Trust in Domestic E-commerce in Somaliland, focusing on Consumer Perceptions and Behavior

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Abstract:

Key words	Abstract:
Somaliland E-commerce Trust Consumer Behavior, Customer Support	The research investigated Trust in Domestic E-commerce in Somaliland, focusing on Consumer Perceptions and Behavior. Employing a descriptive research design, the study ensured representative sampling through non-probability sampling methods, specificall parposive sampling. The sample size of 210 individuals was carefully determined using the Solvents Formula to ensure statistical significance. Ethical standards were strictly adhered to, with informed consent obtained from participants, and confidentiality maintained throughout the research process. The findings revealed that Customer Support plays a crucial role in building trust, with a pooled mean of 1.82284 and a standard deviation of 0.2886. Similarly, Online Reviews influence trust levels, with a pooled mean of 1.9601 and a standard deviation of 0.8317, albeit with more variability in impact. Additionally, the study highlighted a significant correlation between building trust and the frequency of purchases in online businesses, as evidenced by a pooled mean of 2.35496 and a standard deviation of 0.9076. These results

	emphasize the importance of enhancing trust through robust customer support and effective management of online reviews to bolster consumer trust levels and ultimately increase the frequency of online purchases.

I.   Background of study:

Nowadays, a business does not exist only in an office environment where face-to-face meetings are executed. A business is as much online as offline (Martina Menfors & Felicia Fernstedt, 2015). E-commerce has revolutionized the way we shop, transforming traditional brick-and-mortar transactions into digital experiences. With just a few clicks or taps, consumers can explore a vast array of products and services from the comfort of their own homes. The growth of the Internet and technology has brought a change in people's behavior in shopping. Currently, consumers prefer to do online shopping. It is triggered by the appearance of an online shop that offers all the needs. It leads to consumer interest. Online customer reviews will generate trust in potential consumers against existing online shops (Adela Rosania and Ita Prihatining Wilujeng, 2023). All social relationships would fail or function irregularly without trust. Trust defined as a generalized expectancy held by an individual that the word of another can be relied on. customer trust as thoughts, feelings, emotions, or behaviours manifested when customers feel that a provider can be relied upon to act in their best interest

when they give up direct control in the business world trust is one crucial thing to build and maintained when doing business. (Leninkumar, 2017).   Trust in e-commerce is built through various means, including secure payment gateways, transparent pricing, and reliable customer service. Positive reviews, testimonials, and social proof also contribute significantly to fostering trust among potential buyers. Additionally, the reputation of the e-commerce platform or brand, along with its adherence to data privacy regulations, influences consumer confidence. The existence of trust can push interested consumers to do shopping online via online shops or websites (Harris, 2010). Consumer trust plays a paramount role in the success of e-commerce ventures. In the digital realm where face-to-face interactions are absent, establishing trust is crucial for converting website visitors into customers.

As no prior studies have been conducted in Somaliland on this research topic, this study aims to bridge this gap by exploring consumer perceptions and behavior regarding trust in Domestic e-commerce.

1.1 Problem Statement:

In an ideal scenario, Domestic e-commerce in Somaliland would be characterized by a high level of trust among consumers, fostering confidence and encouraging widespread participation in online

transactions. However, the current reality reveals a significant gap between this ideal and the actual consumer perceptions and behavior. Consumers often face uncertainties and apprehensions regarding the

trustworthiness of online platforms, hindering their willingness to engage in Domestic transactions. This lack of trust results in missed opportunities for economic development and limits the potential of e-commerce to contribute to the growth of Somaliland's digital economy. The consequence of this gap is multifaceted, stifling the growth of online trade and

entrepreneurship while perpetuating consumer skepticism and reluctance to embrace the benefits of Domestic shopping. Addressing this disparity is crucial to unlock the full potential of e-commerce as a catalyst for economic growth and digital transformation in Somaliland.

1.2 Research objectives.

1.2.1　general objective

The general objective of this study is to examine the Trust in Domestic E-commerce in Somaliland: Exploring Consumer Perceptions and Behavior.

