Chapter 5

Role of Web Interface in Building Trust in B2B E-Exchanges

Muneesh Kumar
University of Delhi South Campus, India

Mamta Sareen
University of Delhi, India

ABSTRACT

The emergence of Internet has revolutionized the way businesses are conducted. The impact of e-commerce is pervasive, both on companies and society as a whole. It has the potential to impact the pace of economic development and in turn influence the process of human development at the global level. However, the growth in e-commerce is being impaired by the issue of trust in the buyer-seller relationship which is arising due to the virtual nature of e-commerce environment. The Online trading environment is constrained by a number of factors including web interface that in turn influences user experience. This chapter identifies various dimensions of web interface that have the potential to influence trust in e-commerce. The empirical evidence presented in the chapter is based on a survey of the web interfaces of 65 Indian B2B e-exchanges.

INTRODUCTION

The proliferation of Internet technologies into business has fundamentally changed the inter-firm relationships. It has provided faster access and better knowledge of commodities and prices

for meeting their sourcing and selling needs. The ability to exchange information in both directions between firms has created a relationship not previously possible. The impact of e-commerce is pervasive, both on companies and society as a whole. It is the first mass application of information and communication technologies in the movement towards digital economy. It has broken all man-

made boundaries and provided an opportunity for both buyers and sellers to interact among themselves regardless of difference in language, society, culture and tradition. The rapid growth of e-commerce is now being related to economic development and is often been cited as a driver of economic growth. E-commerce is also been touted as a powerful medium through which less developed economies can exploit the potential of global markets. It, thus, has the potential to impact the pace of economic development and in turn influence the process of human development at the global level.

Use of web technologies in inter-organizational business transactions has opened up new business opportunities not only for the manufacturers but also for intermediaries. A number of models are being used to exploit these opportunities in the B2B e-commerce space. Electronic Exchanges (E-exchanges) represent one of these models of B2B e-commerce that provide a unique platform for both buyers and sellers to interact and transact online in a highly competitive environment.

E-exchanges are a logical extension of the ability of organizations to help their various processes like procurement, selling, etc. Sometimes e-exchanges are established by intermediaries who spot the opportunity; other times they represent collaboration among various manufacturers or service companies (Ranganathan C. 2003). They can be vertically focused on particular industries, or they can be horizontally focused to provide goods and support services across a wide variety of industries, or can be procurement focused, or wholesale or retail focused. E-exchanges can also be sell-side or buyer-side or neutral depending upon their attractiveness to buyers, sellers or both (Kalpan & Sawhney, 2000). To succeed E-exchanges need to attract a large number of buyers and sellers so as to create liquidity at all ends (Kalpan & Sawhney, 2000). However, the issue of trust is cited to be a legitimate concern in the growth of E-exchange (eMarket Service, 2009). Trust is often stated to play a key role in

helping users to overcome perceptions of risk, uncertainty, anonymity offered by the virtual environment (Mcknight et al, 2002, Tan & Theo, 2001; Hoffman, 1999). Since, the transactions in this virtual environment are conducted through the 'veil' of web interface, trust becomes an important issue. The web interface acts like the only 'contact point' among the buyers and sellers. Hence, there is a need for the web interface to induce trust in online environment. The focus of the present chapter is to identify various trust inducing web dimensions that may enhance the effectiveness of web interface and there by help in inducing trust among the e-commerce players.

TRUST AND E-COMMERCE

Trust is defined as "the willingness of a party to be vulnerable to the actions of another party based on the expectations that the other party will perform a particular action important to the trustor, irrespective of the ability to monitor or control that other party" (Mayer, Davis & Schoorman 1995). In the context of e-commerce, trust may be regarded as a judgment made by the user, based on general experience learned from being a customer/seller and from the perception of a particular merchant. In other words, trust is also seen as a generalized expectancy that the word, promise, or written statement of another party can be relied on (Rotter, 1980).

To date, research on understanding online trust and e-commerce is limited (Grabner-Kräuter & Kaluscha 2003; Yoon 2002; Corritore et al. 2003; Kolsaker & Payne 2002). In their critical reviews of website and/or ecommerce trust, Corritore et al. (2003) and Grabner- Kräuter and Kaluscha (2003) argued that there is a lack a conceptual understanding of online trust and theoretical support for its role in online transactions and relationships. Without trust, businesses are unable to function (Reichheld et al. 2000). Jian, Bisantz, and Drury (2000) and Bailey et al. (2003) claim that trust

10 more pages are available in the full version of this document, which may be purchased using the "Add to Cart" button on the publisher's webpage: www.igi-global.com/chapter/role-web-interface-building-trust/52132

Related Content

Digital Divide Challenge: How Stakeholder Analysis Can Be Used to Formulate Effective IT Diffusion Policies
Anastasia Papazafeiropoulouand Athanasia Pouloudi (2004). *Social and Economic Transformation in the Digital Era (pp. 47-55).*
www.irma-international.org/chapter/digital-divide-challenge/29027

Impact of High-Tech Industries Over Time
Benjamin Yeo (2022). *International Journal of Sociotechnology and Knowledge Development (pp. 1-15).*
www.irma-international.org/article/impact-of-high-tech-industries-over-time/301264

Black American Men and Complex Societal Educational Navigation of the Emergency Public Health Pandemic of COVID 19
Darrell Norman Burrell (2021). *International Journal of Smart Education and Urban Society (pp. 1-9).*
www.irma-international.org/article/black-american-men-and-complex-societal-educational-navigation-of-the-emergency-public-health-pandemic-of-covid-19/273236

The Impact of Social Media on Knowledge Culture
Samantha Engeland Linda Lee-Davies (2019). *International Journal of Smart Education and Urban Society (pp. 37-48).*
www.irma-international.org/article/the-impact-of-social-media-on-knowledge-culture/218225

Innovation Adoption and Adaptation in Air Traffic Control: Interaction of Organizations
Tatjana Bolic (2012). *International Journal of Sociotechnology and Knowledge Development (pp. 17-29).*
www.irma-international.org/article/innovation-adoption-adaptation-air-traffic/63630