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 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, 
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 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; 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 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-
ingful 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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