1.2.2 specific objectives

1. To assess the role of customer support on in building trust.

2. To Analys the impact of online reveiws on consumer trust levels.

3. Investigate the correlation between consumer trust levels and the frequency of online purchases.

II.　Literature review
- ### customer support and building trust

Customer Support is a range of services to assist customers in making cost effective and correct use of a product. It includes assistance in planning, installation, training, troubleshooting, maintenance, upgrading, and disposal of a product (BusinessDictionary, 2018). Customer support plays a pivotal role in cultivating and maintaining customer trust in e-commerce. When customers encounter issues or have questions about products or services, responsive and helpful customer support can reassure them and demonstrate the company's commitment to their satisfaction. Being a successful Customer Support agent

requires a full skillset of abilities that will allow one to communicate efficiently with the customer and provide fast and effective solutions to their problems (Greek, 2022).

Customer support is an effective strategy that ensures that the customer's needs have been attended to. Effective customer support is instrumental in nurturing and solidifying customer trust within e-commerce. When customers encounter issues or seek information about products or services, responsive and informative assistance from support teams can reassure them and

showcase the company's dedication to their satisfaction.

Customer support helps ensure that the products and services that have been provided to the customer meet their expectations. Given an effective and efficient customer support experience, customers tend to be loyal to the organization, which creates a competitive advantage over its competitors. Organizations should ensure that any complaints from customers about customer support have been dealt with effectively. (Crittenden, Victoria, 2020).

- **online reveiws and consumer trust levels.**

Online reviews wield considerable influence over consumer trust levels in the realm of e-commerce. Today's consumers rely heavily on feedback from fellow shoppers to inform their purchasing decisions. Currently, business people use online customer reviews (OCR) as one of the forms of Electronic Word of Mouth for promoting products online. The review or opinion is direct from someone not from a promotional media advertising (S. B. L. M. H. a. B. C. M. Zhou,, 2021). According to (Fruth, A. & Neacsu, M., 2014), they mentioned that are several classifications of the different online consumer reviews are proposed, where one of the classifications is based on the place of publication. Positive reviews act as endorsements, instilling confidence in prospective buyers and validating the credibility of products or services. Conversely, negative reviews can raise doubts and deter potential customers. The transparency and authenticity of online reviews contribute significantly to their impact on trust levels; genuine, detailed reviews are valued more than generic or suspiciously positive ones. According to (C. O. J. S. A. M. M. S. Ngarmwongnoi, 2020) they mentioned that Online customer reviews can also be interpreted as bait to come back experience consumers and recommendations to something products and services that can embrace potential consumers and generate interest buy. Online consumer review is a logical and persuasive, with enough reason based on the facts specific about a product, has a strong effect on because interest buy on consumers Because the first from online customer review can also work as information and adviser, personally online customer review strategy can be used as a channel of media communication. (Park, 2017).

A survey conducted by (hong-Gang, Y., Xiao-Ya, 2015) reveals that nearly 60% of

consumers browse online product reviews at least once a week and 93% of whom believe that these online reviews help them to improve the accuracy of purchase decisions, reduce the risk of loss and affect their shopping options. When it comes to e-consumers in commercial activities on B2B and B2C platforms, 82% of the consumers read product reviews before making shopping choices, and 60% of them refer to comments every week

Online reviews profoundly impact customer trust in the digital marketplace, serving as pivotal factors in customer's decisions. The authenticity and volume of reviews shape perceptions of product credibility and brand reliability, ultimately influencing trust levels between businesses and consumers in e-commerce.

- **consumer trust levels and the frequency of online purchases.**

Consumer trust levels play a crucial role in determining the frequency of online purchases. When consumers trust a particular e-commerce platform or brand, they are more likely to make frequent purchases from them. According to (Lee, 2020) he defined the purchase on the interest buy could be considered as reflection results of using the product or service. Purchase intention or interest buy is part of decision purchase process. Purchase intention is formed behavior consumers who have the desire to buy products based on experience, use, and desire. Besides that, behavior interest by consumers and behavior outside purchase consumers, many are influenced by trust.

