Chapter 11
Enhancing Trust in E-Commerce in Developing IT Environments: A Feedback-Based Perspective

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ABSTRACT

E-commerce has become the most common means of exchange of goods and services in the new world order, with the Internet as the driving force. E-commerce has also proven to be cheaper, faster, and more efficient over traditional methods. In spite of all these advantages, e-commerce is still not living up to its full potential, due, apparently, to lack of trust by end-users regarding these technology-enabled exchanges.

Most research in e-commerce and trust have assumed advanced information technology (IT) infrastructural environments, so results from these studies have little impact on Developing IT environments, where internet infrastructure is still at the developmental stage, and the people are used to traditional commercial methods. This situation affects the level of trust and participation of end-users in e-commerce. This paper presents a unique approach for enhancing trust in e-commerce in less-advanced IT environments, with a perspective on feedback mechanisms in e-commerce websites. Survey results support the importance of feedback in promoting and sustaining end-user trust in online market environments.

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INTRODUCTION

Almost every research on trust in e-commerce typically views trust as an important condition of successful commercial exchange. Various researches on this area aim to identify relevant factors of trust and establish how these factors influence potential buyers’ decisions to interact with vendors. The aim is to provide ways of increasing trust. E-commerce has dominated global economy in terms of the exchange of goods and services. E-commerce has become the most common means of exchange of goods and services in the new world order, with the Internet as the driving force; and as a result, research on trust in e-commerce has become a veritable industry. The reason for this interest is that, e-commerce, despite its many advantages, is still not living up to its full potential, more so, in emerging IT environments, where internet infrastructure is still at the developmental stage. This is apparently caused by the lack of trust that end-users have in technology and technology-enabled exchange of goods and services, and the attendant risks associated with these exchanges. Since lack of trust is a major obstacle for the success of e-commerce, most research concentrate on understanding trust and its components in order to facilitate the development of trust.

This paper aims to present a feedback-based perspective on how to enhance trust in e-commerce in developing IT environments. First, we provide a detailed background of trust and trust in e-commerce, including types of trust and trust-building in e-commerce, and then types of online feedback. We also discuss the survey results, and then, end with a conclusion of the paper.

BACKGROUND

Trust is a catalyst for human cooperation. It allows people to interact spontaneously and helps the economy to operate smoothly. Lack of trust on the other hand is like sand in the social machinery. It makes us waste time and resources on protecting ourselves against possible harm and thereby clogs up the economy (Patton & Jøsang, 2004).

Trust in E-Commerce

There is a wealth of literature on trust in general, and trust in e-commerce in particular, and so we cannot claim a comprehensive review herein. In the discussion of trust, our work will concentrate on trust in e-commerce, with a focus at trust in business-to-consumer (B2C) kind of business relationships. However, there are other potential online trust relationships such as managerial trust (Soule, 1998; Stanton & Stam, 2003), trust in virtual teams (Jones & Bowie, 1998; Gallivan, 2001; Brown et al., 2004; Pauleen, 2003); trust in supply chains (Welty & Becerra-Fernandez, 2001), and others that are not discussed in this paper. Besides, there are related areas such as trust in the economic system in general (Cantrell, 2000) or trust in e-government (Yee et al., 2005) that the paper cannot touch upon.

Definition of Trust

Trust has become a most frequently used term in every economic exchange, of which e-commerce is a part; hence, there is no generally agreed upon definition of trust (Rousseau, 1998). One reason for this is that trust covers a range of issues and problems that are not necessarily identical. Trust can therefore mean different things to different people. In a most positive view, trust tends to be endowed with a purpose. This purpose is usually to facilitate interaction or exchange. This is usually the crucial point in research on trust in e-commerce (Hoffman, 1999; Cheskin, 1999).

One central issue about trust is that it is a psychological state of the trusting person, the trustor (Yee et al., 2005). Trust is an attitude (Alpern, 1997) that is typically based upon a belief (Egger, 2001), connected to an expectation (Mui et al.,
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