

From E-business to Trust Building: A Move Closer towards Customers

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Abstract: Past evidence suggests that consumers are often reluctant to shop online or transact with online vendors because of high uncertainty and perceived risk involved related to information stolen or hacking of personal data. Hence, Trust plays a central role while transacting online and helps to overcome insecurity and perceived risks. Trust helps in increasing comfort level of customers enabling them to share personal information, purchasing online, thus, contributing towards widespread adoption of e-commerce. Trust helps to reduce social uncertainty. Therefore, Trust has always been a critical factor for research. Past researches gave mixed definitions, conceptualizations of Trust. Thus, this paper is an attempt to broaden the concept of Trust. This paper will be valuable for both the academic researchers as well as the practitioners.

Keywords: Trust, Propensity, Online Vendor, Trustworthy, Antecedents, social presence.

1. INTRODUCTION:

Trust is the most important element of human interactions, especially when social uncertainty or the outcomes of those interactions are not fully controlled by rules and customs (Gefen and Straub 2004)[1]. Trust is usually considered as a central element of any commercial transaction where the trusting party trusts the other party that it, the trusted party, will behave in the interest of trusting party. So, considering this observation, we can say trust is more important in online than in offline transactions because of high level of anonymity, involved risks of security and privacy, absence of assurance element which is present in offline transactions. Past researches shows that presence of trust helps to retain customers increase purchase intentions, while the absence of it could result in switching behavior or reluctance to purchase online. Many researchers in the past agree that trust helps to broaden the business of online vendors. So, the future of e-business is difficult without the presence of customer trust. Building consumers trust is a challenge for online vendors and thus a domain area of interest for the researchers.

2. CONCEPT:

Trust is a complex and abstract construct (Wang and Emurian 2005)[2]. So, many researchers in past tried to define it in different ways. After reviewing literature, Giffen (1967)[3] defines trust as 'relying upon the behavior of a person, occurrence of event or characteristics of an object in a risky situation'. Similarly, Rotter (1971)[4] defines trust as 'believing an individual's action, promise, words, and statements by another individual'. Korsgaard et al. (1995)[5] defines trust in a different concept as "the confidence that the team members have in goodwill and honesty of the leader". McAllister (1995)[6] defines trust as 'the extent to which one person is willing to act according to the actions, words, statement, decisions of another person'. In similar vein, Rousseau et al. (1998)[7] defines trust as 'the extent of vulnerability accepted by an individual based on the positive expectations about the behavior of trusted party'. Schurr and Ozanne (1985)[8] define trust in his own way as 'the belief of one party over another that the later one will fulfill their promises made'. Expanding over this definition Anderson and Narus (1990)[9] said that trust is 'something that one party believes that another party will behave in a manner that will promote wellbeing of the trusting party along with refraining from any kind of harmful actions'. In similar manner, Moorman et al. (1993)[10] said that trust is 'relying on the party over which we have confidence.' Morgan and Hunt (1994)[11] define trust in terms of reliability and integrity. Finally, Gefen (2000)[12] define trust in context of e-commerce as "customer assessment of trust that the online vendor is trustworthy". McKnight, Choudhury, and Kacmar (2002)[13] said that trust is "people willingness to depend upon interactional partner". As we can see there is no consensus on the definition of trust. So, in context of online transactions, we can conclude that trust is simply 'the acceptance of vulnerability in online transactions based on the belief that interacting party is trustworthy'.

3. ANTECEDENTS OF TRUST:

Trust antecedents can be of two forms 1) Trust antecedents based on customers 2) Trust antecedents based on website.

3.1.Trust antecedents based on customers

3.1.1 Customer proficiency in using internet

Metzger (2006)[14] finds out that the perceptions of risks in using the web will be lower among those people who are highly proficient with the web and thus are more inclined to trust online transactions. Skills of customers in using internet technology can be regarded as proficiency. Moreover, customers experience level is positively associated with trust level of customers on the internet (Corbitt, Thanasankit, and Yi 2003)[15]. A more experienced customer in using internet technology is more likely to trust online vendors and hence in turn more likely to contribute towards widening scope of e-commerce. On the contrary, Aiken and Bousch (2006)[16], said that relationship between customers experience and trust is like an inverted U, at an initial level trust increases with increase in experience whereas as customer gain more and more experience the concerns of privacy and security increases and the increase in knowledge about the things that could go wrong decreases level of trust.

