



Received: 01-04-2024
Accepted: 10-05-2024

International Journal of Advanced Multidisciplinary Research and Studies

ISSN: 2583-049X

Trust and Online Transactions: An In-Depth Case Study of Consumer Perceptions and Behavior in E-commerce

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DOI: <https://doi.org/10.62225/2583049X.2024.4.3.2802>

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Abstract

In the world of online shopping, gaining and keeping consumer trust is crucial for successful transactions. It explores how consumers perceive and act when it comes to trusting e-commerce websites. Using a detailed case study method, this study looks closely at what influences consumer trust online, including website security, privacy concerns, brand reputation, and the impact of customer reviews. Ten (10) samples of respondents selected by the researchers. Those who have utilized online transactions and made purchases from online retailers in Noveleta, Cavite, such as Shopee and Lazada, are the participants of this study.

Moreover, the increasing use of online shopping and the challenges of building trust in virtual spaces highlight the importance of understanding what influences how consumers behave when shopping online. This study aims to thoroughly explore the factors that shape consumer behavior

in e-commerce and analyze the role of consumer trust regarding the role of multiple vendors in electronic commerce. Starting from the functional perspective of vendors and trust, the researchers used a qualitative method through initial surveys, in-depth interviews, and focus group discussions in Noveleta. The findings show that trust is a complex concept that affects how consumers make decisions. Additionally, the study investigates how e-commerce platforms work to build trust and address consumer worries.

This research provides practical insights for online businesses to improve trust-building efforts and create better user experiences. By exploring the relationship between trust, consumer behavior, and online shopping, this study contributes to the researchers understanding of how e-commerce can engage consumers effectively in digital markets.

Keywords: Behavior, Consumer, E-commerce, Online Transactions, Perception, Trust

Introduction

Due to the increase in telecommunications and broadband connectivity, the majority of the companies started their businesses online. Online shopping or online marketing is now used for better marketing performance. Due to cutthroat competition, companies as well as retailers are devising strategies to meet the demand of online shoppers. It is important for companies to identify consumer behavior in the area of online shopping. To attract and enhance online buyers, it is very important to know about their attitude, perception, and behavior and also to understand what they want. Since online shopping has become the new medium for shopping, customer demands have also increased. The majority of customers have their own specialized desires and innovative product demands, so it becomes very crucial for online retailers to identify and know their online consumers. Therefore, it is necessary to study the factors influencing consumers's online buying behavior. So, this study seeks to answer the various factors influencing consumers's buying behavior towards online shopping (Bhatt & Nagvadia, 2021) [5]. In today's fast-changing world of online shopping, building trust between consumers and online platforms is crucial for successful transactions. With the growing digital marketplace, it's more important than ever to understand how consumer behavior is connected to trust in online transactions.

In a recent study, the vendors establish and maintain relationships of trust in areas such as data protection, privacy, payment transparency, and smooth delivery of products, but some informants are not successfully trusted in terms of product performance, shipping risk, and the lack of standardized procedures for online transactions. In some goods that must be handled and seen in person, and the state of the goods has not established their suitability, the return of goods should be used in

the future as a method of exceptional customer service. The erosion of proper conduct and consumer trust in online transactions, particularly in electronic commerce, can be attributed to the pervasive influence of technology in our daily lives. Increasingly, individuals are turning to online platforms for various purchases, including food, through online applications. Popular online shopping apps such as Shopee, Lazada, and TikTok, along with electronic payment methods like GCash, have become common tools for conducting transactions. Unfortunately, instances of dissatisfaction with purchases can lead to negative feedback and ratings, sometimes resulting in reputational damage to the online sellers. Such experiences are often labeled as "scams" when the received item does not match expectations or is incorrect (Hermawan *et al.*, 2021) ^[13].

Online commerce is a key component of the digital economy. The rapid increase of e-commerce transactions has increased the risk exposure of providers and made it virtually impossible to track consumer behavior by relying on human experts alone (Anton Gerunov, 2020) ^[12].

While this study of the dynamics of trust in online transactions is necessary, the growth of e-commerce has changed customer behavior and the retail environment. Trust is becoming an important part of purchasing decisions and the overall performance of e-commerce businesses as consumers increasingly rely on digital platforms for their purchasing needs (McKnight & Chervany, 2022) ^[28].

Additionally, electronic markets have grown substantially, and they are considered an effective form of retail in recent years. Despite such growth, a lack of physical transactions between different parties, as well as users' concerns about their privacy and security of transactions in electronic commerce (e-commerce) platforms, have jeopardized users' trust. Thus, trust is a key issue for reducing consumers' perceived risk, and the successful promotion of e-commerce has motivated many researchers to study it (Soleimani, 2021) ^[38].

From the managerial point of view, studies indicate that e-commerce trust is complex and includes views about website security, seller reliability, payment methods, and the user experience as a whole (Jarvenpaa *et al.*, 2021; Pavlou, 2020). Moreover, Gefen *et al.* (2023) ^[11] note that social influences, perceived hazards, and privacy concerns all add to the complexity of trust development in online environments.

