

What Makes Indian Consumers to Trust the Faceless? Exploration of Antecedents and Influence of Trust in Indian b2c E-Commerce

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Abstract: Trust is one of the most fundamental aspects which play a crucial role before adopting electronic commerce services. Generally, consumers don't want to provide sensitive information during e-commerce transactions and they are afraid of fraudsters and fake information over online shopping websites. Hence, the main idea of this study is to explore what makes Indian online consumers to trust e-tailers which are faceless? And what is the influence of e-trust? Measurement items for such necessities created in different countries may not be suitable for use in Indian e-commerce. Hence authors have identified five element scales comprising of Website Reputation, Information Quality, and Privacy as precursors of E-Trust and Purchase Intention as outcome variable to validate the measurement items in India context. Study reveals that Website reputation, information quality and privacy are important variables that influences positively on electronic trust and e-trust has strong and positive influence on purchase intention in electronic transactions. Authors have discussed theoretical and managerial implications at the end.

Keywords: E-Retailing, E-Trust, Information Quality, Privacy, Purchase Intention and Website Reputation

INTRODUCTION

Trusting faceless is difficult and risk taking in any electronic commerce transactions. Since e-commerce is in budding stage in India, consumers hesitate to transact with online players and provide sensitive information. Irrespective of innovation and creativity in internet technology, still consumers think before buying any products and services from the internet transactions. Online consumers have a tendency to be doubtful to give delicate individual data to online shopping websites disregarding the multiplication of online transactions (Keen et al 2000, Ott et al 2000). Online consumers are generally comfortable in providing information about their shopping behavior but not the sensitive information, such as internet banking credentials and credit and debit card information. This is not just because of deficits of internet security but also online fraud (Bomil & Suh and Ingoon Han 2003). Identifying that the significance of web-based consumers maintenance, various reviews have experimentally analyzed customer e-trust, and unwaveringness for internet business benefits in different nations (Flavián and Guinalyú 2006; Park and Kim 2003; Anderson and Srinivasan 2003; Raghav Rao 2009; and Cyr 2008; Kim, Donald,) but there is a need to understand and identify the reasons for trusting faceless. Moreover, online shopping website must make substantial venture to progress favor reputé and online website is hesitant to expose its reputé by acting speculatively (Teo and Liu, 2007; Doney and Cannon, 1997). Since web-based shopping in India is developing at amazing speed and e-players are trying to understand that how online consumers are going to trust the faceless? What motivates them to make purchase decision over internet shopping? This study offers an outline of the existing research in to precursors of electronic trust in business to consumers' electronic commerce transactions in India.

REVIEW OF LITERATURE AND HYPOTHESES DEVELOPMENT

WEBSITE REPUTATION AND E-TRUST

Website Reputation refers to online consumer trust where online e-tailers site is authentic & apprehension about its consumers (Doney and Cannon, 1997). Website reputé is reflected as the important element affecting e-trust development (Li, Hess, and Valacich, 2008; Koufaris and Hampton-Sosa, 2004; Teo and Liu, 2007; Pennington et al., 2004). Website reputation is also a combined representation of a web-site's previous movements and capability of providing value to users (Kim et al., 2004). This is because online consumers can understand the trustworthiness of online website through comments and also rating in the comment (Ba and Pavlou, 2002). Therefore

H1a: Website reputation is positively influence on e-trust

INFORMATION QUALITY AND E-TRUST

Information quality imitates the system features of online website, like accurate information, timely information, relevant information, easy-to-understand and detailed information about products and services. If information is not quality, such as not reliable and false, consumer will not develop trust towards the website. Customers access online websites to obtain information, assess information provided by the website initial and then buy products later (Tao et al, 2009, Jie et al, 2012) This will clue users to not to usage the website. Trust displays a consumer's optimistic anticipation towards online website and it will not only decrease consumer's perceived risk but also encourages doing transaction. (Tao et al, 2009, Lifanget al 2016, Bailey et al, 1983 and Wang et al, 1996). Trust plays a crucial role in shopping. Thus

H2a: Information Quality is likely to have positive impact on e-trust.

