



Role of Consumer Trust on Online Market Places with Special Reference to Coimbatore City

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Abstract

Many consumers are sceptical or suspicious about the functional mechanisms of electronic commerce, its intransparent processes and effects, and the quality of many products that are offered online. This paper analyses the role of consumer trust as a foundation for the diffusion and acceptance of electronic commerce. Starting from a functional perspective trust is seen as distinct but potentially coexisting mechanism for reducing the uncertainty and complexity of transactions and relationships in electronic markets. The analysis focuses on conditions of e-commerce transactions that are relevant for the formation of trust problems. Drawing on the theory of information two types of uncertainty are described: system-dependent and transaction-specific uncertainty. Finally different activities and instruments are described and categorized that Internet firms can use to establish and maintain trust.

Keyword: *Online Market, E-Marketing.*

INTRODUCTION

In today's digital age, online marketplaces have revolutionized the way consumers shop, offering convenience, variety, and competitive pricing at the click of a button. However, amidst the convenience lies a crucial element that can make or break the success of these platforms: consumer trust. Establishing and maintaining trust is essential for online marketplaces to thrive, as it directly impacts customer loyalty, satisfaction, and ultimately, business growth. In this article, we delve into the importance of consumer trust in online marketplaces and explore strategies to build and nurture it effectively.

The Significance of Consumer Trust

Consumer trust serves as the cornerstone of successful online marketplaces. When customers trust a platform, they are more likely to make purchases, share personal information, and engage in repeat business. Conversely, a lack of trust can deter potential buyers, leading to abandoned shopping carts and negative reviews that tarnish the platform's reputation.

Several factors contribute to building consumer trust in online marketplaces:

Transparency

Providing clear and accurate information about products, pricing, shipping, and return policies fosters transparency, reassuring customers and mitigating any doubts or uncertainties.

Security Measures

Implementing robust security measures, such as encryption protocols, secure payment gateways, and data protection policies, helps safeguard customers' sensitive information and instils confidence in the platform's reliability.

Authentic Reviews and Ratings

Genuine customer reviews and ratings offer valuable insights into product quality and seller credibility, helping consumers make informed purchasing decisions and enhancing trust in the platform.

Responsive Customer Support

Prompt and helpful customer support services demonstrate the platform's commitment to resolving issues and addressing customer concerns, reinforcing trust and satisfaction.

Seller Verification and Quality Control

Verifying sellers' identities, enforcing quality standards, and monitoring product authenticity minimize the risk of fraudulent activities and counterfeit goods, fostering trust among buyers.

OBJECTIVES OF THE STUDY

- To study consumer behavior towards online marketplace
- To know the factors which affect decision making process while purchasing the online shopping product.
- To know the impact of consumer trust on various aspects, including purchasing decisions, user satisfaction, and overall marketplace success.
- To investigate how consumer trust influences online shopping behavior, including the frequency of purchases, repeat business, and brand loyalty.
- To identify and understand the concerns and challenges consumers face regarding trust in the online shopping environment.

DESCRIPTIVE ANALYSIS

Demographic Profile – Gender:

Table 1.1
Gender of the respondents

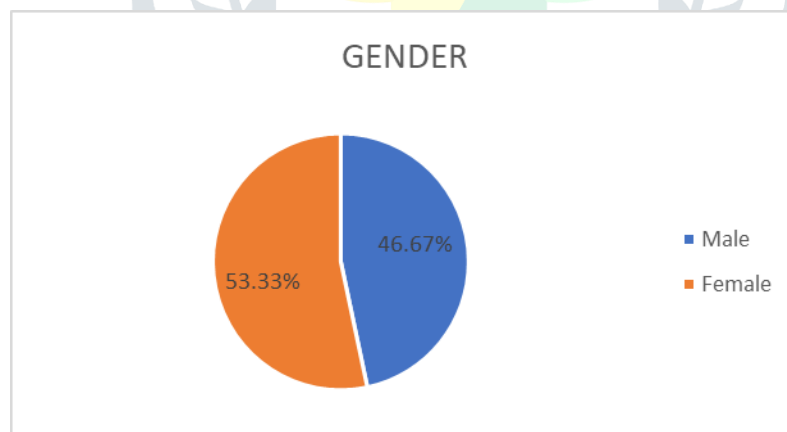
Gender	No. of Respondents	Percentage
Male	70	46.67%
Female	80	53.33%
Total	150	100%

Source: Primary Data

Interpretation

The study shows that 53.33% of the respondents are female and 46.67% are male.

