The Role of Familiarity, Trust And Awareness Towards Online Fraud

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Abstract

The financial loss due to e-commerce fraud in Malaysia has been increasing from the year 2007 to 2012. Online business and consumers are vulnerable towards online fraud due to the increased amount of usage on online transactions. The study aims to investigate the factors that contribute towards online purchases from the experience of online fraud victims. Factors examined include trust, familiarity and awareness towards online products of which a semi structured interview was designed based on these factors. The qualitative study analyses experience of online fraud victims in order to gain insight to individual behaviour and determine the reason why they are induced in making the online purchase. The samples used in this study are the online fraud victims of E-commerce. Through seven phone interviews of online fraud victims, the study conclude that people with higher levels of familiarity, confidence and trust seems to have higher levels of trustworthiness to e-commerce. The awareness of the surroundings on the other hand does not affect people’s inclination to purchase. The main contribution of this study is from an observation on cybercrime when globalisation of the Internet is rapidly moving forward.

Keywords: E-Commerce, Fraud, Awareness, Familiarity and Trust

1. Introduction

The Malaysian Computer Emergency Response Team (MyCert) reported a total amount of 3,921 cases of online fraud (MyCert, 2016). Fraud is a crime of using dishonest methods in order to obtain something from someone else (Provost, 2012; Wilson et al., 2014). Through this day of information technological development, users and consumers are more susceptible towards online fraud and scams. Scams are a dishonest action or actions of fraud that are taken by an individual or group towards another individual. Internet fraud on the other hand is the use of internet services or software with the usage of internet to defraud their victims in order to take advantage of them (FBI, 2016). Internet fraud can be through the following high profile methods such as business e-mails, data breach, denial of service, e-mail account compromise, malware, scareware, phishing, spoofing, and ransomware (Jayabalan, Ibrahim, & Manaf, 2014). Other natures of internet fraud include business fraud, credit card fraud, internet auction fraud, investment schemes (Abdallah, Maarof, & Zainal, 2016), Nigerian letter frauds and non-delivery merchandise (Wada, 2011). The research objective of this study was to observe the influence and impact of familiarity, trust and awareness of past online fraud victims through analysing and understanding their reasons of action. The samples used in this study are mostly from the victims of the non-delivery merchandise. Non-delivery merchandise is a fraud scheme whereby the victims are inclined to purchase goods from the internet which are then not delivered to the victim. The seller or perpetrator will accept the payment and intentionally fail to ship the goods to the customer. The alluring
techniques used in this method are through selling high-end electronic goods at a very low price in order to lure the victim into purchasing the goods.

“The US accounted for $672 million in losses last year, followed by Canada and Australia, which reported losses of $11.8 million and $11.1 million, respectively. Reported losses from Hong Kong and the UK totalled $8.6 million each. Within the US, Californians reported the biggest losses at $131 million for the year 2014, followed by Florida’s $52 million”- losses due to online fraud in the year 2014” (Tung, 2014).

Electronic Commerce (E-Commerce) has been a huge part in commerce development. The term e-commerce is through the purchase and selling of goods and services through an electronic device which is mainly the internet (Tian & Stewart, 2008). The transactions of e-commerce can be through business to business (B2B), business to customers (B2C), consumer to consumer (C2C) or any other related transactions between two parties over the internet which involves the transference of goods and services (Borec, 2015). The growth of E-Commerce around the world is exponential. The total amount spent in e-commerce has reached 1.915 trillion in 2016, which accounts to 8.7% of total retail spending worldwide (EMarkerter, 2016). Asia-Pacific is mention to be the world’s largest retail ecommerce market throughout 2016 with sales reaching 1 trillion, this region has expanded due to the expanded market of middle class and greater penetration through mobile devices and internet. The bulk retail from Asia is from China which represents 47% of sales worldwide. The issues stated here is that when electric e-commerce continues to grow, the individual users are increasingly more susceptible to growing trends of internet fraud.

