

A STUDY ON CUSTOMER TRUST AND SECURITY ON ONLINE SHOPPING IN THOOTHUKUDI DISTRICT

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ABSTRACT

This study explores the factors influencing customer trust and security concerns in online shopping, aiming to identify strategies for e-commerce platforms to build consumer confidence. With the increasing prevalence of online transactions, consumers often face challenges related to data protection, payment security, and privacy breaches. The data collected are original in nature. The result is derived with the help of statistical method of collection, computation and analysis. The collected data were analyzed by using the following statistical tools namely Percentage analysis, Independent t-test, ANOVA, Likert Scale and Chi-Square test method. Random sampling method was adopted and 120 respondents who were shopping through online. The questionnaire was prepared based on a discussion with the Guide. Then it was pretested and necessary changes were incorporate. 120 copies of the questionnaire were taken and distributed among the respondents. The study further emphasizes the need for proactive fraud prevention systems and consumer awareness programs. The insights derived from this research provide actionable recommendations for e-commerce platforms to enhance customer trust, ensure data security, and improve overall shopping experiences in the digital marketplace.

KEY WORDS

Online Shopping, Security Concerns, Trust Building, Cyber security, Data Privacy.

INTRODUCTION

The advent of e-commerce has revolutionized the way people shop, offering unparalleled convenience and accessibility. However, the online shopping experience is not without its challenges, particularly with regards to customer trust and security. This study aims to investigate the factors that influence customer trust and security in online shopping, with a view to providing insights for e-commerce businesses to improve customer confidence and loyalty. The growth of e-commerce has been phenomenal, with online sales projected to reach unprecedented heights. However, despite its popularity, online shopping is not without

its risks. Customers are increasingly concerned about the security of their personal and financial information, as well as the trustworthiness of online retailers.

Trust and security are essential components of the online shopping experience. When customers trust an online retailer, they are more likely to make a purchase and become repeat customers. Conversely, a lack of trust can lead to abandoned shopping carts, negative reviews, and a loss of business. Therefore, it is crucial for e-commerce businesses to understand the factors that influence customer trust and security. The importance of trust and security in online shopping cannot be overstated. A study by the National Retail Federation found that 62% of online shoppers are concerned about the security of their personal information. Furthermore, a study by Trust wave found that 85% of online shoppers have abandoned a purchase due to security concerns. These statistics highlight the need for e-commerce businesses to prioritize trust and security in their online operations.

STATEMENT OF PROBLEM

The rapid growth of e-commerce has led to an increase in online shopping, but it has also raised concerns about customer trust and security. Despite the convenience and benefits of online shopping, many customers are hesitant to make online transactions due to fears about the security of their personal and financial information. The lack of transparency and disclosure about the security policies and data protection practices by e-commerce websites further exacerbates these concerns. Moreover, the increasing instances of online fraud, including identity theft, credit and scams, have eroded customer trust and confidence in online shopping. Therefore it is essential to investigate the factors that influence customer trust and security concerns in online shopping, and to identify strategies that e-commerce businesses can employ to build trust and ensure the security of customer transactions.

OBJECTIVES

1. To know about the factors that influence customer trust in online shopping.
2. To know about the security concerns of customers while shopping online.
3. To analyze the satisfaction level of the customer in online shopping.

REVIEW OF LITERATURE

Aisya Salsabila Benta & Budi Astuti (2024): The purpose of this study is to analyze the relationship between customer trust and customer loyalty in doing online shopping through the Shopee website which is supported by how the quality and design of the website affect the relationship between the two. The methodology used in this research is a quantitative approach with non-probability sampling techniques. The criteria for respondents in this study are aged 17 years and over and have purchased products through Shopee. The number of valid respondents was 175. The result of this study reveals that customer trust has a positive effect on customer loyalty.

K R Abarna, et al., (2023): The study aim and purpose of this paper is to intrinsic relationship among risk, trust and purchase decision of online shopping customers and to validate the constructs of risk and trust in the study area of Chennai city. The well-structured questionnaire is circulated among 750 respondents, 50 each in all the 15 zones of Chennai city and able to receive usable 511 responses. The study reveal that the purchase decision of online consumers depends upon their optimistic purchase attitude towards online shopping, the risk involved in online shopping and customer trust in online shopping.

SAMPLING DESIGN

The data collected are original in nature. Random sampling method was adopted and 120 respondents who were shopping through online.

Table Showing Factors that Influence the Gender Customer Trust in Online Shopping

Null Hypothesis: There is no significant difference in the level of customer trust in online shopping between male and female customers.

Alternative Hypothesis: There is a significant difference in the level of customer trust in online shopping between male and female customers.

