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A study on factors influencing the perception of website privacy, trustworthiness and user's purchasing intentions in Chennai City

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Abstract---Electronic commerce is growing popular across the world because of the convenience it brings to online sellers and online customers. However, as the electronic commerce rises, problematic issues like privacy concerns, dissatisfaction, incompetent deliveries, and the most important – trust issues – also surface. Numerous previous studies indicated that the purchase intention and behaviour of the online customers depend on their perceived risk and shopping experience in electronic commerce. Some studies also specifically stated that personal information, product quality, security, and business reputation are the usual factors which the customers evaluate to deem the online business as trustworthy. This paper aims to study the factors that influence consumer purchasing intentions and their perceptions of the trustworthiness of the privacy-related practices of E-commerce websites in Chennai city. The Primary data will be conducted from 100 respondents using convenience sampling technique. The data collected through questionnaire will be analysed by percentage analysis, cluster analysis and factor analysis. The findings will showcase the website attributes and individual characteristics and willingness to buy.

Keywords---e-commerce, online privacy, security, trustworthiness, user's purchase intention.

Introduction

With the development of the World Wide Web and mobile technologies, electronic commerce (e-commerce) has become the main driver of the digital economy. According to Jakob Nielsen, “E commerce or Electronic commerce is the conduct of financial transactions by electronic means. E commerce usually refers to shopping at online stores on the World Wide Web also known as E-commerce websites”. E-commerce websites are sites that facilitate business or commercial transactions involving the transfer of information over the Internet. So, in this paper we will give an overview of the basic concept of trust & privacy and also investigate the elements of online trust. It is difficult to define the concept of trust, partly because trust is always situation-specific. When researchers refer to factors that can help to establish a sense of trustworthiness or which can determine if consumers will trust an Internet vendor or its website, different terms are used interchangeably. E Commerce Websites used in this study for analysis are Amazon, Flipkart, Myntra, Meesho and Paytm.

Review of Literature

Khan (2016), on his study about the impact of e-commerce in a developing economy, the significant benefit of e-commerce through the eyes of the online customers was that they could conserve their time as they could easily access the online business wherever they want and order a product whenever it is suitable for them. Besides, the customers who were not really into social discourse could be comfortable for this business did not require personal interaction with the online business providers. The customers could also easily switch from one online business site to another without anyone intervening them if the business from one online business did not meet their satisfaction. Moreover, some products which were not yet released in the physical market could be purchased online; hence, this gave them broader access to the products in comparison before. The customers had also wider access of product data from the reported information of the products by the business to the posted online reviews of the products or the business site itself.

Ozlen, Mekic, and Kumbara (2014), as they also indicated that the adoption and acceptance of electronic commerce gave an advantage for the customers to buy products online wisely mainly by having comprehensive access to the information of the products offered by the businesses. Having a more informative product information helped them in their decision-making, taking into consideration other available products as alternatives if a specific product is insufficient for them.

Shafiyah, R. Alsaqour, Shaker, O. Alsaqour, and Uddin (2013), about electronic commerce, they defined electronic commerce or e-commerce as the upholding of business affiliations, disclosing business information, and making business negotiations using telecommunication networks such as the internet. The emergence of this type of business made gradual yet drastic changes in the economies on most of the countries across the globe. It helped the people in purchasing products with fewer cost and effort. It also helped the business-minded people in reducing their work yet earning a profit by giving them a virtual space for their stores by setting an actual and physical one. Also, e-commerce

aided the citizens in providing job opportunities from different fields like entrepreneurial studies, management, and marketing. Their review also enumerated the striking features of electronic commerce which includes ubiquity, richness, interactivity, personalization and customization, global reach, universal standards and information density. These features showcased why electronic commerce is growing popular and widely accepted by the people. Although, the researchers still indicated some problems in this developing e-commerce namely cultural obstacles and legal challenges, despite those, they concluded electronic commerce as one who could deal an extraordinary change in the world.

Kim, Ferrin, and Rao (2008), stated that the online buyers' purchase decisions were highly impacted by their reliance and perceived risk towards an online store. Online buyers decisions and their trusts to a marketing website were highly influenced by their dispositions on the reliability, image, security, privacy, the authenticity of the marketing website, and the overall online market's reputation. Interestingly, in this study, the third-party seal or the customers' review and assurance seal did not have or leave a significant effect and influence on the customers' trust towards the marketing website.

Significance of the Study

This study is very relevant because it can give a clear picture of the future of online markets in India and the emerging trends in this particular field. The various factors that influence online shopping habits and its merits and demerits are also dealt with. The study also tries to have a comparison of online shopping habits among different age group as well as income group.

Scope of the Study

- The study gives a greater scope to examine the User Perception towards the E-commerce websites.
- It also deals with the User's view on the point of trustworthiness and privacy of E-commerce websites.
- User preference and satisfaction is measured based on the Quality of Service, Comparison features, etc....