The trend of e-commerce initially began in the early 90’s, the concept was made possible through the electronic data interchange (EDI) of whereby the exchange of business transaction or documents was between computers was made possible. Prior to the EDI was the existence of Advanced Research Project Agency Computer Network (ARPANET) which was at the beginning a research tool. The term eventually evolved towards Internet in the early 80’s of the Internet Protocol (IP) was the method of transferring data through between computers. Information was shared and exchanged equally. The initial users of the Internet was mainly researchers of universities as they had the capabilities to access and interact with the necessary equipment to access the internet (Eccleson, 1999). The World Wide Web (WWW) was the revolution of the Internet(Gefen, 2000). Through the creation of hypertext mark-up language (HTML) and addresses which places the uniform resource locators (URLs), the internet has become the interactive that it became in this year 2017(Eccleson, 1999). The accessibility to the WWW has made it possible to have the graphical and virtual space to interact with various users over the Internet(World-Bank, 2015). Through this possibility, the interactions of businesses were made possible. The use can be beneficial or disadvantages towards the user.

### Table 1: Samples of fraud losses in Malaysia

<table>
<thead>
<tr>
<th>Year</th>
<th>Fraud Loss</th>
<th>Type of Fraud</th>
<th>Source</th>
</tr>
</thead>
<tbody>
<tr>
<td>2016</td>
<td>RM 14,000,000.00</td>
<td>Pre-order fraud online</td>
<td>Berita Harian (Alias, 2016)</td>
</tr>
<tr>
<td>2016</td>
<td>RM 400,000</td>
<td>Drop ship agents online</td>
<td>Berita Harian (Alias, 2016)</td>
</tr>
<tr>
<td>2016</td>
<td>RM 4,550,000</td>
<td>Macau and African Scam</td>
<td>Harian (Issahak, 2016)</td>
</tr>
<tr>
<td>2016</td>
<td>RM 32,000,000.00</td>
<td>Pre-order fraud online</td>
<td>Metro Harian (Aling, 2016)</td>
</tr>
<tr>
<td>2016</td>
<td>RM 7,900,000.00</td>
<td>Online Dating Scams</td>
<td>Malay Mail (Malay Mail, 2016)</td>
</tr>
<tr>
<td>2015</td>
<td>RM 78,000,000.00</td>
<td>Pre-order fraud online</td>
<td>Sinar Harian (Bernama, 2015)</td>
</tr>
</tbody>
</table>

The group study by Telenor Group concerning Malaysia indicated that 1 in 5 Malaysians have fallen to Internet auction scams(Telenor Group, 2016). The internet fraud study had shown that Malaysian are susceptible towards ‘work from home’ fraud (30%), internet auctions scams...
(22%), and online dating scams (20%). The survey had shown that 46% of the respondents are subjected and were victims of Internet scams. The reports received by the Malaysia Computer Emergency Response Team (MyCert) indicated that cybercrime fraud is the number one cybercrime from the year 2010 to the year 2015 (The Star, 2015).

### Table 2: Malaysia Cybercrime Cases

<table>
<thead>
<tr>
<th>Year</th>
<th>Total Cases</th>
<th>Losses (RM Million)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2007</td>
<td>1139</td>
<td>11.4</td>
</tr>
<tr>
<td>2008</td>
<td>1821</td>
<td>12.9</td>
</tr>
<tr>
<td>2009</td>
<td>3863</td>
<td>22.3</td>
</tr>
<tr>
<td>2010</td>
<td>6167</td>
<td>63.0</td>
</tr>
<tr>
<td>2011</td>
<td>6586</td>
<td>80.5</td>
</tr>
<tr>
<td>2012</td>
<td>4738</td>
<td>96.1</td>
</tr>
</tbody>
</table>

Source: Majid (2012)

