# The role of trust, quality, value and risk in conducting e-business

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**Abstract**
Risks and uncertainties inherent in the Internet often deter consumers from using it as a shopping channel. Companies usually assume that advanced technologies will solve such problems. This paper argues that many of these problems require non-technical solutions: solutions that are associated with good business practice. Customer feedback may not only raise technical issues such as security and privacy, but also non-technical issues such as guaranteed delivery time and the ability to talk live to customer services representatives for help. This paper analyses four aspects of running a business – trust, quality, value, and risk – in an Internet setting and offers three solutions. While there is no complete guarantee of sustainability and profitability in any business, the careful consideration of the issues discussed will help shield the business from pitfalls, which if not detected and dealt with, can cause the closure of an otherwise healthy business.

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## Introduction

The investment corrections that have taken place and are still taking place in the information technology (IT) industry underscore the need to be able to properly evaluate when an enterprise should establish an Internet channel as a possible outlet for its products and services. There has been much, to quote a common phrase, irrational exuberance in the IT industry, and the industry is now entering a phase of sifting and consolidation. However, electronic commerce (EC) and the emerging mobile commerce (MC) are still seen as providing the future direction in which organisations must move to facilitate the conducting of both business-to-business (B2B) transactions and business-to-customer (B2C) transactions. These channels make use of the new wired and wireless Internet technologies and can provide many advantages: time and cost saving, instant information transfer, as well as global communication without time and space constraints. However, they raise a number of problems that are of concern to customers: privacy and security on the Web, online customer service quality, product delivery and the return of online purchase.

Despite the many problems and challenges, a forecast of computing device usage, for both wired and wireless devices, made by ResearchPortal.com, Table I, indicates that mobile appliances and small form factor (SFF) devices (usually used with fibre-optic connectors designed to be both small and low-cost) will see very large growth in the coming years. Fibre-optic connectors are fast, simple, low-cost and yet align with precision two fibre-optic cores, each about the size of a human hair. According to blueearth.net (www.blueearth.net/en/resources/statistics4.html), see Figure 1, there is expected to be over 72 million Internet users who will be buying goods and services over the Web by the year 2003. Forrester's (www.forrester.com/ER/Press/ForrFind/0,1768,0,00.html) work also predicts that Worldwide Net commerce – both B2B and B2C – will "hit $6.8trillion in 2004", (see Figure 2). Thus it seems certain that there will be an increasing market adaptation of the various devices and accelerating growth in EC and MC. Companies which intend to take advantage of these new channels will, therefore, need to handle those customers concerned problems carefully to achieve operational efficiency and profitability. People generally tend to ascribe those problems to deficiency in the technology and wait for technology advancement to solve the problems. However, there are many situations where the business practices and procedures can determine success or failure.

The Boston Consulting Group (BCG) has conducted a survey about "purchasers who say these factors would cause them to purchase more online", see Ehrenman (2000) and Table II. We can actually view these factors as problems that would reduce the potential for online purchases. Obviously, issues like security problems require technical solutions, but there are other issues that can be solved with solutions modelled around the features of the particular businesses rather than on the technology. In this paper we will examine the following four basic components in doing business and attempt to offer some solutions:

1 trust;
2 quality;
3 value; and
4 risk.

We may call these the "four musts", implying that these are four characteristics which every business must achieve to some degree in order to maintain a profitable business, whether it be an e-business or otherwise.

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## Trust in business transactions

In relation to trust and Internet technologies, there are two main consumer concerns: privacy and security. Research reported in the literature strongly emphasises the need to enhance the trust factor in EC, see McDermott (2000), Gefen (2000), and Ruyter *et al.* (2001). Trust is not just needed in e-business, but is essential in any transaction, physical or otherwise. Since EC quite often follows or is an extension of physical stores, it will generally not be the initiator of trust in business. Some forms of trust would have been established before the operation of the Internet channel. According to Misztal (1996):

> It [trust] is seen as essential for a stable relationship, vital for the maintenance of co-operation, fundamental for any exchange and necessary for even the most routine of everyday interactions.

Indeed, a certain degree of trust must exist at all levels and in all normal day-to-day businesses operations.

Gambetta (1988) says: "trust is particularly relevant in conditions of ignorance or uncertainty with respect to unknown or unknowable actions of others". While Sheth and Parvatiyar (2000) point out that marketplace decisions generally are thought to involve risks: "trusting becomes the crucial strategy for dealing with an uncertain and uncontrollable future (risks or uncertainties)" (see Sztompka, 1999, p. 25).