VARIABLE	MEAN	STANDARD DEVIATION	F	P-VALUE
Male	27.3030	3.83093	1.406	.238
Female	26.7963	4.40146		

Computed source: primary data

INFERENCE

The above table shows that there is no statistically significant difference in the levels of customer trust in online shopping between male and female customers. With a p-value of

0.238, which exceeds the typical significance level of 0.05, Hence it was fail to reject the null hypothesis. The table suggests that gender does not have a significant influence on customer trust in online shopping, as the mean scores for male and female customers, 27.3030 and 26.7963 respectively, do not differ significantly.

TABLE SHOWING SECURITY WARNINGS CONCERN OF CUSTOMERS

Null Hypothesis: There is no significant difference in the security warnings concern of customers between groups.

Alternative Hypothesis: There is a significant difference in the security warnings concern of customers between groups.

VARIABLE	MEAN SQUARE	F	SIGNIFICANCE VALUE
Between Groups	14.415	.854	>0.05
Within Groups	16.885		

Computed source: primary data

INFERENCE:

The above table shows the ANOVA results indicate that there is no statistically significant difference in the security warnings concern of customers between groups. The F-statistic is 0.854, which corresponds to a significance value (p-value) of 0.428. Since the p-value is greater than 0.05, the result is considered not statistically significant. This suggests that any observed differences in security warnings concern between groups are likely due to chance rather than any underlying factors. Hence it was rejected the null hypothesis, indicating no significant difference in security warnings concern between groups.

TABLE SHOWING AGE ASPECTS RELATING TO THE SATISFACTION LEVEL OF CUSTOMER IN ONLINE SHOPPING

Null Hypothesis: There is no significant difference between age aspects relating with satisfaction level of customer in online shopping

Alternative Hypothesis: There is a significant difference between age aspects relating with satisfaction level of customer in online shopping

VARIABLE	CHI SQUARE	ASYMP. VALUE (P)
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I am satisfied with my overall online shopping experience.	10.165	.337
I am satisfied with the online shopping services I have received.	7.950	.539
I am satisfied with the quality of products I have received from online retailers.	5.579	.781
I am satisfied that the online retailers to protect my personal and financial information.	10.040	.612
I am satisfied with the level of security provided by the online retailer.	19.493	.077
I am satisfied with the return and refund policies of online retailers are fair and reasonable.	7.275	.839
I am satisfied with the customer service I have received from online retailers is satisfactory	9.852	.629

Computed source: primary data

INFERENCE

From the above table of the chi-square analysis reveal that there is no significant relationship between age and satisfaction levels in various aspects of online shopping. The p-values for most variables, such as overall online shopping experience, online shopping services, quality of products, protection of personal and financial information, and customer service, are greater than 0.05, indicating no significant association with age. However, the p-value for satisfaction with the level of security provided by the online retailer is 0.077, which is close to the significance level, suggesting a possible relationship between age and security satisfaction. The overall findings suggest that age is not a determining factor in customer satisfaction with online shopping experiences.

FINDINGS

- The p-value (0.238) is greater than 0.05, meaning gender does not influence customer trust significantly.
- The F-statistic (0.854) and p-value (>0.05) suggest that variations in security concerns are likely due to chance.

- Satisfaction with online retailer security had a p-value of 0.077, suggesting a potential but weak relationship.

SUGGESIONS

- It is necessary to highlighting positive customer reviews and testimonials can help increase trust across all demographics.
- It would be necessary to implementing visible security measures (e.g., SSL certificates, two-factor authentication) can reassure all customers.
- It is necessary to close-to-significant result for security satisfaction suggests that retailers should invest more in improving cyber security measures to cater to security-conscious customers.

CONCLUSION

By all the analysis which has been tested and proven, there is a significant number of respondents experienced security-related issues like data leakage and fraud, a majority did not frequently encounter security warnings. This highlights a potential gap in consumer awareness or a lack of visible security features on shopping platforms. The analysis also demonstrated that customers trust platforms offering secure payment options and transparent security policies, emphasizing the need for retailers to prioritize robust cyber security measures. Another notable insight was the influence of website design and functionality on customer trust. A well-designed, easy-to-navigate website with clear product information, secure payment gateways, and responsive customer service was strongly associated with higher satisfaction levels. While respondents expressed moderate satisfaction with product quality, customer service remains an area requiring improvement. Retailers should focus on enhancing their service responsiveness and ensuring fair return and refund policies to build long-term customer loyalty.

The study explored demographic influences on shopping experiences, revealing no significant differences in customer trust based on gender. However, security concerns showed slight variations across different age groups, with younger consumers displaying greater sensitivity to privacy issues. This suggests that tailored marketing strategies and personalized communication regarding security practices may resonate better with specific age segments. In conclusion, the chapter emphasizes the importance of addressing technical challenges, improving security measures, and enhancing customer support to elevate overall satisfaction levels. By implementing these improvements,

online retailers can foster greater trust, encourage repeat purchases, and maintain a competitive edge in the digital marketplace. The insights derived from this analysis provide valuable guidance for businesses seeking to optimize their online shopping platforms and deliver superior customer experiences.

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