Purpose of the Study

Attempts have been made to analysis the various websites and evaluate the factors that influence the Users to prefer a particular website, their level of satisfaction and analyse the effectiveness about online shopping websites competing in the market.

Objectives of the Study

- To identify the awareness of consumer and the impact of purchasing in E-commerce websites.
- To understand the consumer perception towards E-commerce Websites.
- To identify the factors that influence the customers to buy from that particular website.

Research Methodology

Sources of data

Primary data: Well Structured Questionnaire used. The Questionnaire was laid out in the following sequence:

- Demographics details including Age, Gender, Educational Qualification, Occupation and Income.
- User's Perception
- Factors influencing to use E-commerce website

Secondary data: Secondary data was collected from various sources such as articles, magazines, journals and websites.

Research design: Descriptive and Analytical Study

Sample design: Simple Random Sampling method

Sample size: The data was collected from a sample size of 100. The responses were collected through online using Google docs.

Statistical Tools Used in the Study

To study the data collected to analysis the Statistical Package for the Social Sciences (SPSS) Version 25 was used and they were presented in the form of tables and charts.

- Percentage Method
- Cluster Analysis
- Factor Analysis

Limitations of the Study

- The study is purely based on the Questionnaire, which may be inadequate to measure the true opinion of the User.
- Sample size is limited to 100 respondents.
- Data collection is restricted to Chennai city.
- The study is conducted on only five popular one top E-Commerce Websites in India. Where, the apparel websites, Fashion websites, Grocery websites are ignored.

Analysis and interpretation

Percentage analysis

TABLE – 1 : Demographic profile , consumer's preference, trustworthiness & privacy

| Variable | Dominant Group | Percentage |
|----------------|----------------|------------|
| Age (in years) | 15-25 | 45 |
| Gender | Female | 77 |
| Marital Status | Unmarried | 59 |

| | | |
|---|-------------------|----|
| Educational Qualification | UG | 51 |
| Occupation | Student | 45 |
| Monthly Income | Below 15k | 49 |
| Preference of E-commerce websites | Amazon | 64 |
| How often do you shop online | Once in two month | 36 |
| Highest amount spent for online shopping | 500 – 1000 | 41 |
| Payment option mode | COD & Debit card | 44 |
| Preference basis to purchase a product | Quality | 63 |
| Specialization in terms of online privacy and security | Amazon | 61 |
| Willingness to provide personally identifiable information and demographics to websites | Not very willing | 38 |
| Satisfaction level in terms of products, privacy, trustworthiness, customer care and delivery service | Amazon | 66 |

Source : Primary data

Percentage Analysis revealed the following results:

- Majority **45%** of the respondents were belonging to the Age group between “15 to 25 years”.
- Nearly **77%** of the respondents were “Female”.
- Majority **59%** of the respondents were “Unmarried”.
- **51%** of the respondents were “Under Graduate”.
- **45%** of the respondents were “Students”.
- **49%** of the respondents were belonging to the monthly income group of “Below 15k”
- **64%** of the respondents prefer “Amazon” online site
- **36%** of the respondents were often shop online “Once in two months”.
- **41%** of the respondents were spend amount between “500 – 1000” for online shopping.
- **44%** of the respondents make payments through “Cash on Delivery as well as in Debit card mode” for Online Shopping.
- **63%** of the respondents prefer “Quality” basis to purchase a product through online website
- **61%** of the respondents prefer “Amazon” website for Online privacy and security.
- **38%** of the respondents were not very willing to provide personally identifiable information and demographics to websites
- **66%** of the respondents were more satisfied in terms of products, privacy, trustworthiness, customer care and delivery care on “Amazon” website

Cluster Analysis

TABLE – 2 : Shows cluster analysis of the factors influencing satisfaction of the user's towards e-commerce websites

| Number of Cases in each Cluster | | | Percentage (%) |
|---------------------------------|-------------------------|---------|----------------|
| Cluster | Overall Service | 64.000 | 64% |
| | Product Quality & Image | 36.000 | 36% |
| Valid | | 100.000 | 100% |

Number Of Cases In Each Cluster

Source: Computed data

Interpretation

From the table, it can be determined that out of 100 respondents, 64 (64%) respondents belongs to group I, Hence, they are to be named as “Overall service satisfaction” and 36 (36%) respondents belongs to group II, Hence, they are to be named as “Product Quality & Image” .

Factor Analysis

| TABLE 3 : KMO and Bartlett's Test | | |
|--|--------------------|---------|
| Kaiser-Meyer-Olkin Measure of Sampling Adequacy. | | .737 |
| Bartlett's Test of Sphericity | Approx. Chi-Square | 293.131 |
| | df | 55 |
| | Sig. | .000 |

Source: Computed data

Interpretation

- The above table shows Kaiser-Meyer-Olkin Measure of Sampling Adequacy is 0.737. Good value of KMO more than 0.4 indicates that factor analysis is useful for the present data.
- The significant value for Bartlett's test of Sphericity is 0.000 and is less than .05 which indicates that there exist significant relationships among the variables.
- Hence it can be concluded that the variables of the factors that influence consumer purchasing intentions and their perceptions of the trustworthiness of the privacy-related practices of e-commerce websites are normally distributed and they have the potentiality to form the factors.