In other words, trust is generally needed in every buyer-seller relationship in order to facilitate the business transaction. Newly developed and advanced technologies seem to raise a lot of uncertainties in the marketplace (Heide and Weiss, 1995; Poel and Leunis, 1999). This is one of the reasons why trust has been an important topic in marketing research in recent years, especially in the studies of "relationship marketing", see Grönroos (1993), Hunt and Morgan (1994a; 1999), Geyskens *et al.* (1996), which are characterized by commitment, trust, and co-operation. It is obvious that trust has become an increasingly more important factor in current business practice than it was in the past.

The concept of trust is wide and complicated and we can only discuss it briefly, emphasising the main points and advantages of having trust in businesses. Many authors have proposed various definitions of trust, but we consider the main four to be as follows:

1. The definition of trust in the *Oxford English Dictionary* identifies trust as "confidence in or reliance on some quality or attributes of a person or thing, or the truth of a statement".
2. A definition offered in the communications literature by Giffin (1967) sees trusting behaviour as occurring when a person: relies on another; risks something of value; and attempts to achieve a desired goal.
3. In the sociology literature Sztompka (1999, p. 25) offers the definition: "trust is a bet about the future contingent actions of others"; while Misztal (1996) offers: "a set of expectations shared by those in an exchange", different types of exchange may be defined according to the level of trust present within the relationship.
4. In the marketing literature, we have a definition offered by Rotter (1967, p. 651): "[trust is] a generalised expectancy held by an individual that the word of another ... can be relied on." This definition seems to be frequently cited by other researchers (e.g. Crosby *et al.*, 1990; Hunt and Morgan 1994b).

There are still many more definitions of trust, but we cannot possibly hope to explore them fully in the space of this paper. Despite the various definitions, it is possible to summarise trust in the context of a business transaction as follows:

**Table I**
Various devices usage forecast

| Year | Desktop | Fixed appliances | Notebook | Mobile appliances | Voice centric Sm form factor | Data centric Sm form | In car fixed device | Total devices |
|---|---|---|---|---|---|---|---|---|
| **2000** | 261,500 | – | 50,300 | 650 | 30,250 | 32,750 | 88 | 375,538 |
| **2001** | 268,000 | 5,000 | 62,750 | 2,500 | 47,500 | 45,250 | 625 | 431,645 |
| **2002** | 270,500 | 10,000 | 71,250 | 7,500 | 70,500 | 57,750 | 2,500 | 490,000 |
| **2003** | 280,500 | 30,250 | 80,500 | 10,000 | 93,000 | 80,500 | 5,000 | 579,750 |
| **2004** | 285,500 | 40,250 | 83,000 | 22,500 | 130,750 | 103,250 | 10,000 | 675,250 |
| **2005** | 288,000 | 75,500 | 88,000 | 37,750 | 140,750 | 151,000 | 17,500 | 798,500 |
| **2006** | 290,500 | 78,000 | 83,000 | 50,500 | 158,500 | 188,750 | 20,250 | 869,500 |
| **2007** | 293,000 | 83,000 | 69,500 | 60,500 | 166,000 | 256,500 | 32,250 | 963,750 |

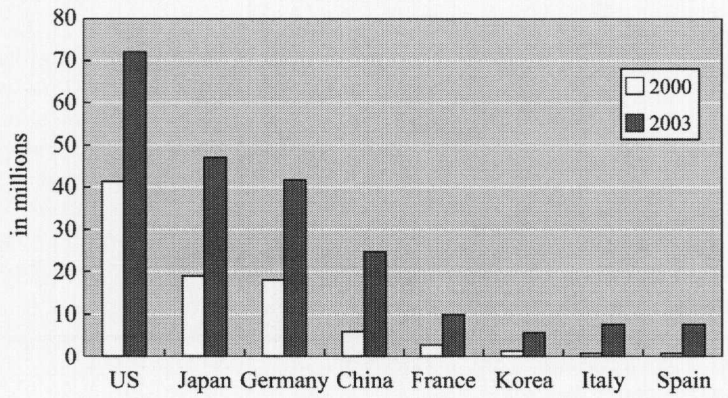
**Source:** ResearchPortal.com (2000)

- It is about the relationship between different parties.
- It takes time to build and nurture the relationship.
- The relationship involves the exchange of tangible and/or intangible favours.
- It is needed whenever parties recognise the existence of any risks or uncertainty.
- When it exists, the exchange can be carried out more smoothly.