Through the Royal Malaysian Police report (Majid, 2012), cybercrime has been the most lucrative crime surpassing drug trafficking, any individuals who is an active Internet user is susceptible towards cybercrime. Malaysia has classified 70% of commercial cases as cybercrime. The top three cybercrime cases are E-commerce fraud through online purchases, parcel scam and voice over IP (VOIP) scams which are usually operated in Nigeria. The government of Malaysia has dedicated a number of agencies in combatting cybercrime. These agencies functions towards providing a safer and secure cyberspace. For example, Cyber999, MyCert, My Cyber security Clinic, Cyber Safe, Cyber guru, Malaysia Trustmark, Critical National Information Infrastructure and others more are some of the establishments with purpose of securing cyberspace in Malaysia. According the the MyCert report on incident statistics, there is a total amount of 3,921 cases involving online fraud (MyCert, 2016). The majority of users of the internet are mostly aged 18 to 35 (World-Bank, 2015), which makes them the largest group open towards online fraud, it is important for such studies in order to have deeper understandings of victims as the sample are from people who are very well versed with the internet and e-commerce.

### 2. Theoretical Background and Literature Review

#### 2.1 Theoretical Development

The theory of reason and actions (TRA) was developed by Fishbein and Ajzen in 1975, it is the further development of attitude theories in the 1960’s (Fishbein, M., & Ajzen, 1975). The theoretical model is based on the behavioural aspect of approach as compared to cognitive approach of field theory (Fishbein, M., & Ajzen, 1980). Supporting studies proposed using variables in order to improve the effectiveness of the Fishbein and Ajzen model. Such improvements suggests to implement in futures studies are the measurement of intention, their goals and behaviour, and including a choice among alternatives (Sheppard J. & Warshaw, 1988). The measurement of intention is the level of the user inclined to make the purchases, goals and behaviour is connected to the need of obtaining the goods and choice among alternatives are the alternate gateways of obtaining the item whether from online or physical retail stores. The theory of planned behaviour which is the further development from TRA had reflected that the intention of a behaviour will be higher when the individual has good and positive evaluations upon acting o that behaviour (Ajzen, 1991).

![Figure 1: Theory of Reason and Actions](image)

The subjective norm is the act of behaviour to perform the intended actions. It is part of the normative beliefs concerning behaviour with their motivations to comply upon that behaviour. This theory suggests that the attitudinal beliefs and normative belief explains the intended behaviour of individuals. The intended behaviour here can be from pressure from co-workers or groups of friends or the perceived action is what is expected from them. The TRA assumes that individual people are rational people and make decisions based on the use of information’s that are available (Kim, Kim, & Park, 2010). The intention to purchase from an E-Commerce platform depends on their behavioural intentions to perform such actions.
Prior literature concerning trust and power was written by Luhmann in 1982. The author Luhmann attempts to theorise the reasoning of power and trust in the society (Luhmann, 1979). The trust and power was observed towards individual’s beliefs of concepts based on their human natures in order to predict their actions. The precondition of familiarity is the requirement of trusts as it explains the behaviour of the individual’s actions making the purchase. Other studies attempts to develop trust models of online purchases such as using antecedents influences such as the trustworthiness of the Internet merchant, the trustworthiness of the Internet as a shopping medium, infrastructural factors and the company size (Matthew K.O., Lee and Efraim, 2001).

The theory of reason and actions shows that behaviour is caused through the behavioural intention which is determined by attitude. The research is reflected from the behaviours of the victims becoming the susceptible to fraud influenced by familiarity, trust and awareness which are the attitudes connecting the adopted theory.

3. Literature Review

The focus of the study was to analyse the preconditions that are involved when conducting an online transaction. The feedback will be from the end users who are the victims of the cyber fraud that some of subjects had experienced. The main conditions that are discussed in this study are trust, familiarity, other areas that reinforce trust such as confidence level, level of awareness, and motivations towards the subject’s inclination to make the purchase. This study is an adaptive study and relies on prior researches concerning values of measurements. The theory of reason and action of planned behaviour puts into position that behaviour is influenced by intentions to behave of which the intentions are determined from the attitudes exerted (Corbitt, Thanasankit, & Yi, 2003).