3.1.2 Customers propensity to trust

It's a human tendency; some people tend to accept things more quickly as compared to others. Similarly, in online context, some customers have the ability to trust the online vendors, accept the vulnerability more quickly despite of limited knowledge, whereas others need detail information before trusting the online vendors. Some studies in the past shows that trust is positively affected by propensity to trust (Gefen 2000)[12]. On the other hand, Koufaris and Hampton-Sosa (2004)[17] finds out that there is no relationship between propensity to trust and trust. He argued that if the customer is unfamiliar with online vendor or do not have any kind of experience with the firm, then, customers tend to sideline their trusting tendency and rather form their trusting beliefs based on their perceptions about online vendor. But most of studies agreed that propensity to trust do have a direct relationship with trust hence we can say that the higher the propensity to trust the greater the trust formation.

3.2 Trust antecedents based on website

3.2.1 Information quality

Those websites which presents proper, accurate, precise information about product and services are more trusted by the online customers (Liao, Palvia, and Lin 2006)[18]. Since customers cannot feel touch the products while shopping online, the accurate complete information serve as a basis for making purchase decision.

3.2.2 Graphic Design

Kim and Moon (1998)[19] contributed towards this area. He manipulated colors, designs, clip arts and investigated the change in customers' attitude and trust. He finds out that a screen with proper graphical characteristics is more admired by the customers and helps in building trust towards website.

3.2.3. Personalization

Personalization is the website's ability to customize products, services, background, themes according to target users (Srinivasan, Anderson, & Ponnnavolu, 2002)[20]. While Koufaris and Hampton-Sosa (2004)[17], finds out that personalization have a significant impact on customer's initial trust, on the other side, Briggs, Simpson, and De Angeli (2004)[21] shows that personalization have only relatively small impact on trust.

3.2.4 Privacy and Security Features

Privacy and security is the major factor affecting customers trust in online transactions. Concerns related to information misuse, spam mails, unwanted interruption, use of cookies, all these have a negative impact on trust formation of online customers. (Lauer & Deng, 2007)[22] in his survey finds out that companies exhibiting greater privacy policies for the customers are considered more trustworthiness by the customers.

3.2.5 Ease of use element

Perceived ease of usability plays an important role in formation of trust online. A number of studies agreed that websites which are easy to use and helps customers to easily go through the site, gain customers trust more quickly as compared to others (Bart et al., 2005)[23]. Low level of user friendliness could result in technical error which could result in consumers distrust (Flavian et al. 2006)[24].

3.2.6 Social Presence

Social presence can be understood in terms of the extent to which one can feel to have a personal touch with the person sitting on other side of internet interactions. So, the extent to which one feel connected with intellectual entity, to whom we are communicating with the help of internet, helps in building trust online. Although a website lacks human interactions but the degree to which customer perceive it to be socially present increases trust (Gefen and Straub 2004)[1].

4. DISCUSSION:

The success of any service provider business is not only in the subjective benefits it offers but also on the level of trust that the customers have on the benefits it provides. In this hyper competitive environment, service providers should focus not only on delivering services but also on building users trust in online transactions with the firm. Customers would refrain themselves from entering into online transactions with those organizations that fail to build customers

trust. Different empirical studies found out different antecedents to online trust. Customers trust in online transactions is affected by experience of the customers or simply the propensity to trust or quality of website characteristics. Review of the literature shows that there are conflicting views with regard to customer experience and propensity effects on trust. This area requires further research in order to gain more concrete conclusions. Even the research in trust has gain its saturation still this domain of research has not been explored to such extent and could reap greater benefits if empirically researched in detail.

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