These points are significant because they describe situations in all business transaction and at the same time pinpoint to trust as a crucial element for business success, e.g. Fukuyama (1995), Hosmer (1995), Hunt and Morgan (1994b). The existence of trust brings along many advantages in businesses, including:

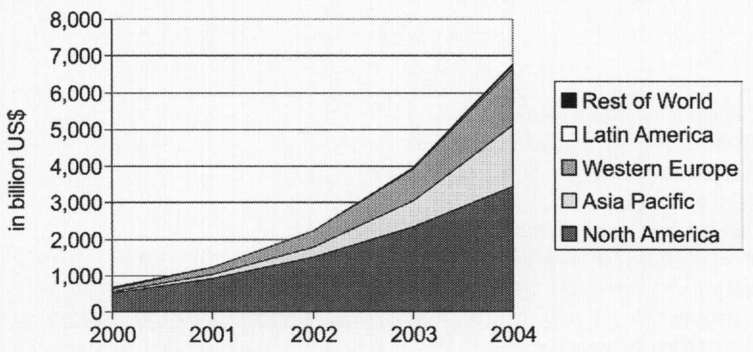
- Reduction in transaction complexity (Luhmann, 1988). Consumers reduce the choice set they have in mind (Sheth and Parvatiyar, 2000), and thus increase the probability of a transaction.
- Reduction in transaction cost (Kennedy *et al.*, 2001; Fukuyama, 1995; Williamson, 1985). With trust, companies can obtain high acceptance of newly marketed products with less marketing effort (Hart and Johnson, 1999; Lassar *et al.*, 1995). Costs of selling and negotiation can thus be reduced.
- Trust enhances stable co-operation (Misztal, 1996; Bradach and Eccles, 1989; Gambetta, 1988). Trust can thus be seen as a "lubricant of co-operation", see Dasgupta (1988).
- Long-term relationship development and maintenance are built on trust (Kennedy *et al.*, 2001; Hart and Johnson, 1999; Gefen, 2000; Fukuyama, 1995). Long-term relationships are an important element in long-term profits.
- Trust can ease the concern for important and confidential information sharing (Hart and Johnson, 1999) which is needed in any partnership or alliance; customers are less reluctant to disclose their personal information when they trust their suppliers.
- Trust leads to a reduction of perceived risks (Larson, 1992; Luhmann, 1988) and some consumers will only consider trustworthy suppliers, see Meldrum (1995).

**Figure 1**
Number of Internet users buying goods and services over the Web




**Source:** blueearth.net

**Figure 2**
World net commerce – B2B and B2C




| | 2000 | 2001 | 2002 | 2003 | 2004 |
|---|---|---|---|---|---|
| North America | 509.3 | 908.6 | 1,495.2 | 2,339.0 | 3,456.4 |
| Asia Pacific | 53.7 | 117.2 | 286.6 | 724.2 | 1,649.8 |
| Western Europe | 87.4 | 194.8 | 422.1 | 853.3 | 1,533.2 |
| Latin America | 3.6 | 6.8 | 13.7 | 31.8 | 81.8 |
| Rest of World | 3.2 | 6.2 | 13.5 | 31.5 | 68.6 |

**Source:** Forrest Research

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The six above-mentioned examples are only a few of the many advantages, and they strongly address the need for building trust in B2B and B2C businesses, particularly in B2C e-business where the general public perceive the risk in the Internet environment as being very high. Knowing that trust is a critical factor in business is not enough, companies must take action to build customers' trust because every customer will attempt to evaluate his or her suppliers' trustworthiness before committing to a business transaction. Sztompka (1999) suggests three dimensions for trustworthiness evaluation – reputation, performance and appearance.

The first dimension is reputation. Hill (1990) comments that reputation can influence one's willingness to enter into an exchange with others. De Ruyter *et al.* (2001) also suggest that a good organisational reputation impacts the effect of perceived risk, as well as the trustworthiness of the organisation. These support the acceptance of Sztompka's (1999) suggestion concerning evaluating trustworthiness through reputation.