TABLE-4 : Total Variance

| Component | Initial Eigenvalues | | | Rotation Sums of Squared Loadings | | |
|-----------|---------------------|---------------|--------------|-----------------------------------|---------------|--------------|
| | Total | % Of Variance | Cumulative % | Total | % Of Variance | Cumulative % |
| 1 | 3.409 | 30.993 | 30.993 | 2.807 | 25.520 | 25.520 |
| 2 | 1.950 | 17.728 | 48.721 | 1.939 | 17.627 | 43.146 |

| | | | | | | |
|-----------|--------------|---------------|----------------|--------------|---------------|---------------|
| 3 | 1.159 | 10.534 | 59.255 | 1.772 | 16.109 | 59.255 |
| 4 | .911 | 8.283 | 67.538 | | | |
| 5 | .728 | 6.620 | 74.158 | | | |
| 6 | .657 | 5.973 | 80.131 | | | |
| 7 | .628 | 5.707 | 85.838 | | | |
| 8 | .463 | 4.211 | 90.048 | | | |
| 9 | .441 | 4.012 | 94.061 | | | |
| 10 | .375 | 3.412 | 97.473 | | | |
| 11 | .278 | 2.527 | 100.000 | | | |

Extraction Method: Principal Component Analysis

Source: Computed data

Interpretation

- From the above table, it is found that 11 variables are reduced into 3 predominant factors with cumulative variance 59.557%.
- The 3 factors individually possess the variances of 25.20% , 17.62% and 16.10% .
- The individual variable loadings are given in the Rotated Component Matrix.

TABLE-5 : Rotated Component Matrix

| Rotated Component Matrix ^a | | | |
|--|-----------|------|------|
| Particulars | Component | | |
| | 1 | 2 | 3 |
| Fear that the delivered products would not match those described on the Website | .764 | | |
| Fear of personal information being sold or rented without consent | .734 | | |
| Doubt about the performance of the product or brand as expected | .707 | | |
| Fear of misuse of credit card | .702 | | |
| Fear of choosing poor product/service | .590 | | |
| No possibility for "touch, feel or see" actual product to assess quality | .411 | | |
| Suffering from backache problem due to long online shopping hours | | .821 | |
| Does promotional activities impact your purchasing decision | | .816 | |
| Worry that friends would think that I am trying to show off by purchasing online | | .629 | |
| Fear of developing eyestrain problem | | | .766 |
| Fear of on time delivery after payment | | | .709 |
| Extraction Method: Principal Component Analysis. Rotation Method: Varimax with Kaiser Normalization. ^a | | | |
| a. Rotation converged in 7 iterations. | | | |

Source: Computed data

Interpretation

- The table shows the extraction of all the 11 variables and how these are loaded on “Three factors”.

Naming the Samples

| TABLE 6 | |
|---------------------|------------------------|
| S.NO | OVERALL SAMPLE N = 100 |
| FACTOR 1 | CONSCIOUS FACTOR |
| FACTOR 2 | HEALTH FACTOR |
| FACTOR 3 | SECURITY FACTOR |
| % OF TOTAL VARIANCE | 59.255 % |

Factor Discussion

Factor analysis clearly proves that customer is taken into consideration. Table shows that principal component method of factor analysis and the varimax rotation method have been used to the group of 11 variables into 3 factors.

- The First factor is prompting factor and it includes 6 variables hence, the first can be named as “CONSCIOUS FACTOR”. These variables explains about wide aware on online shopping goods.
- The Second factor can be named as “HEALTH FACTOR”. Consumers may get some health issues while using E-commerce websites.
- The Third factor can be named as “SECURITY FACTOR”. Consumers may not feel secure while using E-commerce websites.

Suggestions

- The Study reveals E-Commerce has a great advantage over large database of products and services.
- Web Technology has to track the User’s preference and browse their budgets and requirements for shopping through web.
- Amazon tops all the aspects expected and provided to Indian Users followed by Flipkart and Myntra. From the Quality to price, Amazon and Flipkart are competing with each other in a cut-throat competition.
- “Amazon” made a mark among other sites, because whatever the product is their packing will obviously safe and secure.

Conclusion

This study concluded and highlighted that people in today’s world shifted from offline to online for clear cut benefit of convenience and comfort. Based upon the survey, this study identified that Amazon service is more satisfied in terms of products, User’s care, privacy, trustworthiness and delivery service and so on. Even though it is an E-commerce company it understood Indians very well and made its roots stronger in India. Flipkart is facing a tough competition to Amazon; it may take some time to overcome and tries to render its best service in Future Indian E-commerce market.

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