E-COMMERCE

Competition is increasing in current highly advanced segment of marketing, both in number and intensity. More number of websites or portals are offering their services/products with lot of value additions and better quality. Selling of services or goods, groceries, clothes, music, travel, tickets, hardware, gifts, flowers, books are a part of the e-merchandise. Insurance, smart cards, debit cards, financial services, credit cards, internet banking, banking machines, etc., are a part of the e-finance products. If any website seriously intends for retention of it existing customers (in addition to attractive more number of new customers), they need to incorporate in their marketing strategies the relationship paradigm.

E-commerce is an act involving an online transaction. It could be anything from ordering a product or service online, paid content being

ABSTRACT

With the introduction of Internet and e-commerce many companies have been performing their business transactions through e-portals. Increasing technology has bought tremendous changes in online business transactions (buying and selling). This paper examines consumer perceptions of varying characteristics of e-portals, identifies various factors that influence consumer trust and privacy e-portals, and analyzes how various security and privacy factors affect consumer perceptions toward e-portals. A survey questionnaire consisting 21 questions was developed and mailed to 150 e-commerce (B2B and B2C) consumers in 3 emirates of UAE wherein 108 individuals responded. Questions were developed from a literature review of news, as well as security and privacy issues. Factor analysis that included principal component analysis and varimax rotation was performed on all multiple scale items that determined retention of items. Results indicated that most participants are concerned about security and privacy issues while they are using e-portals, but few participants stated that security is the main issue that creates a barrier for their online shopping. Most participants are not aware of internet privacy and security policies and are not interested in knowing technology used for security of e-portals.

Keywords: Consumer Perceptions, E-Portals, Privacy, Security, Trust

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delivered online sometimes, and financial trans-
actions such as payments to various services
such as water, electricity, telephone, rail, road
and air services, movement of money from one
account to another. The opportunities that arise
out of E-commerce are: E-learning, E-business,
E-insurance, E-ticketing, etc. The internet based
E-Commerce, besides its own major advantages,
have some disadvantages. These days, most of
the web sites on the Internet are not focusing
on the security, privacy and trust concerns of
the consumers; which is highly essential for
an ongoing relationship with the consumers.
Most of the websites, unfortunately, are acting
as “online service catalogs providers or catalog
display centers.” Their failure to convince the
consumers on the security and safety of their
privacy issues is leading to failure of not be-
ing able to convert the “clicks” into “closure
of deals.” This is simply because they are not
effective on their website on the safety, privacy
and trust related information as expected by the
consumers of the present day. Therefore, here
security, privacy and trust are the major concern
of any consumer. As more consumers are slowly
but steadily moving from regular shopping to the
internet shopping environments these aspects
become very vital for the consumers (Hsu &
Wang, 2008; Waleczek et al., 2006).

SECURITY, PRIVACY,
AND TRUST

Web Site Designing-Crucial
Concerns

Designing of a website is one of the critical
parts of internet marketing strategies as well
in addressing security concerns of customers/
consumers. Characteristics that are generally
emphasized in website categories are naviga-
tion, privacy and security that develop trust. A
website needs to be viewed as a virtual store
from the consumer’s standpoint and needs to
gain customer’s trust in order to create a mean-
ful shopping experience. Consumer’s online
interaction through the website can be co-related
to the experience at a store in person. Naturally,
consumers develop perceptions of trust basing
on their website interaction and experience.
However, trust of a consumer developed on
website depends on the extent of confidence on
security and safety of the portal. Only basing
on these factors consumer’s perceptions are
formed either positive or otherwise. Level of
satisfaction derived by a customer by a portal
depends to a great extent on the authenticity
and believability of information offered by a
portal (Bart et al., 2005).

Privacy vs. Freedom of Information

Protection of the individual personal identifi-
able information is covered under privacy.
This is one of the major key drivers of online
trust. Person buying a system may not reveal
so much of personal information as the one
who is travelling or even commuting. Traveler
has to identify self, place of residence, place
of travel, date of travel and such other details
which are of prime importance and need meant
to be disclosed to everyone – especially those
who are not relevant to the issue. Security re-
lates to the information revealed online such as
credit card, debit card or other financial related
information, used for purchase of goods and
services. Need for online trust is very high for
website categories which require presentation
and navigation of information. Consumers may
rely more on brand strength of the product/
portal, while searching the websites. Advice is
also one of the stronger determinants of online
trust of website categories, for information on
high search efforts. High involvement items are
generally associated with issues of order fulfill-
ment conditions. Community features are very
useful in trusting information in cases where
expected sharing of information in unknown
circles is very high. Consumers generally
expect the website to be “error free” (such as
incorrect processing of information or the site
containing wrong information) since they do
not accept information error on the websites
as information becomes the critical input for
their decisions making (Hoffman, Novak, &
Tom, 1996).
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