The second dimension is performance. People tend to believe the most recent information available, and it is easy to understand why present performance is important in evaluating trustworthiness, although there is almost no research available on this. For example, a consumer is offered a trial period for a product that his supplier recommends. During the trial period, he/she can evaluate the performance of the product and make up his/her mind as to whether the supplier's recommendation is justified. If it is not justified, he/she will not only refuse to buy this product, but also any other products recommended in future.

The third dimension is appearance. When talking about institutions/organisations, appearance refers to that of agents, employees, or to those who have direct contact with customers, such as sales representatives or service personnel. Appearance can also refer to that of an institution's premises and products. Appearance sometimes is interpreted as image; a good image can enhance trustworthiness (Mitchell, 2000; Krebs, 1998). It is therefore not surprising that many companies are constantly trying to build a good image, whether it is for their products and/or for customer relations.

As suggested by Sztompka (1999), people evaluate target's trustworthiness in the three dimensions discussed above. Companies should build customers' trust by building good reputation, by demonstrating excellent product performance and by preserving a professional and congenial appearance in dealing with customers, and all these three things stem from excellent product and service quality and subsequent satisfaction.

**Table II**
Survey about purchasers who say these factors would cause them to purchase more online

| | Per cent |
|---|---|
| Free delivery | 95 |
| Lower prices | 94 |
| Free returns if I am unhappy with product | 91 |
| Ability to make in-depth product comparisons | 75 |
| Security features (encryption, digital certification, etc.) | 75 |
| Guaranteed delivery time | 75 |
| Vendor agrees to insure any credit card losses | 74 |
| Faster navigation (pages load more quickly) | 73 |
| More detailed product/vendor information | 71 |
| Quicker delivery | 69 |
| Simpler navigation at shopping sites | 64 |
| Better means of "virtually" touching/feeling products | 64 |
| Simpler ways of finding shopping sites | 62 |
| Products I am interested in are sold exclusively online | 57 |
| Ability to talk live to customer services representative for help | 57 |
| Site has a store located near me | 46 |
| Credit card used exclusively for Internet transactions | 44 |
| Able to pay cash on delivery (COD) | 36 |

**Source:** Boston Consulting Group

## Quality and satisfaction

While trust is related to satisfaction (Crosby *et al.*, 1990; Lagace *et al.*, 1991; Bitner, 1995), it is satisfaction that leads to repeated purchases (Mai and Ness, 1999), which in turn establish and cement familiarity and ongoing relationships. Familiarity (Blau, 1964) and ongoing relationships (McKnight *et al.*, 1998; Bejou *et al.*, 1998; Shemwell *et al.*, 1994) can in turn build trust – satisfaction fosters trust and vice versa.

Familiarity can reduce uncertainty or perceived risks, thus building trust. This is because familiarity is an understanding often based on previous interactions, experiences, and the learning of what, why, where, and when others do what they do (Luhmann, 1979). An ongoing relationship builds trust in a similar way. For example, if a consumer makes a purchase and is satisfied, he or she will probably make repeated purchases from the same supplier. Repeating this process (an on-going relationship), the consumer will be familiar with the supplier and evaluate the supplier as trustworthy. In future transactions, the buyer will not hesitate in buying new products from the same supplier as he or she would have confidence built from the supplier's past products. While this may appear simple, this shows that building trust is a lengthy and time-consuming process. "Continuous satisfaction" plays an important part in the process and is one way to keep a stable consumer-supplier relationship, and generates longer time for understanding and building a higher level of trust.

The published literature suggests that many factors are involved in satisfaction. Of all the factors, quality is the one that is always of interest and is always emphasised. Studies suggest that quality, for both a product and a service, is positively linked to satisfaction (Parasuraman *et al.*, 1985; Cronin and Taylor, 1992; Oliver, 1997; Lee *et al.*, 2000). Many companies claim concern for customer satisfaction, whether this is a cosmetic reaction or whether it has real foundations is possibly debatable. Many companies try to show their determination in maintaining quality by eagerly implementing total quality management (TQM) programs, by obtaining ISO 9000 Certification, and by striving for other quality awards that represent a globally accepted recognition of quality. Although these quality certifications can help customer confidence, they may in fact be only just something external – like ornaments. It is important that the companies are able to achieve quality excellence "inside and out" and in every aspect, especially those aspects that are directly linked to customers, such as sales or delivery services. A good reputation, a good performance, and even a good image originate from quality.

