



KikScore Online Trust Survey and Report

December 2011



Online Trust Concerns: Why They Exist and How Small Businesses Can Overcome Them

Kikscore a leading provider of trust seals for small businesses conducts an important survey of online trust trends for small business that finds website visitors are seeking more information about the reputation and track record of online businesses.

87% of consumers feel safer buying from websites that feature information about their business and financial track record.

Background

The Internet has become an increasingly prevalent part of modern life and, consumers are steadily increasing the amount of purchasing on the internet. As a result, more and more businesses have turned to creating e-commerce and service websites to improve their sales. It is not easy, however, to be considered trustworthy online. This is especially the case with small businesses that do not have large marketing budgets. In fact, largely due to security and online trust issues over 70% of online shopping carts are abandoned before checkout¹, costing businesses losses of more than \$18 billion a year. ² The main culprit: issues of online trust and security and unfamiliarity with websites.

60% of Website visitors who did not complete their transactions online said it was because they were not sure if the site was secure, 51.4% were worried about providing the information requested, and 48.4% felt a website requested more information than was necessary for the transaction.³ This data is similar to our KikScore Online Trust Survey findings that found the fear of being defrauded or being a victim of an online scam has led **more than 90% of online consumers not to complete a transaction online.**⁴

It is behind this backdrop that small businesses struggle to prove their trustworthiness to

website visitors. The traditional methods of providing online security are no longer proving to be adequate at convincing shoppers that a business is legitimate and that some or all of the following security practices are in place:

- Using firewalls on business systems;
- Loading Anti-Virus software;
- Removing unused software and user accounts;
- Backing up important files and software;
- Implementing network security with access controls;
- Limiting access to sensitive and confidential data; and
- Maintaining adequate insurance coverage.⁵

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Small businesses also bolster these measures by displaying trust seals on their websites. A trust seal is a type of validation for an online site that is provided as a service from a third-party business. Some current popular providers include: Trust Guard, BuySAFE, Verisign, Better Business Bureau, TRUSTe, and McAfee. These companies typically provide trust seal services that incorporate features such as

bonding transactions to services that may aim to prevent hacking or identity theft, malware scanning services for websites or display privacy policies for businesses. These companies listed mainly focus on providing trust by association, trying to communicate credibility based off of their own brand's name and popularity along with functionality that addresses a discreet portion of the online trust problem. Trust seals have been found to be an effective way to demonstrate to website visitors that a small business is trustworthy. This is now especially the case with small service providers like realtors, doctors, plumbers, contractors and professionals that are found through local and mobile online search. In fact, our KikScore Online Trust Survey of consumers found that **more than 85% of website visitors and people who conduct local searches said that they would be more willing to hire service providers who have trust seals on their websites.**⁶

Despite taking precautions, such as displaying a trust seal, companies still routinely lose online sales. This KikScore Online Trust Survey and Report discusses why and outlines a potential solution for the issue of demonstrating trustworthiness online for small businesses.

The Online Trust Challenge Small Businesses Face

Convincing website visitors that your business is credible and trustworthy can be very challenging for small businesses. The root cause of that challenge is an information asymmetry between website visitors and business owners that promote their businesses online. There is some related data that supports this challenge that has been identified:

- 85% of consumers are worried that retailers are not doing enough to combat online fraud⁷
- 51% of online shoppers are seriously concerned about the security of online shopping and banking, rising from 37% in 2010⁸

One of the main causes of the online trust issue is a lack of information transparency provided by small businesses on their websites. Our KikScore Online Trust Survey found that **over 60% of website visitors** are more likely to buy from a site that **posts information and details about the management of a small business**.⁹ In addition, our Survey found that **87% of consumers feel safer** buying from websites that feature information about their **business and financial track record**.¹⁰

Often times, small businesses do not offer enough information about their track record of reliability and their history as a business to website visitors. This failure leads to lost sales and the inability to close leads for small businesses.