3.1 Trust

Trust is related to an individuals or group belief in terms of the reliability, truth or strength towards another individual or non-individuals (Gefen, 2000; Gulati, 1995; Ranjay Gulati & Maxim Sytch, 2008; Vaidya, 2015; Verhagen, T., Meents, S., & Tan, 2006). The concept of trusting someone can be very broad in a sense that you trust someone is doing something for rewards or at their own grace. This also relates towards the individuals trust towards non-individuals such as companies, businesses or valid represented entities, of which these non-individuals such as groups, organisations or businesses are then expected to deliver based on trust(Chin, Wafa, & Ooi, 2009). The e-commerce presents consumers with challenges to purchase online from an unfamiliar seller which they cannot see or touch the product(Chin et al., 2009; Gefen, 2000). This is some of the challenges of e-commerce. The existence of the product will only be shown through graphic representation on the Internet. Through this online e-commerce, businesses or individuals sellers will need to build up trust based on their reputations or credibility. These web sites of online businesses not only rely on the familiarity of the users, but on their experience in previous usage in using e-commerce through having prior satisfaction with e-commerce (Yoon, 2002). Other studies includes that having higher reputation as previous sellers will help the online seller reach new markets. The consumer that has prior trust in the seller will have strong influence and be able spread out the sellers reputation towards the online community (Hong & Cho, 2011). Trust is an important precondition for E-commerce, as the willingness of the individuals towards an activity will make them be exposed to risk and vulnerabilities, of which are the other challenges of the Internet industry (Gefen, 2000). The motivation to purchase goods online can stem from a number or reasons. The attractiveness of low prices or offers may incline the person to make the purchase(Kim et al., 2010).

3.2 Familiarity

The usage of familiar is whether an individual is comfortable with the relationship through close association or knowing that individual or entity for a long periods of time. The core question in familiarity that researchers always question is whether familiarity breeds trusts(Gulati, 1995; Ranjay Gulati & Maxim Sytch, 2008). Their research observed whether having familiar surrounding or environments between organisations will increase their level of trusts towards each other. The use of familiarity within brands was found that there was no relation with perceived risk and purchase intentions of products online (Park & Stoel, 2005). The products level of familiarity with the consumer or user does not have any significant effect for the user to make the online purchase. Prior research
assessed the relationship of price, reviews of the online website and familiarity of the online seller (Chatterjee, 2001), although there are negative reviews of the product but from a familiar website, the user will tend to purchase the product. The price however shows that when there is an increase in pricing, the tendency to purchase will decrease.

### 3.3 Level of Awareness

The awareness is the individuals known level of risk and knowledge towards a situation or facts (Yoon, 2002). These include their awareness when engaging in buying products online in B2C environments (Chin et al., 2009; Wada, 2011). The surroundings of the online store quality design and branding will have influence towards the online user assessment towards to purchase (Erdem, 1998; K.E. Clow, 1998). The user will have more confidence to purchase when the intended website has more presence in advertising in the open market, the public and individuals trust towards the website will have increased. Through having a larger and reputable website, the level of confidence in purchasing through the vendor will also increase (Jarvenpaa, S.L, N. Tractinsky, 2000).

### 3.4 Confidence Level

The confidence level is assessed towards the vendor’s reliability in delivering and processing the purchased product. The vendor’s level of reliability is in terms of the level the individuals will risk purchasing the product from the vendor. The higher the risk assessment the individual has on the particular vendor, the individual will make the purchase (Corbitt et al., 2003). The individual’s perception on the vendor’s security will increase their online proficiency and assessment to make the purchase (D.L. Hoffman, T.P. Novak, 1999). This is through experiences gained when surfing the internet. There are factors when there is lower levels of knowledge concerning the internet, the individual will shop in a store rather than online (Dutton, 2000). The increased usage of the Internet and web experience will increase the confidence level to the individual’s tendency to purchase online.