Thus, the way that people buy goods and services has been completely transformed by the incredible rise of e-commerce. Even if e-commerce is convenient and has competitive pricing, trust issues are always present. Online shoppers are not able to engage in face-to-face interactions with merchandise or representatives of the companies they are doing business with, as in traditional brick-and-mortar storefronts. Because of the information asymmetry and risk that this lack of tangibility produces, trust is a critical component affecting customer behavior in this context. Numerous studies emphasize how important trust is to e-commerce. The relationship between perceived risk and trust is highlighted (Leung *et al.*, 2021) ^[22]. Which indicates that consumers who have higher levels of trust are more inclined to make purchases online. Likewise, Park *et al.* (2023) ^[31] discovered satisfying encounters.

Objectives of the Study

This study aims to to investigate customer attitudes and

behaviors in e-commerce related trust in online transactions. The study's goal is to explore how consumers perceive trust in online transactions, what variables influence their trust, and how their trust influences their e-commerce behavior. The research intends to give significant insights on the relevance of trust in online transactions and its influence on customer behaviour in the e-commerce business through an in-depth case study.

Methods and Materials

Qualitative research is a methodological technique that is utilized to collect data in an in-depth and descriptive way on consumers beliefs, actions, experiences, and feelings using e-commerce and online transactions. So, this qualitative research project aims to investigate the loss of customer behavior and confidence in online transactions and e-commerce. The researcher used a critical aspect of the success of online commerce, especially since more and more consumers use online platforms for all transactions (Wang *et al.*, 2023). In this research design, a qualitative approach is used. To better understand the factors affecting customer trust in e-commerce platforms, this study conducted a case study to examine people's personal experiences, attitudes, and perceptions about their use of online transactions.

Descriptive qualitative research will be used in this study to evaluate individuals' perceptions of online transactions and e-commerce beliefs that affect customer behavior and trust in online transactions (Doe *et al.*, 2024). This will allow the researcher to better understand their perspective and gain insight into the loss of proper behavior and consumer confidence in online transactions and e-commerce. Information will be obtained through interviews, focus group discussions, and observations on the behavior of people online. Interviews are going to offer a chance for individuals to talk about their own ideas and experiences about transactions made online. The conversation in the focus groups will enable the researcher to look into how the group interacts and what beliefs are held in common. Concerning online shopping. Keeping an eye on behavior on the internet produces important insights. On how users interact with and make purchases via internet platform choices. The qualitative data will be examined using thematic analysis gathered in Zhou *et al.* (2023) study. By identifying key motifs and trends in the data, the investigator could gain additional insight into the components that affect consumer confidence in online purchases and behavior. Throughout this investigation, the scholar will identify prevalent obstacles and worries.

In this study, we will use observation and interviews as our research instruments. Interviews will allow the researcher to go further into their experiences and reasons for trusting (or not trusting) online purchases. This will include a semi-structured interview, participant observation of online shopping behaviors, and analysis of existing literature on trust in e-commerce. By gathering comprehensive data, the aim is to gain insights into how consumers perceive trust in online transactions and how it influences their behavior (Parsons, 2020) ^[32].

The data from the in-depth case study on customer attitudes and behavior in e-commerce. Thematic analysis offers flexibility in capturing a wide range of perspectives and experiences. It enables academics to explore different aspects of customer trust and behavior in online transactions by delving into a wide range of the data. Online firms must

comprehend consumer attitudes and actions about e-commerce trust to succeed (Johnson, 2020). A significant discovery from the data analysis revealed a high correlation between perceived risk in online transactions and trust. Whether they trusted the website, consumers who felt there was more danger involved were less inclined to buy anything. This highlights the need to build trust and control perceived risk in e-commerce transactions. Moreover, data analysis showed that trust was influenced by the communication and transparency of e-commerce platforms. A website that included comprehensive details about its goods, services, and rules was more likely to be trusted by its audience.

Results and Discussion

Trust perception and definition in the context of e-commerce platforms and online transactions emerges prominently from the researcher's findings as consumers articulate their definitions and criteria for trust. One prevalent aspect is the discernment of authenticity in sellers. Respondents frequently express a preference for established and genuine sellers over resellers or imitators. The importance of **trust in authentic sellers, trust issues** as consumers value reliability and consistency in their purchasing experiences. Despite this preference, buyers also convey concern and doubt regarding the identification of authentic vendors amid a wide range of duplicates and fake goods in online e-commerce. This uncertainty makes it difficult for customers to navigate trust-related issues, which emphasizes the necessity for e-commerce platforms to have strong security measures in place to confirm the legitimacy of sellers and boost customer confidence. These findings show that trust is dynamic and changes over time as consumers get increasingly involved in online e-commerce. A good example of this development is the **growing trust** that comes with more exposure to and experience with online transactions because, in today's world, the culture is different. It's easier for us to trust online. Even if you know it's the last time, you're taking a risk. Consequently, these results provide insight into the complex interactions between how customers perceive and define trust in the context of online transactions and e-commerce platforms.