Majority (53.33%) of the respondents are female.



Online Shopping Frequency

Table 1.2
Online shopping frequency

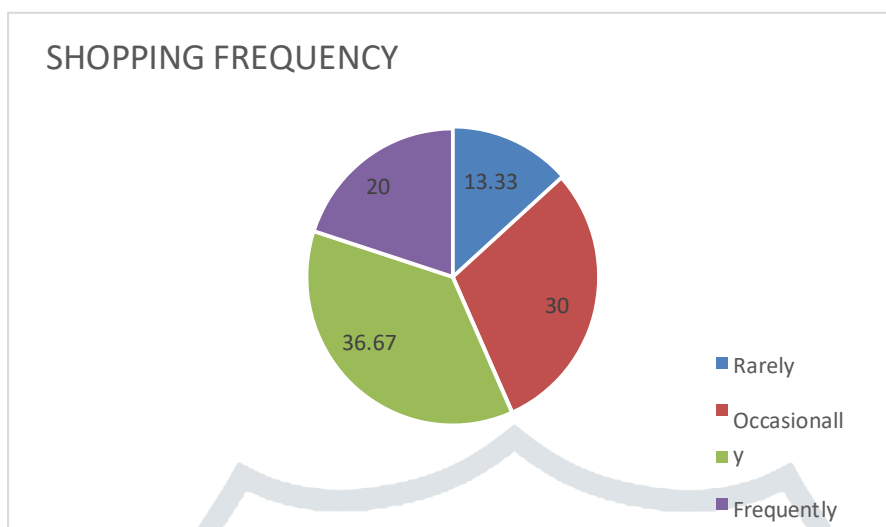
Shopping Frequency	No. of Respondents	Percentage
Rarely	20	13.33%
Occasionally	45	30.00%
Frequently	55	36.67%
Very frequently	30	20.00%
Total	150	100%

Source: Primary Data

Interpretation

The majority of the respondents use online shopping frequently 36.67% and 30% occasionally 20% use online shopping very frequently and 13.33% use rarely.

Majority (53.3%) of the respondents use online shopping frequently.



Preferred communication methods for online marketplace updates

Table 1.3

Preferred communication methods for online marketplace updates

Communication Method	No. of Respondents	Percentage
Email	40	26.67%
In-App Notifications	30	20.00%
SMS/Text Messages	20	13.33%
Push Notifications	45	30.00%
Total	150	100%

Source: Primary Data

Interpretation

The study shows that 30% of the respondents prefer push notifications, 26.67% chose email, 20% of them prefer in-app notifications and 13.33% goes for SMS/text messages and

Most (30%) of the respondents prefer push notifications.