PRIVACY AND E-TRUST

Privacy is one of the significant aspects which influence online users while adopting e-commerce to buy goods and services. With regards to online shopping, the major confidentiality risk is grounded on the probability of another party's unprincipled acquirement and usage of user's transaction and private statistics (Dinev and Hart, 2006). Electronic business all the time necessitates the share of delicate information of both financial and individual. Online shopping comprises extremely sensitive data that users will not reveal with e- players if consumers have belief that this will conquer user's confidentiality. Information is not safe and no company is exempted to the option of misuse (Caldwell, 2005). Thus, privacy is very crucial problem for the growth of trust. E-commerce site needs safety mechanisms and technical controller. The information management can contain consumer's usage tracing and facts collection, product choice, and try to share the same data to other people (Belanger, Hiller and Smith, 2002). More the faith users have in a website, the more likely consumers are to do more business and revisit to same website.

H3a: Privacy has direct and positive influence on e-trust

E-TRUST AND PURCHASE INTENTION

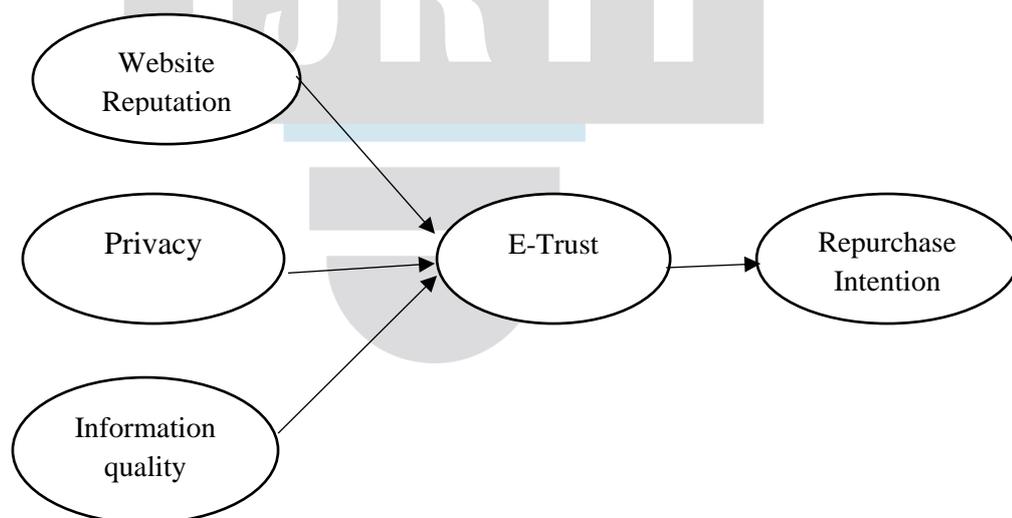
Purchasing or buying intention has well précised in this investigation as online user intention to buy from a website. According to the Theory of Planned Behavior (Ajzen, 1991), interactive intention of consumer is the utmost prominent forecaster of consumer activities. Thus, authors use buying intent to exemplify buying actions. To take part in e-commerce businesses needs shoppers to transaction through the community difficulty connected by the unprincipled actions of online website. Trust could be regarded as a substantial precursor trust that generates optimistic approach toward the online deal actions (Jarcenpaa, Tractinsky, and Vitale, 2000). Belief helps diminish the community difficulty and susceptibility that user sensations in online shopping by agreeing the consumer to personally rule out unattractive yet conceivable activities of online website. Accordingly, we have:

H4a: E-trust will have positive influence on purchase intention

RESEARCH METHODOLOGY

The main intention of this investigation was to explore and describe elements which have the utmost stimulus on online consumers in doing online transactions and describe the trust model in electronic commerce. We led the investigation amongst Indian young online shoppers and the scales of measurement were improved from the available literature. Scales to measure website repute, privacy, information quality, electronic trust & repurchase intent were improved from Gefen et al. 2003; Chiu et al. 2012; Bauer et al. 2006; Suh and Han 2007; Chen and Barns 2007; Park et al. 2003; Anderson et al. 200; Kim et al. 2009; Cyr et al.2008; Koufaris et al. 2004; Almir et al. 2011. All the measurement scales were measured using a seven Point Likert Scale (Seven means strongly agree & one mean strongly disagree. Total there were 22 questions out of which seven questions were connected to demographic status. There was event called INCIDENT organized by National Institute of Technology Karnataka, Surathkal for B. Tech students. Authors randomly selected 263 students who have attended INCIDENT and asked them to fill the questionnaire and only 244 responses were considered for final analysis. Authors did not consider 19 responses because of incomplete survey. We have used SPSS and AMOS for the data collection.

