Consumer Perceptions on Security, Privacy, and Trust on E-Portals

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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

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

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delivered online sometimes, and financial transactions 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, has 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 being 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; Walczack 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 navigation, 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 meaningful 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 identifiable 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 relates 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 fulfillment 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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