Factors influencing trust: The findings of the study show that a number of factors, including product **authenticity and quality, website security, customer reviews and reputation, transparency and communication, and shop reliability**, have an impact on consumers' trust in e-commerce platforms and online sellers. These factors can all have a substantial impact on consumers' purchasing decisions and behaviors. When buyers obtain goods that live up to their expectations based on online descriptions and photos, trust is fostered. On the other hand, coming across fake or poor products can damage confidence, cause discontent, and affect future purchasing decisions. Rust and opinions about internet security are strongly related. Perceptions of internet security are strongly correlated with trust. Customers anticipate that e-commerce sites will protect their financial and personal data order fulfillment that is dependable, prompt delivery, and upholding of service standards are important to customers. All things considered, these variables work together to influence how customers view e-commerce sites and online retailers as trustworthy. Trust affects long-term behaviors like brand advocacy and loyalty in addition to individual purchase

choices. Thus, in order to thrive in the highly competitive environment of e-commerce, companies need to give top priority to trust-building and trust-maintenance tactics.

Evaluation and Assessment: The findings of evaluation and assessment are seen in the larger context of how customers perceive the dependability and legitimacy of online retailers, payment processors, and e-commerce platforms. By highlighting the **importance of analysis before purchase**, customers show that they are proactive in determining reliability. This highlights the importance of pre-purchase analysis in reducing risks and ensuring a great shopping experience, which is in line with the main goal of understanding customer habits and decision-making processes in online transactions. Customers look for secure payment gateways in order to protect their financial and personal data. To determine credibility, they rely on the experiences that other consumers have shared, viewing favorable ratings and reviews as a sign of reliability. Transparent and honest communication regarding costs, shipping guidelines, and extra charges helps customers make wise decisions, which builds confidence. In order to reduce the danger of fraud, consumers give priority to safe payment methods like encrypted credit card transactions or reliable websites like PayPal. In conclusion, customers evaluate the legitimacy and dependability of online transactions using a variety of factors, including website security, user reviews, seller reputation, product quality, certifications, transparency, and payment security. The in-depth examination reduces the dangers connected with online purchasing and assists customers in making well-informed selections.

Risk Mitigation Strategies: The utilization of buyer protection payment methods in conjunction with seller warranties is found by the researcher to be beneficial in fostering confidence in online transactions because these sellers show a dedication to customer satisfaction and stand behind the quality of their items, buyers view them as more respectable and trustworthy. Using secure **payment methods**, such as PayPal or credit cards with buyer protection features, is something that customers value highly. Customers who choose these payment options may do so with confidence, knowing that they have options in case something goes wrong with their transactions. The value of risk mitigation techniques in fostering customer confidence and trust during online transactions, such as selecting safe payment options. In addition to making transactions more pleasant for customers, these tactics protect their rights and offer options in the event of problems or issues.

Individual Differences: The attitudes and behaviors of consumers in e-commerce transactions are influenced by their past **online buying experiences**. Online shopping is more likely to be viewed as a preferred way of making purchases by those who have had pleasant experiences with it. Additionally, a young age's exposure to internet purchasing and technological familiarity help to normalize and accept e-commerce activities. Online shopping is seen by respondents as an accessible and practical method of making purchases. They emphasize the **convenience of online transactions** as a major element influencing their purchasing habit, valuing the simplicity and effectiveness of placing orders from the comforts of their homes. The researcher's conclusions demonstrate how individual variations influence consumers' perceptions of trust and e-

commerce transaction behaviors. Examples of these differences include past online purchasing experiences and the perceived ease of online transactions. People who like the convenience of online shopping and have a good experience with it are more inclined to trust the system and make frequent purchases online. Individual characteristics have a significant impact on defining e-commerce habits. Personal hobbies and preferences, such as a passion for beauty, can also affect the sorts of things people seek out online.

Conclusion

This study has looked into how trust influences consumer behavior in e-commerce. By examining how consumers think and act, we discover important findings:

Consumers perceive trust in e-commerce as a fundamental belief in the reliability, integrity, and security of online platforms and transactions. Trust entails expectations of transparency, honesty, and consistent service delivery. The various factors significantly influence consumer trust in e-commerce platforms and online sellers. These include website security features, the reputation and credibility of sellers, transparent policies, user-generated reviews and ratings, customer service responsiveness, and perceived transactional risks. They can assess the credibility and reliability of e-commerce platforms and sellers through multiple avenues, including reputation analysis, secure payment options, customer reviews, and the presence of trust indicators like certifications or endorsements. They also employ diverse strategies to build trust and reduce perceived risks in online transactions. These strategies include reading and relying on reviews, seeking guarantees or warranties, opting for secure payment methods, verifying seller information, and looking for trust signals on websites. Individual differences such as prior online shopping experience, cultural background, and demographic characteristics significantly shape consumers' perceptions of trust and their behaviors in e-commerce transactions. Experienced online shoppers may exhibit different trust-building behaviors compared to those new to online shopping, while cultural values and demographics influence risk perceptions and trust thresholds. This version aims to be more accessible while retaining the message about the importance of trust in e-commerce and its impact on consumer behavior.

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