FIG. 1: THEORETICAL FRAMEWORK



DATA ANALYSIS AND RESULTS

Reliability Analysis

Table 1: Summary of Reliability Test and Statistics

Variables	No. of Items	Cronbach's Alpha
Website Reputation	3	0.75
Privacy	3	0.72
Information Quality	3	0.71
E-Trust	4	0.70
Repurchase Intention	2	0.70

In the table 1, Cronbach's Alpha value is between 0.70 & 0.75, Hence no item has been deleted from the list. Since internal consistency of all the variables (website reputation, privacy, information quality, trust and repurchase intention) specified that all the items persisted worthy with the internal consistency of 0.76 and website reputation and privacy have highest reliability.

Table 2 shows that, the mean scores fall between from 3 to 5 and they specified that scores are moderate. 3.84 is the lowest mean score of one of the independent variables. (website reputation) and this shows that the online shoppers (B.Tech students) somewhat disagree with the dimension. Repurchase Intention with the mean value of 5.44 shows that the online shopping respondents agree with the indicator that represents repurchase intention in online shopping. The findings demonstrated that the satisfactory changeability within the statistics set as the standard deviation fall between .87 & 1.46. In this way, it demonstrates that the respondents have distinctive perspective with respect to the considered factors.

DESCRIPTIVE ANALYSIS

Table 2: Summary of Descriptive Statistics

Variables	N	Min	Max	Mean	SD
Website Reputation	244	3	7	3.84	0.87
Privacy	244	1	7	5.12	1.41
Information Quality	244	1	7	4.76	1.46
E-Trust	244	1	7	5.09	1.08
Repurchase Intention	244	4	7	5.44	0.89

We initially checked the reliability for measurement scales of five first-orders developed by looking at alpha coefficients of the separate items. The Cronbach's Alpha coefficient was 0.824, which showed satisfactory level of internal reliability for the scale. The Cronbach's Alpha score of the five factors were above 0.50 and all have achieved the minimum standard levels ≥ 0.50 in social science (Hair et al. 2016). And varimax factor rotation method was done in this study. The greater part of the Cronbach's alpha coefficients of 5 first-order builds were more noteworthy than the suggested level of 0.7 (starting from 0.81 to 0.92). At that point, utilizing the SEM AMOS 22.0 version, we evaluated the psychometric properties of the estimation show regarding concurrent and discriminant legitimacy (Hair et al, 2010 and Fornell et al. 1981). Table 1 demonstrate that the alpha esteem (.82) which is standard level as proposed by Hair et al. 2010.

Table 3: Reliability Statistics

Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	No of Items
.824	.834	15

We employed three essential measures to assess the joined legitimacy of the estimation demonstrate (Hair et al, 2010; Fornell et al.

1981). First, the component weightage of the markers must be factually critical with qualities more noteworthy than 0.6; second, Composite Reliability, by qualities more prominent than 0.6; & third Average Variance Extricated gauges, by qualities more noteworthy than 0.5. In light of these three criteria, we decide the estimation demonstrate displayed satisfactory merged legitimacy. We performed Exploratory Factor Analysis to decrease number items into a small quantity of principal factor alliances and 22 scale items were loaded properly. The Kaiser-Meyer-Olkin Measure of Sampling Adequacy (KMO=0.86) and Barlett's Test of Sphericity ($\chi^2=1931.626$ and P value is 0.000) established that factor analysis was perfect for these items. The examination formed 5 factors and the eigenvalues greater than 1, which together accounted for 66.133% of the shared variance.

We have also tested discriminant validity for the model. The correlations among the factors are lesser than the corresponding Average Variance Extracted assessments. The outcome specified that the concepts are positively and strongly associated with their corresponding item than to the other constructs in the model and weights are significant. We evaluated the structural model (goodness-of-fit index) fit for the endogenous construct. The projected model enlightened a substantial amount of the alteration of the endogenous constructs.