### 4. Research Model

![Research Model Diagram](image)

**Figure 2: Research Model**

The interrelationships of these propositions when built into the research framework suggest a research model as shown in the figure above.

#### 4.1 Research development

Familiarity is related as the precondition of trust (Ranjay Gulati & Maxim Sytch, 2008). The higher amount of familiarity the individual has towards the medium of e-commerce, the level of trust will be higher towards the medium. Familiarity can be developed from the online seller through establishing reputation and precedence of sales. The research attempts to understand through increased degrees of familiarity, trust can be built proportionately. This is why that familiarity will correlate together with trust thus developing the proposition.

**RP1:** *Familiarity towards the E-commerce seller will influence trust*

Trust is required in order to establish a relationship with the buyer and seller. The online buyer will need to have trust as there will be no guarantee that the purchased product will be delivered to them. The level of trust is important as it evaluates whether the online seller will be accepted by the individual purchasing the product (Hong & Cho, 2011). The level of acceptance of the individual consumer towards online purchases can be influenced through evaluations of trusts (Pavlou, 2003). Other studies had also indicated that trust is a transferable medium, for example...
once the online seller has established trust, other users will be able to trust the seller as a viable marketplace of purchase (Verhagen, T., Meents, S., & Tan, 2006). This leads us to the next proposition.

RP2: **Trust with the E-Commerce seller will influence the individual’s intention to purchase the product.**

The individual awareness concerning the online marketplace is important to gauge their level of perception in making the online transactions. This includes the perception that the online seller will have the ability to execute their work. This is together with their obligations towards their duties to the online purchaser. The awareness of the user towards the online seller in terms of evaluating their experience of prior purchases influences their intention of purchase (Hong & Cho, 2011). The following states;

RP3: **The level of awareness of the user will influence their intention to purchase the product.**

Confidence is different as compared to awareness. Awareness is leaned towards knowledge or perceptions of situations (Hamis, 2015; Jayabalan et al., 2014; Yoon, 2002), whereas confidence relates to the belief and feelings towards a particular environment (Chin et al., 2009; Corbitt et al., 2003). The level of confidence of consumers relates to their beliefs that the purchased product will be delivered to them without any withdrawal from the online seller (Corbitt et al., 2003). The assumption here is that when the consumer is more confident in the E-marketplace, they will be more inclined to purchase from the online seller. Thus showing that;

RP4: **The level of confidence towards the E-Commerce seller will influence their intentions to purchase the product.**

5. Research Methodology

The research model employs an empirical study using online surveys from electronic marketplace (E-marketplace) from online shoppers gathered from users of Instagram, local Facebook groups in Malaysia and other online communities. The semi-structured interview was conducted by phone (Cachia, M., & Millward, 2011) of which the conversations were recorded and transcribed. The semi-structured questionnaire was developed and used as a guideline during the interview to make sure that all relevant topics were covered and help the researchers conduct the interviews in a systematic and comprehensive fashion. Victims here refer to an individual that experiencing e-commerce fraud when purchasing goods online. They are members of online social group that focuses on buying and selling of goods in Instagram, local Facebook groups in Malaysia and other online seller groups (Mudah.com, Carrousell.com). Semi-structured interview according is the processes that are done between two interacting parties (Sekaran, 2006). The characteristics of a semi-structured interview are that they have a flexible and fluid structure unlike structured interviews. This method can improve and better understand the topic that is discussed. The structure of a semi-structured interview must have a goal and prepared question script that will be asked to the interviewee. The framework of the questionnaire needs to be established and the information for all constructs is built before conducting the interview. The analysis of qualitative data will then enable valid inferences that is analysed from the collected data.