The constant threat of identity theft and abuse of financial information complicates sales transactions for small e-commerce businesses and service businesses. When customers visit a small business website, they often do not have any indication whether they can trust that small business or not. Potential e-commerce shoppers want verification that their purchases are safe and will be satisfactorily shipped to them, while prospective service clients would like proof of legitimacy, credibility and insurance. Our KikScore Online Trust Survey confirms this desire for information that website visitors seek, even for small online service businesses. The Survey found that **more than 90% of website visitors** are more likely to trust a service business if they provide information about their **track record and business history**.¹¹

When shoppers are engaging with small businesses online, whether it is an e-commerce store or a local service provider, they are often required to give the company their own

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personal information, including their name, phone numbers, address and most importantly, their credit card information. Yet these companies themselves often have not provided any transparency of their own about who is behind the business. This can result in a failure to build trustworthiness or credibility for potential leads to purchase from these businesses, let alone contact them.

In the latest 2011 Online Trust Alliance's Online Safety Honor Roll, it was discovered that 74% of the top websites used by millions of people have NOT implemented the best, most efficient safety measures to protect against malicious emails and rogue websites.¹² This data only underscores the dangers that website visitors feel when using websites that are not well known or are unfamiliar to them.

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These factors taken together hurt small businesses because customers may prefer dealing with the larger, more reputable and well-known websites instead of the smaller and newer e-commerce or service businesses.

A Solution for Small Businesses: Information Transparency

In order to have success and attain financial stability, online small businesses must demonstrate that they are trustworthy, reliable, and have a positive track record of delivering products or services by providing sufficient information transparency and data about an online business. To demonstrate trustworthiness to website visitors, online retailers and service providers must be willing to take the necessary actions to make these visitors feel secure to conduct business. The primary method for accomplishing this goal for a small business to demonstrate trustworthiness online can be grouped into three steps: trust seals, business information, and open customer feedback.

1. Trust Seals

While it is true that trust seals are not a one-step fix as mentioned above, they are excellent tools especially for new businesses to help them convey a sense of trust to website visitors. Trust seals help online customers get more than a simple "You can trust us" and trust seals help provide a form of validation that a business is legitimate and safe to use. As long as a business continues to use a trust seal, it can help demonstrate that the small business is a

reliable and credible service to website visitors.

2. Information about a Business

The more people know about an online business, generally the safer they feel performing transactions with that business. If a small business is new to a shopper, a first time website visitor often has concerns about transacting with that website because of the lack of information generally available to that website visitor about the business. That is why it is important for businesses to display various forms of information as clearly and concisely as possible on their websites. Some of this information may include:

- **Management Information:** Website visitors often like to know who is operating a business. To satisfy this desire, management team members should include on their websites names and short biographies about themselves to show that they are real people with real backgrounds. If visitors can access this information, they can learn that team members are not afraid to introduce themselves and vouch for their business. Even in a very practical and human sense, a website visitor may identify more with the picture of the owner of a business so they can get an idea about the person who is operating the website that they have visited.
- **Financial History:** Publicly displaying a business' generalized financial history can help visitors understand that the business is stable, reliable and has a reputable track record. This information can help small businesses alleviate website visitors' fears of being a victim of a scam or buying from an unscrupulous business.
- **Location Information:** If a business has any physical locations, it is important to let visitors know how many there are and where they are. This is useful for online retailers because it tells visitors that a business is more than a mere web presence. For service providers who only use the web to promote their businesses, however, showing that you have a physical location can be very important. In fact, 90% of online commercial searches result in offline brick and mortar follow up and 61% of local searches result in purchases.¹³ People feel the need to know where they can find businesses for their services as well as where they can go with any questions. Providing information about where a business is located can make an important difference and increase the likelihood of closing a possible lead.
- **Website Information:** In determining the trustworthiness and reliability of a website, visitors may like to know about the details relating to the small business website and its infrastructure. These details can include where the website is hosted as well as who

owns their domain names for the small business. Many visitors are wary of websites that do not have security protections like SSL certificates and are hosted in certain parts of the world because those areas have been designated as high fraud areas such as Russia, China and parts of Africa. If a business can demonstrate that its website has a legitimate host with a legitimate owner, visitors will generally feel safer browsing and transacting there. In addition, visitors are often interested in seeing the level of a website's traffic. Showing this demonstrates to website visitors that others shoppers visit the website. This collective information helps exemplify the fact that the business is taken seriously by other shoppers.

