

# Trust in E-commerce

K.Ashwini<sup>1</sup> & Dr. Durai Raj Vincent<sup>2</sup>

<sup>1</sup>MCA Student, <sup>2</sup>Associate Professor, School of Information Technology and Engineering  
VIT University, Vellore.

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**Abstract :** *E commerce is the developing area in which the transactions are done more effectively and easily. By considering its exponential growth the threats also going on the other side. So trust plays the vital role in doing the transactions of such system. So in this paper I am going to present the trust in E-commerce, mainly focus on B2C(business to customer) E-commerce. Without going anywhere we can buy anything directly through an internet is the big advantage of this system. Nowadays people are more interested in online shopping so the problems of trust in B2C E-commerce has become the main issue. Trust is the main key in any type of e-commerce but when it comes to B2C E-commerce even it is more. In business to customer E-commerce the transaction that occurs between a service provider and the customer. This paper investigates the problems and challenges of trust in B2C E-commerce.*

**keywords :** *Trust, risk, problems in e commerce.*

## 1. INTRODUCTION :

The rapid growth of internet and the advantages of the technology can make our activities in a more convenient way. The internet medium is used at a high rate of buying and selling goods. Nowadays everything we can buy through an internet itself, it is like a main market where people from around the world can find any product in that place. In commerce, consumer takes a priority position. Likewise in e-commerce also, consumer plays a major role along with that their trust is very important. In the consumer side they expect good quality product with trustworthiness, security and privacy of their information. For sellers, they generally have to maintain the information of their goods and services, expected quality of products given to the consumer be on time. The difference between the traditional commerce and e-commerce is, while in traditional commerce, the consumer will satisfy the product because they experience it physically but in e-commerce the absence of physical touch and communication, so it needs more consumer trust.

E commerce is classified as business to business(B2B), business to consumer(B2C) and consumer to consumer(C2C). In any type of E-commerce trust plays a vital role.

In internet business trust is mainly focused on the transaction process because it is not a face to face transaction. The key to success in e commerce is trusted transaction process because when the customer trusted the business site(e commerce) they can do more transactions on that site and also tell others that it is a trusted one. So for that the business have to create an environment where people can buy and do transactions in a more secure and relaxed way.

This paper is as organised as follows the next section describes the literature survey, the third section describes the solution methodology, the fourth section describes the results and the final section describes the conclusion.

## 2. LITERATURE REVIEW :

The major risk in online shopping are financial risk, product risk and information risk. In financial risk, the duplicate transaction may occur due to some technical problem. Product risk deals with if there is any defect in the product they will not take the responsibility for that. Information risk deals with security and privacy that means we are giving our personal details including their residential address, phone number, e-mail id and credit card information to the site. Those things will be wrongly used by someone or may be the possibility of credit card fraud. In traditional commerce if the customer trust the sales person then only he/she buy the product from them.

When the customer go to shop and buy something, they can feel and touch the product physically. So it can reduce from the above risk. But, when purchase something from online at the time of transaction they must have to give their personal information including their confidential credit card information to the website where they want to purchase. After giving some information only, the site will verify he/she is an authorized user, then only the complete transaction will be occur. But even after the transaction the customer

have to wait for delivering the product. In some cases, some sellers may give the customer details to spammers and this will leads to fraud transactions done by the spammers.

Customers own experience in their familiar site. They suggest their closed ones to that site. People trust the website based on the advice given by their friends, relatives and colleagues.

Sometimes people may blindly trust the site and do transaction because of that site shows very less price when compare to other websites. This may leads to wrong transaction done with unauthorized site.

When the consumer is familiar in some sites. The consumer knows very well about how to search and purchase the product based on the previous transaction done by them. Due to familiarity also the risk will occur. How it occurs is, by mistake you go the fake website but it looks similar to the site that you are familiar. You also do transaction to the fake website instead of the original site.

The problem may occur due to several cases such as without knowledge of the customer, the purchase of the product and fraud transactions may done with stolen credit card number by the spammers.

In other case there is a misunderstanding between the seller and customer about the cancellation of the product, the return and refund of the product.

More people are attracted to E commerce because of their convenience, vast variety of products available and when compared to others in online shopping its cost is low.

If the risk is low and the trust is high then the customer will got high benefits. The risk and trust are inversely proportional to each other. Likewise the trust and benefits are directly proportional.

### 3.SOLUTION AND DISCUSSION

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If the risk is low and the trust is high then the customer will got high benefits. The risk and trust are inversely proportional to each other. Likewise the trust and customer benefits are directly proportional.

$$\text{risk} \propto 1 / \text{trust}$$

$$\text{risk} \propto 1 / \text{benefit}$$

trust  $\propto$  benefit

Some private sector sellers give the customer information to the spammers this should be avoided by the private organisation has taking some steps against them.

Before placing the order, the customer had to analysis themselves whether the site is trusted one or not to do the transactions, because some fake site shows very less price than other sites to attract the people towards themselves to do the transaction in that site.

The figure a) describes how the customer placing the order in a beneficial way.

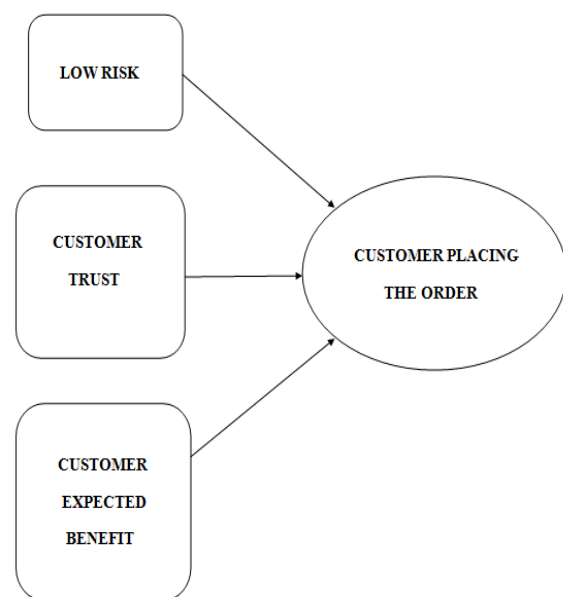


figure a) A good way of placing the order

### 4.CONCLUSION :

Trust is an important factor in e commerce. The trust should be there in between any business and the customer. When doing transaction through an electronic medium some risk are there and this paper presents the customer trust and problems(risk) in e commerce and suggest some solution for it.

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