Chapter 5.1

Building Trust in E-Commerce through Web Interface

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ABSTRACT

The emergence of Internet has revolutionized the way businesses are conducted. The impact of e-commerce is pervasive, both on companies and society as a whole. It has the potential to impact the pace of economic development and in turn influence the process of human development at the global level. However, the growth in e-commerce is being impaired by the issue of trust in the buyer-seller relationship which is arising due to the virtual nature of e-commerce environment. The online trading environment is constrained by a number of factors including web interface that in turn influences user experience. This article identifies various dimensions of web interface that have the potential to influence trust in e-commerce. The empirical evidence presented in the article is based on a survey of the web interfaces of 65 Indian e-Marketplaces. [Article copies are available for purchase from InfoSci-on-Demand.com]

INTRODUCTION

Convergence of Information Technology and telecommunication technology has resulted in emergence of a new economy wherein the buying and selling process is being executed through Internet and other computer networks. This is being termed as e-commerce. The proliferation of Internet technologies into business has fundamentally changed the relationship between suppliers and consumers. It has provided faster access and better knowledge of commodities and prices. The ability to exchange information in both directions between producer and consumer has created a relationship not previously possible. E-commerce is changing the way business is being conducted
and eventually all companies will have to make
the transition to remain competitive because soon
all customers will expect this level of service and
it will inevitably become the standard for customer
satisfaction (Rust & Kannan, 2003)

The impact of e-commerce is pervasive, both
on companies and society as a whole. It is the first
mass application of information and communica-
tion technologies in the movement towards digital
economy. It has broken all man-made boundaries
and provided an opportunity for both buyers and
sellers to interact among themselves regardless
of difference in language, society, culture and
tradition.

The rapid growth of e-commerce is now
being related to economic development and is
often been cited as a driver of economic growth.
E-commerce is also been touted as a powerful
medium through which less developed economies
can exploit the potential of global markets. It, thus,
has the potential to impact the pace of economic
development and in turn influence the process of
human development at the global level. However,
the growth in e-commerce is being impaired by
the issue of trust which is arising due to virtual
nature of e-commerce environment. This virtual
nature of e-commerce environment imposes cer-
tain constraints on buyer-seller relationship that
did not exist in traditional face-to-face transac-
tions. The on-line trading environment basically
thrives on ‘virtuality’ (Handy, 1995) and ‘user
experience’ (Marsh, 2000). Since, the transac-
tions in this virtual environment are conducted
through the ‘veil’ of web interface, trust becomes
an important issue. The web interface acts like the
only ‘contact point’ among the buyers and sell-
ers. Hence, there is a need for the web interface
to induce trust in online environment. The focus
of the present article is to identify various trust
inducing web dimensions that may enhance the
effectiveness of web interface and there by help in
inducing trust among the e-commerce players.

TRUST IN E-COMMERCE

Trust is defined as “the willingness of a party
to be vulnerable to the actions of another party
based on the expectations that the other party
will perform a particular action important to
the trustor, irrespective of the ability to monitor
or control that other party” (Mayer, Davis and
Schoorman 1995). In the context of e-commerce,
trust may be regarded as a judgment made by the
user, based on general experience learned from
being a customer/seller and from the perception
of a particular merchant. In other words, trust is
also seen as a generalized expectancy that the
word, promise, or written statement of another
party can be relied on (Rotter, 1980).

To date, research on understanding online trust
and e-commerce is limited (Grabner-Kräuter and
Kaluscha 2003; Yoon 2002; Corritore et al. 2003;
Kolsaker and Payne 2002). In their critical reviews
of website and/or ecommerce trust, Corritore et
al. (2003) and Grabner-Kräuter and Kaluscha
(2003) argued that there is a lack a conceptual
understanding of online trust and theoretical
support for its role in online transactions and re-
lationships. Without trust, businesses are unable
to function (Reichheld et al. 2000). Jian, Bisantz,
and Drury (2000) and Bailey et al. (2003) claim
that trust not only plays a strong role in human-
to-human interactions, but also plays a critical
role in human-to-computer interactions.

LITERATURE REVIEW

A rich web interface may have a positive impact on
trust in the faceless environment of e-commerce.
Several studies like Fogg et al 2001; Lee and
Kim & Moon, 2000; Neilsen, 1999, 2005 etc.
reported evaluations of a list of design features
that could potentially appear on the web interface
to impact trust. Ang and Lee (2000) stated that
if the web site does not lead the buyer to believe
that the seller is trustworthy, no business can be
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