expanding in Asia with total revenue in the Asia Pacific estimated at USD39.4 billion in 2000. This figure is expected to increase to more than USD338 billion in 2004. According to a 2002 study conducted by Taylor Nelson Sofres, more people in the Asia Pacific region are shopping online and six out of nine countries surveyed showed a rise in e-commerce. In May 2002 an average of 35% of people in the Asia Pacific countries surveyed used the Internet. This is four percent more than the