Table 5: Goodness of Fit Indices

	X2/df	RMR	CFI	GFI	NFI	RMSEA	P-value
Recommended Value	< 3	≥0.90	≥0.90	≥0.90	≥0.80	≤0.080	≤0.05
Measurement Model	1.98	0.064	0.91	0.92	0.84	0.064	0.000
Structural Model	1.87	0.080	0.92	0.92	0.84	0.060	0.000

Table: 6 Hypotheses Testing Result of Direct Relationship of Variables

Hypotheses	Exogenous and Endogenous		Std. Estimates	CR	Hypotheses
H1	Website Reputation	E-Trust	0.040	4.839***	Supported
H2	Information Quality	E-Trust	0.037	4.591***	Supported
H3	Privacy	E-Trust	0.046	5.551***	Supported
H4	E-Trust	Repurchase Intention	0.100	4.096***	Supported

Table 3 and 4 indicates that the complete model showed that all of the fundamentals of goodness of fit (GOF) indices are well fitted. The CMIN/DF, RMR, GFI, CFI, NFI, RMSEA and P values (1.87, 0.080, 0.92, 0.92, 0.84, 0.060 and 0.000 respectively) are as per the recommended values (Hair et al. 2016). Hypotheses H1a, H2a, H3a, H4a and H5b were supported, this indicates that the information quality, website reputation and privacy are strongly influencing on e-trust and e-trust is positively influencing on repurchase intention. These results specify that website reputation, information quality and privacy accounts for 66% of the variance in customer repurchase intentions.

DISCUSSION

The investigation revealed that all the hypotheses were supported. The linking between e-trust and Repurchase Intention has presented the strong association (Beta 0.71 and p value is < 0.05). The positive and strong influence of e-trust towards online purchase intention was constant with earlier studies (Roca et al., 2008, Orapin, 2009) the purpose was a noticeable forecaster of e-trust to repurchase intention. And the advanced or second higher was between privacy & e-trust with significant results. This study outcome inferred that respondents (B. Tech students') e-trust was not only influenced by privacy and website reputation but also information quality.

It clearly shows that, most of the online shopping respondents agree that privacy and website reputations are the most important aspects in online shopping to trust the e-commerce platform. Since online shopping is faceless and intangible, e-commerce players have to focus more on the maintaining consumer's online transaction and payment related aspects to increase the level of confidence among the online customers to purchase goods or products and services from the online platform. And e-players have to manage the quality information about the products, payment, and return policy to create website reputation and its brand image in the minds of the online consumers so that it can lead to reputation of the website. Once consumers satisfy with online transactions and post-sale services then, consumer confidence level will go up and they will defiantly try to repurchase from the same website. Hence it is very crucial to build trust among online consumers and make them to revisit the same website to buy products and stick to that particular website. One satisfied consumer will tell to ten consumers to transact with the website.

THEORETICAL AND PRACTICAL IMPLICATIONS

This investigation offers managers with valuable and crucial information to increase online shoppers' trust and intention purchase products from online shopping, and we advise that this should feed into website design and marketing strategies. E-players and website designers should emphasize on the informative and quality content, which redirect trust the information and repurchase intention. Marketing players also should not undervalue the influence of the advanced technology and the internet, specifically in a young people. With website reputation, providing accurate and up-to-date information, managing consumers financial and transaction privacy, users can develop their trust and make purchase intention. This is crucial, because online consumers, who fail to trust the website, may not make purchase intention. Hence, we suggest that by applying above techniques, e-players can build trust and increase their confidence level in making purchase intention. The results indicate that Indian young consumers have concerns about trusting online shopping websites. E-players are recommended to improve the website reputation, information quality and privacy, in order to build trust and confidence to make purchase intention and maintain good trustworthy associations with young online consumers. Internet world has become environment and very crucial among young online consumers. This investigation discloses that if users trust in website then only they will make buying decision trough on-line. E-tailers have to build confidence of the users through their reputation, providing quality of information and managing consumer's privacy. E-players should recognize the issues which influences on the e-trust and purchase intention so that they formulate and implement best marketing strategies to build confidence among the young online consumers.

LIMITATIONS AND SUGGESTIONS FOR FUTURE RESEARCH

Corresponding to other investigations, this research also has few limitations, the foremost one being that the study was conducted in only one part of country, which is a huge and diverse country. As online shopping is a relatively new industry in India, clarity is still desirable on scale items that constitute e-trust. The target segment which selected was Generation-Y College going students, but the perceptions about website reputation, privacy and information quality may vary when other age group customer segments are involved. In the present study, the aspect of trust to buy has been emphasized but the e-satisfaction aspect has been unnoticed, which can be taken up by other investigators. Constant investigation in this domain should be done, to understand consumer trust and repurchase intention.

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