To build trust, companies should start from those quality management factors that bring customer satisfaction. The characteristics of trust are much the same as those of confidence – fragile and vulnerable (Sztompka, 1999; Hart and Johnson, 1999), hard to build but easy to destroy. Managing quality is therefore just as important as managing trust relationships; quality leads to satisfaction and "continuous satisfaction" can build trust. Finally, trust can bring great success to business, making it sustainable and giving it long-term viability. This applies equally to a traditional business and an EC or MC, arguably more so to the latter because of the significant reduction in human-to-human interaction.

## Customer value

So far we have discussed the relationship between quality, satisfaction and trust. These can make a business sustainable, but to ensure profitability the question of value needs to be addressed. The mission statement of companies will often include the statement "create value for shareholders/customers", recognising that in order to make profits, providing value to customers is an essential requirement.

The concept of value can also be complex. The meaning of it varies and it is open to interpretation depending on the situation (Kahle, 1996). The most commonly accepted definition of value appears to be the ratio or trade-off between quality and price (Monroe and Chapman, 1987). Ho and Cheng (1999) suggested that the additional dimension related to product or service could be achieved by introducing the customer's perception of value as a mix of quality and price. More recently, Sweeney and Soutar (2001), having considered previous work done by others, suggested four dimensions of consumer perceived value. These four dimensions incorporate not only the physiological aspect, but also the psychological aspect:

1. *Emotional value* comes from the feelings or affective states that a product generates.
2. *Social value* as an enhancement of social self-concept derived from utility and from the product's ability to enhance social self-concept.
3. *Function value* as price/value for money derived from the product due to the reduction of its perceived short-term and long-term costs.
4. *Function value* as the performance quality derived from the perceived quality and expected performance of the product.

The definition by Heskett *et al.* (1997) can be used as one that attempts to define value in the broadest sense. They suggest a customer value equation as follows:

$$\text{Value} = (\text{Result produced for the customer} + \text{customer quality})/(\text{Price to customer} + \text{cost of acquiring the service}).$$

These definitions become practical when they are adapted in business practice and refined through regular use. The consumer goods retailing industry has been very successful in delivering value to customers. With the dimensions of the consumer's perceived value in mind, power retailers formulate their retail value proposition accordingly. In other industries, like EC or MC companies, business practitioners can also formulate their own value equation, provided they know what their customers value. Regardless of how convincing the findings may be, it is satirical that EC or MC companies seem to ignore this crucial element – providing value – in their businesses. Companies often eagerly incorporate various newest technologies into their products, and push the "new" products into the market by emphasising the high-tech aspect of the products, without addressing customers' needs. Consequently, customers may be disappointed by the product or service, either because it does not fit their need or it does not offer value for purchase/consumption. Many customers will not bother to understand the technologies, unless they are real and useful and not just gimmicky. Customers are interested to know what kind of benefit/values they can obtain from the products; intention or willingness to buy is affected by the perceived value (Leung and Li 1998). Many failures of dot.com can be ascribed to a lack of thorough understanding of marketed product/service value to their customers. In fierce competition, low entrance barrier environment, where value alone is not enough to attract customers, making the offer more appealing by adding "additional value" becomes crucial to success.

As the exact interpretation of "value" can be different from person to person (Kahle, 1996), companies that aim to offer value to customers must conduct research to discover how their target customers perceive value and to discover the exact meaning of value from their customers' point of view. Understanding customers' needs and providing what they value is an obvious and necessary first (see Darling, 2001).

## Risk concepts

In some cases, customers may not make a purchase, even though they perceive a high value in the product or service. This may be due to a real or perceived high risk related to the purchase. As suggested by Groth (1995), perceived value and perceived risk are both important factors in purchase or consumption decisions. People will evaluate value and risk and at the same time attempt to counterbalance one against the other. If the perceived value is high enough, people may be willing to take the risk to obtain the desired value. Obvious examples can be found in the stock market, where the old adage of risk/reward is as valid as ever. If the value is not sufficiently appealing, people may focus on risk and convince themselves that it is too high. To facilitate customers' purchasing decisions in high-risk environments, especially for first-time buyers, companies must try to reduce the perceived risks.