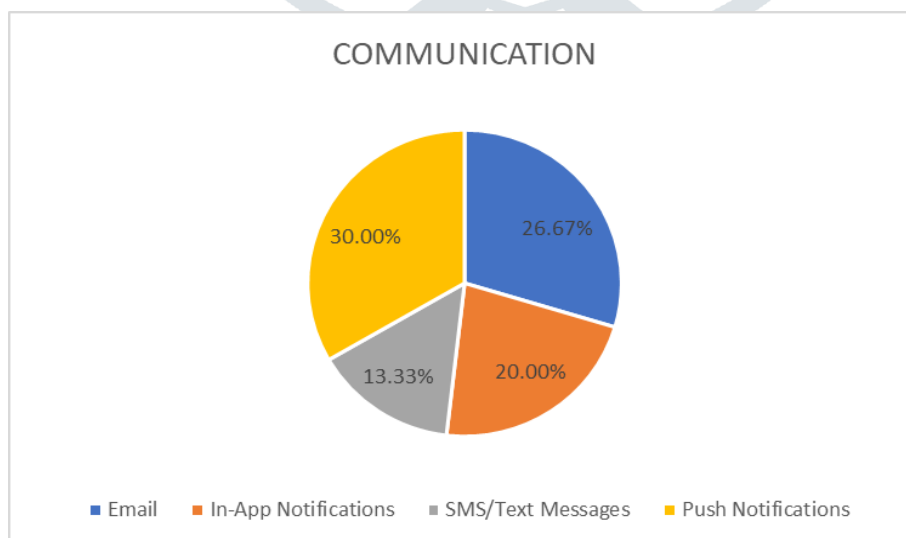


Table 1.4
Preferred payment method

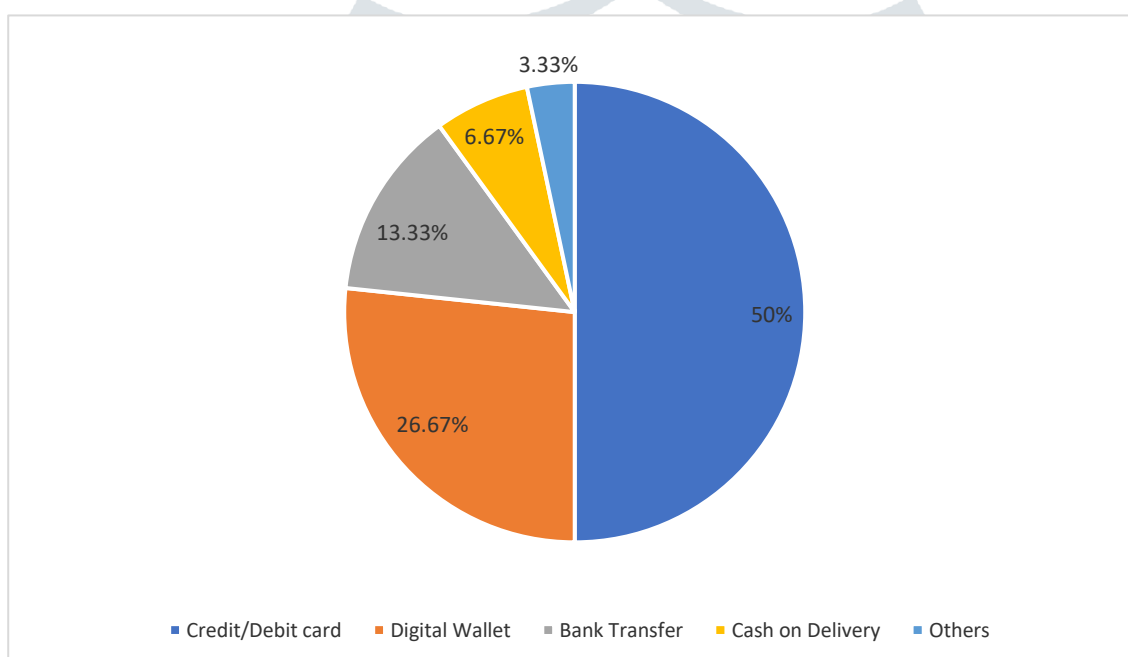
Payment Method	No. of Respondents	Percentage
Credit/Debit Card	75	50.00%
Digital Wallet	40	26.67%
Bank Transfer	20	13.33%
Cash on Delivery	10	6.67%
Other (please specify)	5	3.33%
Total	150	100%

Source: Primary Data

Interpretation

The study shows 50% of the respondents prefer credit/debit cards and 26.67% of respondents prefer digital wallets, while 13.33% opt for bank transfers. The other respondents 6.67% prefer cash on delivery, and 3.33% have specified other payment methods.

Half (50%) of the respondents prefer credit/debit cards.



SUGGESTIONS

- Improve Website Security
- Offer Free Shipping
- Personalize Content Responsibly
- Continuously monitor and adapt

CONCLUSION

In the dynamic landscape of online commerce, consumer trust is a non-negotiable asset for the success of online marketplaces. By prioritizing transparency, security, customer support, and brand integrity, platforms can cultivate trust among consumers and establish long-lasting relationships built on mutual confidence and satisfaction. As online shopping continues to evolve, investing in strategies to build and nurture consumer trust remains a cornerstone of sustainable growth and competitiveness in the digital marketplace. The online shopping companies must take appropriate measures for data encryption so that safety of financial transaction is ensured and privacy is also provided to customers with respect to their personal details regarding address and contact numbers. Finally, the website of the online shopping companies must be buyer friendly and must be fascinating enough to confirm the come back to online retailer. The present study creates a conceptual model of online. Buying behaviour and offers empirical evidence for the associations between brand experience, trust, website effectiveness, and e-service quality that are earlier not observed in the literature all together. The results indicate that website effectiveness

positively affects customers' trust in online shopping and impacts their intentions to purchase online. Scholars also noted that prior brand experience does not influence trust and buying intentions. By empirically testing the implications of trust in online shopping experience, it replies the recent summons for research into comprehending the role of trust in online shopping and provides a better realisation of how customers' assessment of trust in online shopping affects them repurchase intention.

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