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.

Keywords: Demonstratability; E-Commerce; E-Marketplaces; Information Content; Information Structure; Trust; Usability; Web Interface

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 communication 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 certain constraints on buyer-seller relationship that did not exist in traditional face-to-face transactions. The on-line trading environment basically thrives on ‘virtuality’ (Handy, 1995) and ‘user experience’ (Marsh, 2000). Since, the transactions 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 sellers. 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 Kalusch 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 Kalusch (2003) argued that there is a lack a conceptual understanding of online trust and theoretical support for its role in online transactions and relationships. 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 conducted. In other words, one key consideration in fostering online trust in e-commerce is to build a trust inducing web interface. Lohse and Spiller (1998) identified four interface design features that affect the effectiveness of the web interface. Their results indicated that features like effective navigation, detailed product descriptions, links, etc. affect the trust in e-commerce activity. Xiling Zhou asserted that poor quality of web interface, lack of proper content in the web sites, unintuitive navigation, etc. can diminish the trust in the concerned company in e-commerce activities. Bailey et al stressed that visual aesthetics and navigation quality of a web site help to assess
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