Perceived risk can be reduced if there exists trust or a track record of satisfactory experience (Mitchell and Boustani, 1993; Larson, 1992; Luhmann, 1988). When there is neither trust nor previous experience, companies can resort to other means to reduce perceived risk. Strategies like 100% money-back guarantee or warranty can be successfully used in reducing the risk to customers and at the same time encourage a purchase decision (Tan and Leong, 1999; Poel and Leunis, 1999; Kandampully and Butler, 2001). This is particularly true in a high risk/uncertainty environment like Internet purchases. For instance, in the e-business of major retailers (e-tailing) such as Kmart, Wal-Mart, a 100 per cent money-back guarantee is offered, regardless of the reason for complaint. In this way companies can reduce the risks to their consumers of buying online, and so encourage them to try the online channel. Many similar examples can be found in the industrial sectors, where most of the machinery and equipment can be very expensive. Suppliers offer free of charge trial periods for their customers, enabling them to experience the functioning of the product before making a purchase decision. In some situations, reducing customers' risk may imply increasing the company's own risk, as non-committed customers may damage products or may switch to other products after extensive testing. Items returned after a trial period will incur further distribution costs and will increase the overall operating costs of the company.

High risk in the Internet environment is always a principal concern, mainly because of the loss of individual identity. Lack of privacy and security are just a few of the many risks and uncertainties that exist in the e-business. People are always reluctant to give personal information on a faceless communication channel such as the Internet, especially information related to financial status and credit facilities. The reasons are often subjective and difficult to fully comprehend. Perhaps they fear that those who receive the information may abuse it or that other authorities may access information which the owners regard as sensitive. This is exactly the problem of lack of trust and reflects the importance of trust in a high-risk environment.

In line with value and added value, risk too needs to be managed. For example, if all factors involved in buying online and in-store are equal, it is difficult to see why buyers would bother to take the risk in buying online. Buyers in this situation would

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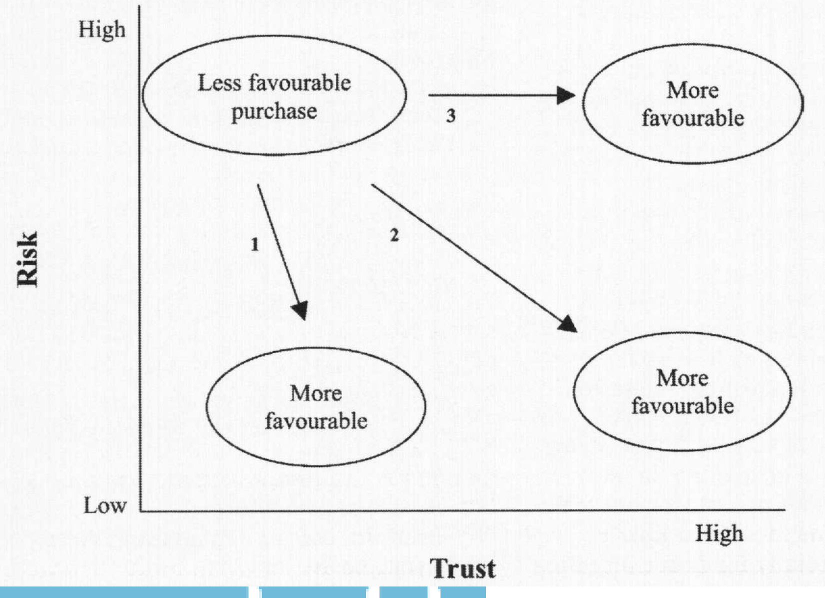
most probably choose buy in the store instead of using the online channel. Although this example is too simple, it is worthwhile for business practitioners to think about the issue of "additional value" and risk reduction. These lead to the fact that trust and value, and also additional value, are especially eminent in e-business.

## Possible solutions

Many problems and challenges related to EC and MC must be solved effectively to enable rapid growth. Newly established EC and MC companies may find that the biggest challenge is not only reducing a high-risk customer perception, but that there is also a need to build and expand customer trust. We propose three solutions as shown in Figure 3. When customers perceive a very high risk in shopping via the Internet, the trustworthiness of the companies providing the services is in doubt, and most of purchase decisions are clustered in the upper left corner of Figure 3. This area is the less favorable purchase region, where high risks are perceived and a low trust relationship exists. This region describes many purchase decisions made in an Internet setting, where customer perceived a high risk due to concerns about personal information abuse, products/services quality doubts and others. Without enough confidence in the company offering the products/services to counterbalance the perceived risks, customers may defer the purchase decisions, even if they see the value in the offering. In order to avoid this type of business loss, business practitioners should try to shift their customers' purchase decisions environment from the less favorable region to the more favorable regions of Figure 3 through the following routes:

**Figure 3**
Three routes to influence customer purchase decisions




1 *Route 1: Reduce customers' risk by transferring the risk to the company.* Companies can reduce customers' risk by bearing the risk themselves: offering 100 per cent money-back guarantees, warranties, and/or free trial periods. This solution is suitable for new businesses and businesses with a volatile customer base. It is particularly suitable in businesses where a very high level of trust is not required. These are characterised by products of low capital value and where customer perceived risks are relatively easy to dispel. Here we can include many consumer goods sold through e-tailing channels. The building of trust when using this route cannot be entirely ruled out; in certain situation this solution can build some degree of trust, though not a high one.
2 *Route 2: Increase a company's trustworthiness and so reduce perceived customers' risk.* Increasing and fostering customer trust of the company can successfully reduce risk perceptions. Companies should start with efforts in quality management to improve the three dimensions of trustworthiness evaluation, building long-term reciprocal trust relationship with customers. This solution can help a business where reduction in risk perceptions is difficult and a high level of trust is required. Long-term and firm relationships are needed when a few key customers can determine the company's survival; here we include many industrial suppliers. Since key customers can often determine the market position for new products, it is important to keep these key customers trying and experimenting with products, and thus maintain business growth. In this setting, a high trust relationship with key customers becomes crucial in reducing perceived risks and making the marketing of new products less arduous.
3 *Route 3: increase trustworthiness and provide additional value.* If companies find that customers' perceived risk cannot be reduced via route 1 and route 2, route 3 should be considered. A high level of trust here has to be built and at the same time an attractive additional value has to be added into the offer package. This can include providing more supportive services, price reduction for short periods

of time, money back guarantees, etc. This solution will be suitable in a highly competitive business environment, where differentiation by superior product offer is hard to establish.

While the three routes have been presented as separate strategies, it does not preclude companies from using them in combination.

## Concluding comments

In this article we have analysed the main four factors of trustworthiness, quality-satisfaction, value, and risks in relation to creating a profitable and sustainable business environment. The main function of any business must be to transact goods and services with customers. To survive in a modern capitalist environment, making profits by providing a package of goods and/or services that consumers and customers need and for which they are prepared to pay the price, which must be above cost, is obviously essential. This is not dissimilar to Darling's (2001) statement that:

> Marketing begins with consumers who want or need the product and have the resources to buy it.

During times of scarcity and political turbulence, resources are limited and often customers are prepared to pay whatever price is necessary for even sub-standard products. But in this day and age, all people tend to be demanding customers, buying not only for physiological needs, but also for psychological needs. They demand high quality products and a very high standard in the associated pre-sales and after-sales services. They seek satisfaction and expect a sound trust relationship with suppliers. This is especially true in the current Internet era, in which customers have a large number of choices from competing products and suppliers. With almost unlimited choices available in the marketplace, why should a customer choose a particular product, when an alternative product is just "a click away"? The full answer requires a deep understanding of the values involved in making choices that tend to revolve around providing high quality offerings. Can your customers obtain a deserved feeling of satisfaction? Do they forsake your offerings due to the perceived risks? It is good for companies to think about these questions and to understand the position they are in, in order to make decisions about future steps.

When a business is struggling for EC success and technology alone does not seem to provide the answer, the "four musts" discussed in this paper will provide direction for other endeavors that an e-business can undertake to make commerce profitable and sustainable. Technologies alone cannot guarantee EC success. Although the literature discussing trust, quality, value and risks is quite extensive, this paper has considered the four together in an Internet setting. In the current highly competitive environment characterized by high risk and numerous alternative choices, business practitioners must consider the four concepts simultaneously and as an integrated philosophy. Companies should not wait for technology advancements to breed customer confidence in using the Internet channel. Instead, business strategy should be formulated such that companies are able to build trust, demonstrate quality, delivery value and control risks in their day-to-day operations. In this paper we proposed three solutions in an environment with different levels of risk:

1. reducing customer risk by bearing the risk;
2. building customer trust through quality; and
3. building customer trust by offering additional value.

These solutions will enable companies to shift customer purchase decision from the less favourable regions to the more favourable regions. For good long-term business relations, companies must instil customer confidence in the use of the Internet channels, and this is an on-going and evolving process. When the Internet technologies have advance and solved many of the immediate technical difficulties, it will be those businesses that have focused on good business practice in terms of trust, quality, value and risk that will be in the best position to move ahead of their competitors.

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