- **Policy Information:** This involves several things, such as deliveries, returns, customer service, privacy and other types of related policies. Showing that a business offers certain guarantees to make sure that their products are handled with care, or remedied if an incident occurs, can say a lot to visitors about how serious a business takes customer service related issues.
- **Certifications and Awards:** As website visitors start to make a determination regarding a website's trust and reliability, certifications and awards can play a large role in convincing shoppers that the site should be taken seriously. This involves any certifications and/or awards that have been given to either members of the management team or to the business itself. This information is important because it proves that the management team/business entity has been recognized by third parties in some manner.

All of these pieces of information can help to form a visitor's core opinion about the trustworthiness and reliability of a business. Without such information, website visitors often are unwilling to hand over any personal information, let alone take the time to contact a business or make a purchase.

3. Customer Feedback

Positive feedback is one of the most essential tools for gaining trust online for a small business. During the holiday season alone, 83% of shoppers are influenced by customer reviews.¹⁴ If this is true of "holiday shoppers," imagine the impact customer reviews can have throughout the year. This is why it is so important to have a place for customer comments to be showcased on businesses websites. If done correctly, visitors to a website can view past comments and get an even better understanding of how well the business does. In addition, if a visitor decides to become a customer, they can voice their opinions on the business' website. Using a feedback system is an excellent opportunity for a

business to show its customers that their opinions are valued and necessary for success.

Although seemingly obvious, these three steps, which can make or break an online business, are often neglected or are not prioritized by small businesses. It is, however, never too late to adopt new practices and improve a business' transparency so a small business can provide more information to website visitors. By using all three of these steps, businesses should have an easier time converting website visitors into sales or leads.

There is one tool that actually helps incorporate all three of these items: 1) trust seal, 2) information transparency for a business and 3) customer feedback. This tool allows small businesses to use information about their business in order to demonstrate trust by using the KikScore Confidence Badge on a small business website. The Confidence Badge allows online small businesses to use a dynamic and interactive trust seal to provide website visitors important information and data about their business such as management, policy and location information, financial track record, website security details and certification and awards and also provides a platform for customers to submit comments and feedback.

Small Business Case Study

PaybaQ Sees Significant Improvements in Conversions After Using KikScore Confidence Badge



PaybaQ is a company that helps facilitate personal microloans. Having dealt with starting up a business in the past, PaybaQ's CEO, Brian J. Esposito, knew that he needed help proving his new business' trustworthiness to visitors of his new website. After Mr. Esposito launched PaybaQ he encountered many of the same issues that are identified in this Report: low signups, abandoned visits by website visitors and abandoned shopping carts. The PaybaQ CEO signed up for KikScore's Confidence Badge services in late 2010 to see if he could start using his own reputation for trustworthiness and demonstrate that credibility on his own website. Mr. Esposito also was seeking a way to provide information about himself and his business to website visitors because Mr. Esposito was an Inc. 5000 award winner. Mr. Esposito used the KikScore Confidence Badge to display important information about his business, such as PaybaQ's *management team names, financial track record, location, certifications, policies, and website details.*

Mr. Esposito has continued to use KikScore's services over the last year and has noticed that visitors are staying on his website for longer periods of time. Most importantly, he reports that PaybaQ has seen a **20% increase in conversions** since adding the KikScore Confidence Badge to the PaybaQ website.¹⁵ PaybaQ's approach is an important example illustrating how a small business is using a trust seal to convey vital information about their own business to website visitors. This is a strategy that we recommend more small businesses undertake in order to win the battle to demonstrate that they are trustworthy and credible. The strategy can be very effective in addressing the information asymmetry that exists between website visitors and online businesses.

Final Thoughts

Providing an online environment where people feel safe and well-informed is no simple task. It is, however, something that all businesses, especially those in their early stages, must do in order to increase their chances of success. By taking the appropriate steps and utilizing the correct tools and resources, businesses can restore balance to the asymmetry of information that exists between small businesses and online buyers that are seeking products and services. Small businesses that address this gap will find themselves conveying a sense of trustworthiness and credibility online which will help yield greater conversions as well.

Research Methodology

In August 2011, KikScore surveyed a sample of consumers from across the United States that indicated that they spend time each week online and do periodically conduct online transactions. The purpose of KikScore's survey was to study the behavior, search activity and shopping patterns of consumers that visit small business websites online. This Report contains many of the findings from the survey that KikScore conducted.



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Your Small Business Demonstrate Trustworthiness to
Website Visitors