How to generate confidence among Internet users
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Companies wishing to generate confidence among Internet users must have a website which is clear and simple, guarantee security and provide facilities to carry out transactions.

Lack of confidence on the Internet is still a major headache for those who seriously want to promote electronic commerce. The majority of studies carried out note that lack of confidence is the biggest deterrent to the development of commerce online. This lack of confidence amongst users gives rise to paradoxical situations; for example, most people use the Internet to help them make decisions about what to buy, but do not actually buy anything. So what exactly does confidence on the Internet mean?
Traditionally, confidence has been one of the basic values of relationships among the members of a community.

In economic activities, confidence in the good faith of the other party is the cornerstone of the relationship. In the case of virtual transactions, it is a prerequisite so that the relationship can take off. No matter how familiarised we are with the term and how simple it is to feel at ease with it, we are dealing with a concept which is intangible, diffuse and difficult to define. Much of the time, one confuses confidence with credibility or with security. Moreover, it proves very difficult to define, and so one has to recur to concepts such as satisfaction, loyalty or the level of repeat purchases in order to have an idea of the level of confidence that there is on the Internet.

The political philosopher Francis Fukuyama asserts in his book "Trust: the social virtues and the creation of prospect" that social capital, represented by confidence, will be more important in the future than physical capital and that technology and confidence form part of the same evolutionary process. In the concrete case of the net, the concept of confidence goes far beyond the simple use of security mechanisms online or the identification of who is on the other side of the net. It is a question of having the capacity to transmit that certainty, so necessary in the perception of users. In order to create this confidence one has to play with sensations and with marketing tools.

Strategies
At the moment, companies are developing four broad strategies in order to increase the level of confidence on the net. The first has to do with company presentation mechanisms and with their services and products. Corporate web pages must clearly set out the mission and the values of the team, include rigorous and exhaustive descriptions of products or services, and make available actual data via which a potential client can get in contact (address and telephone number) and supply information on the economic and financial situation of the company (dimension and history). They must also furnish
elements to minimise the perceived financial risk, information about the quality of the product and the renown of the brand and facilitate multiple means of contact (collection or confirmation of data) via e-mail, telephone and fax.

The second tactic refers to aspects of the functional character of the net and to relationships with it. Some of the aspects to be considered are the ease of navigation, multimedia effects, links, emphasis on the relationship with the consumer (through rapid response to frequently asked questions), suggestion boxes, and the personalisation of contents sent to the customer.

The third strategy is about security, credibility, and confidentiality of transmitted data. It is mainly based on technological developments like the protocols on encoded data (SSL and SET) and protection of access (firewalls and passwords). It is also based on marketing concepts, like the seal of guarantee of own label products (like eBay's), of collectives (TrustE, Verisign, Escrow, eTrust, or Betterweb) or guarantees from governments. In this section confidentiality policies on users’ personal details are also included.

Another way of generating confidence is by offering a variety of payment options (debit and credit cards, cash on delivery, cheques, banker’s orders, postal orders, and systems of personal credit), making sure to include information about the conditions of the aforementioned methods of payment and about delivery details and after sales services. When it comes to implementing these different strategies one has to take into account their adaptability to the product or service one is selling, where and to whom. Likewise, given the global reach of the net, confidence will have to be offered in distinct geographic contexts. Although as yet there are no sufficiently convincing empirical studies available about the impact of diverse cultures on consumer confidence online, there are indications that the level of confidence varies according to the cultural background of the consumer. Geert Hoefstede, recognised author of a model about individualism as opposed to collectivism, considers that people belonging to individualistic cultures tend to trust in something quicker than people who belong to more collectivist cultures.

The Question

"Are companies prepared for generating confidence online?"

The brand and the imagine, key factors for the user

Joan Enric Ricart, IESE teacher

The generation of confidence on the net is a problem for the development of electronic commerce although it has many facets. The majority of companies are not clear about its distinct implications so they offer ineffective responses focused on confidentiality protocols when many of the problems must be tackled from the perspective of the brand and the image, and furthermore from the perspective of making it easier to surf the webs. The institutional environment of the net will improve with the adequate development of laws on electronic commerce and the evolution of methods of payment. However, the technological environment is equally important for the generation of confidence and the said environment depends on the company plying its wares online. Few companies focus their supply taking into account that they find themselves before
customers who are novices in the field, who are experimenting with the net, and for whom security means less encoding and more brand name, information, accompaniment and ease of use.

Security, matter pending
Manuel Cortés, Director of strategic consulting and business
PricewaterhouseCoopers
Companies are obliged to make investments related to security issues on the net, given that they need to guarantee both the integrity and the confidentiality of the data they are handling, their own and their customers, and the continuity of the service and their self image. They are starting to invest heavily in order to protect online environments. However, concerning confidence, there is still a long way to go given that users normally do not understand the technical concepts of security that they are dealing with (digital certificate or SSL). In consequence, the level of confidence that has developed is not sufficient to allow them to clearly launch the assault on the net as a medium of information exchange or on electronic commerce. It is in this area that companies must develop initiatives to make the aforementioned concepts simpler, which to most technically-minded people appear trivial, but to a new user they appear, in some cases, to come from science fiction.