![Figure 3: Research Process](image)

The sample is collected through purposive sampling. The victims were identified through social media in terms of their experience of being the victim of cyber fraud. There are thirty two identified victims of fraud in the social group page which had the total loss of RM 16,240 ringgit collectively. Once the identified victims were approached, only seven were comfortable with being the respondents. Their personal information was requested for through the interview and kept private for privacy reasons. After the time was set, victims were contacted through phone for interview and all conversation was recorded. The data was then transcribed and analysed using the NVIVO software.
The sequential questions were developed as an interview guide, but additional questions were raised depending on interviewee respond as to facilitate further exploration of the issues. Interviewees were informed about the objective and procedure of the interview before the actual phone-interview was started. The semi structure questions are based on the phase development as shown in the following interview schedule.

### Figure 4: Interview Schedule

The following table sets out the demographic. 57.2% of the respondents are aged 30 to 35. 85.7% of the respondents are male while only 14.3 percent are female. The majority of the sample all at least have had extended educations at diploma or degree levels of educations. The demographic profiles also show that educated individuals are also susceptible towards online fraud.

<table>
<thead>
<tr>
<th>Demographics</th>
<th>Number</th>
<th>Percent (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Age</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>20-25</td>
<td>1</td>
<td>14.3</td>
</tr>
<tr>
<td>25-30</td>
<td>2</td>
<td>28.5</td>
</tr>
<tr>
<td>30-35</td>
<td>4</td>
<td>57.2</td>
</tr>
<tr>
<td><strong>Gender</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Male</td>
<td>6</td>
<td>85.7</td>
</tr>
<tr>
<td>Female</td>
<td>1</td>
<td>14.3</td>
</tr>
<tr>
<td><strong>Education</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Diploma</td>
<td>1</td>
<td>14.3</td>
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<tr>
<td>Degree</td>
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<td>71.4</td>
</tr>
<tr>
<td>Master</td>
<td>1</td>
<td>14.3</td>
</tr>
</tbody>
</table>

### 5.1 Measures

The measurement items are from adoption of related studies(Corbitt et al., 2003; Gefen, 2000; Hong & Cho, 2011; Jarvenpaa, S.L, N. Tractinsky, 2000; Yoon, 2002). The instrument was devised from prior measurements and the demographics of the respondents are also inquired and collected. The description of the sample are based on the elements study of online users in Korea (Kim et al., 2010).The psychographic approach is to measure subjective information related to the research(Henry, 2005; Seounmi, Y., Lee, M., & Doyle, 2003). The inquiries here are related to the behaviour and actions from the victim’s perspective concerning their experience. Psychographics approach is the study of people according to their attitudes, aspirations or other psychological areas (Seounmi, Y., Lee, M., & Doyle, 2003).

### 5.2 Findings and Discussion

The result of this study shows that familiarity and trust supports the proposed proposition from the analysis of the victim’s response. Although awareness was very low amongst the respondents, this had little impact towards their intention to purchase the product. The overall majority of the respondents were confident in their online purchases.

Familiarity and trust is critical towards online transactions. Through having these preconditions, the probable fraud could occur amongst the buyers of the product. The capability of the online fraudster in terms of establishing initial trust and familiarity is indeed impressive. The majority of the interviewees are more conscious in terms of trust after being the victim of cybercrime.

The relationship of level of awareness and intentions to purchase appears to be negative. The lower level of awareness does not have any impact towards purchase intentions. Through having the preconditions of familiarity and trust, the level of awareness is shadowed by these preconditions. This is also influenced by the opportunity that
arises towards the victim as being targeted by the fraudster. The fraudster had baited the victims in terms of having very low prices as compared to the market making the offer irresistibile towards any buyer. The representation of the product in terms of pricing was manipulated and affects the trust levels of the consumer.

5.3 Familiarity and intention to purchase

The levels of familiarity of the users towards the online purchases were very high and common amongst the interviewed respondents. None were first time users or first time buyers of online transactions. The level of familiarity is reduced for the within context of certain websites that they are familiar. The common online commerce platforms that were mentioned are Lazada and Gemfive which are well known e-commerce business sellers which deal directly to customers. The observation here is that newer entries of online sellers will have to face stricter levels of evaluations from the respondents. The familiarity exists with intention to purchase thus supporting the first proposition.

5.4 Trust and intention to purchase

Trust as the critical factor of e-commerce is also influenced by familiarity. Through having familiarity, the trust towards the online seller will be established. The victims will evaluate the credibility of online sellers before involving themselves with trusting the online seller. The respondents explained that the levels of trust were built through constant communications with the seller. This solidified the levels of trust between buyers and sellers. This included the interpretation and predictions which was discussed in various literatures that through familiarity trust is built amongst the respondents (Gefen, 2000; Ranjay Gulati & Maxim Sytch, 2008).

5.5 Level of awareness and intention to purchase

The level of awareness amongst respondents concerning cyber-crime transactions was very low prior to the respondent’s incidences. They were confident in pursuing the online transactions as they had felt secure towards the online sellers. In terms of awareness, the majority of the respondents were well aware of the risks of conducting online purchase. The level of awareness increases upon becoming the victim of fraud. The observation here is that the awareness does not influence the intention of purchase. The seller uses marketing strategies in terms of making their offer valid for limited periods of time. This then affects the evaluations of online buyers of which they tend to disregard the risks while expecting the rewards of receiving the goods.

5.6 Confidence and intentions to purchase

Levels of confidence are influenced by the presentation of goods that are sold by the sellers. With having a good sense of knowledge of the products, the online sellers were able to explain further even in technical terms on the goods that they are selling. This is what influences the respondents in terms of their decision making actions. The said knowledge of the seller had influenced the projected attitude of the buyers in terms of confidence. The proposition here is supported which states that when consumers are confident towards the purchase, they will continue to purchase goods online.

5.7 Final Remarks

The studies of trust and familiarity are commonly conducted in countries such as Korea. The have a vast amount of prior literature on online behaviour research (Hamsi, 2015; Hong & Cho, 2011; Kim et al., 2010; Park & Stoel, 2005; Ranjay Gulati & Maxim Sytch, 2008). Their main aspect of research is to understand why people trust online transactions. This is related to Malaysia in perspective as we are now moving towards a global and connected community. Countries such as Nigeria and Ghana are well known for their cybercrime experiences and expertise (Lueck, 2014; Wada, 2011; Warner, 2011). Their global impact towards cybercrime is very well known over the parts of the world.

The Malaysian perspective here is that the cybercrime activities are still happening and may be at a growing rate. The number of people who has become susceptible towards trusting these online sellers or tactics is the main reason of falling prey. The proposed research discussion findings had shown that there are elements of familiarity and trusts that are built up when a person intends to purchase goods online. The need for better awareness of understanding of transactions and responsibility are need in order to prevent individuals becoming the victim of fraud. Although as shown that the victims had prior knowledge such as the awareness of the risk of conducting online purchase, they had also became victims of these online fraud transactions. This as the fraudster tends to take the opportunity towards the action of cyber fraud as they view that there are no serious repercussions of such actions. The fraudsters also prey on the victim’s levels of
confidence, projecting themselves as legitimate sellers from their presentation, knowledge and skills. The viewpoint of local authorities having lower levels of impact may be the inducing factor of fraudsters as they take this opportunity to conduct their activities.

This exploratory research has the capacity of being further developed. The next step is to distribute quantifiable surveys in order to evaluate the significance and effectiveness of the mentioned preconditions. The pilot study here examines current movements of cyber-crime as we need to move faster in terms of developing local literature to understanding cyber-crime development in Malaysia (Chin et al., 2009; Hamsi, 2015; Jayabalan et al., 2014; Yew, 1997).

The findings here show that the preconditions of trust and preconditions are very high and the awareness is low amongst the victims of fraud. This is the opposite as compared to other countries such as Korea of where they have higher levels of awareness in assessing online transactions (Hong & Cho, 2011; Yoon, 2002).

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