Trust instills confidence in the reliability of products, services, and the overall shopping experience, reducing hesitancy and

encouraging repeat transactions. Positive experiences and trustworthy interactions with the brand or platform reinforce this trust, leading to increased loyalty and a higher frequency of purchases. Conversely, low levels of trust can deter consumers from making frequent online purchases, as doubts about product quality, security, or customer service may arise. Therefore, building and maintaining consumer trust is essential for e-commerce businesses to drive repeat purchases and foster long-term relationships with their customers. One of the earliest forms of trade conducted online was IBM's online transaction processing (OLTP) developed in the 1960s, which allowed the processing of financial transactions in real-time. (Lambert, Laura, 2005).

III.   Research methadology

The study adopted a descriptive research design to delve into the the Trust in Domestic E-commerce in Somaliland: Exploring Consumer Perceptions and Behavior. To ensure representative sampling, non-probability sampling methods were employed, utilizing simple random sampling techniques. The sample size of 210 individuals was determined meticulously using the Solvents Formula, emphasizing statistical significance. Upholding ethical standards, paramount importance was given to obtaining informed consent from participants and maintaining confidentiality throughout the research process.

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Data collection methods encompassed primary techniques such as questionnaires, complemented by secondary data extracted from existing literature. Employing close-ended questionnaires featuring Likert scale questions facilitated streamlined data collection, with the assistance of Google Forms. Subsequent data analysis was meticulously conducted using Microsoft Excel and SPSS, with a primary focus on frequency and percentage measurements to yield nuanced insights. To enhance accessibility and comprehension, the study's findings were meticulously presented through a combination of SPSS tables and Excel charts

IV.   Result and findings

Table 1 Respondents Information

		Frequency	percent	valid percent	cumulative percent
Gender	male	98	47%	47%	47%
	Female	112	53%	53%	100%
Martital stutus	single	129	61%	61%	61%
	Married	81	39%	39%	100%
Education	primmery school	60	29%	29%	29%
	Secondry School	95	45%	45%	74%
	University	55	26%	26%	100%
Expereince	1- 3 years	54	25%	25%	25%

| 4-5 years | 117 | 56% | 81% |
| Above 4 years | 40 | 19% | 100% |

Source primmery Data (2024)

Interpretations

The table provides an overview of respondent information, primarily focusing on gender, marital status, education, and experience. In terms of gender distribution, the respondents were almost evenly split, with 47% identifying as male and 53% as female. Regarding marital status, the majority were single (61%), while the remaining 39% were married.

Education levels varied among the respondents, with 29% having attended primary school, 45% secondary school, and 26% university. When it comes to experience, the largest proportion (56%) reported having 4-5 years of experience, followed by 25% with 1-3 years, and 19% with above 5 years. Overall, the table provides valuable insights into the demographic composition of the respondents, shedding light on their gender, marital status, education, and experience levels. These details are essential for understanding the demographics of the sample population and can aid in interpreting any subsequent findings or analyses derived from the data

Table 2: customer support and building trust

Descriptive Statistics				
	N	Mean	Std. Deviation	Interpretation
1. Interactions with customer support team influence your perception of the reliability and trust worthiness of our online business	210	2.2222	1.0672	Strongly agreed
2. When customer support team address your needs and concerns, it contributes to your trust in our online business?	210	2.4151	1.36486	Strongly agreed
3. How much do you agree prompt and helpful responses from our customer support team contribute to your confidence in the products/services offered byr online business	210	1.6604	.91863	Agree

4. customer support team build rapport and trust through their interactions with you in the context of online business	210	1.9245	1.01620	Strongly agreed
5. customer support efforts on strengthening your trust and loyalty to online business?	210	1.89	.963	Agree
Pooled Mean	1.82284	0.2886		

Source primmery Data (2024)

Interpretations:

The table 2 illustrates customer support and building trust. The The average mean score across all items is 1.82284 The average standard deviation of 0.2886. Respondents generally strongly agreed that their interactions with the customer support team significantly influence their perception of the online business's reliability and trustworthiness (Mean: 2.2222, Std. Deviation: 1.0672). This indicates a moderate level of agreement with some variability in responses. Similarly, addressing their needs and concerns by the customer support team was strongly agreed to contribute to their trust in the online business (Mean: 2.4151, Std. Deviation: 1.36486), suggesting a high level of agreement with greater variability compared to the first item. Additionally, respondents generally agreed that prompt and helpful responses from the customer support team contribute to their confidence in the products/services offered by the online business (Mean: 1.6604, Std. Deviation: 0.91863), indicating a positive perception with some variability in responses. Furthermore, respondents strongly agreed that the customer support team builds rapport and trust through their interactions in the context of the online business (Mean: 1.9245, Std. Deviation: 1.01620), suggesting a moderate to strong level of agreement with moderate variability. Finally, respondents agreed that customer support efforts contribute to strengthening their trust and loyalty to the online business (Mean: 1.89, Std. Deviation: 0.963), indicating a generally positive perception with moderate variability.

1.1 Table 3: online reveiws and consumer trust levels.

Source primmery Data (2024)

Descriptive Statistics				
	N	Mean	Std. Deviation	Interpretation
1. online reviews influence your trust in a business	210	2.7455	.92733	Neutral
2. you give to online reviews a priority when making purchasing decisions	210	1.76	.845	Strongly agree
3. you to trust a business with a high number of positive online reviews	210	1.84	.858	Agree
4. absence of online reviews affect your confidence in a business	210	1.68	.708	Agree
5. overall, it is mportant that online reviews builds trust with businesses you interact with	210	1.77	.820	Agree
Pooled mean	1.9601	0.8317		

Interpretations:

Table 3 shows the online reveiws and consumer trust levels. With average mean 1.9601 and std. Deviations 0.8317. Respondents held a neutral stance regarding the influence of online reviews on their trust in a business, with a mean score of 2.7455 and a standard deviation of 0.92733, suggesting a lack of strong agreement or disagreement. Conversely, respondents strongly agreed that they prioritize online reviews when making purchasing decisions, as indicated by a mean score of 1.76 and a standard deviation of 0.845, reflecting a high level of agreement. Additionally, respondents agreed that they trust a business with a high number of positive online reviews, with a mean score of 1.84 and a standard deviation of 0.858, indicating a positive perception. Similarly, respondents agreed that the absence of online reviews affects their confidence in a business, with a mean score of 1.68 and a standard deviation of 0.708, suggesting that online reviews play a significant role in shaping consumer confidence. Overall, respondents generally agreed that it is important for online reviews to build trust with businesses they interact with, with a mean score of 1.77 and a standard deviation of 0.820, indicating a positive perception regarding the role of online reviews in establishing trust.

Table 4: building trust and frequency of purchase of online bussiness

Source primmery Data (2024)

Descriptive Statistics				s
	N	Mean	Std. Deviation	Interpretation
1. the frequency of your online purchases correlate with your level of trust in online businesses	210	2.7455	.92733	Agree
2. To what extent do you agree or dis agree that regular online shopping contribute to your confidence in the reliability of e-commerce platforms?	210	1.89	.963	Agree
3. the consistency of your online purchasing behavior influence your trust in the digital marketplace	210	1.84	.858	Strongly agree
4. you trust an online business based on the frequency of your transactions with them	210	1.77	.820	Agree
5. how much would you agree or dis agree that the online shopping habits impact of your trust in e-commerce as a whole	210	3.5273	.95945	Neutral
Pooled mean	2.35496	0.9076		

Interpretations

Table 4 shows the building trust and frequency of purchase their avarage mean 2.35496 and standard deviation 0.9076. Table 4 provides descriptive statistics on the relationship between building trust and the frequency of online purchases. Respondents indicated a positive correlation between the frequency of their online purchases and their trust in online businesses, with a mean score of 2.7455 and a standard deviation of 0.92733. Similarly, they expressed agreement that regular online shopping contributes to their confidence in the reliability of e-commerce platforms, as

evidenced by a mean score of 1.89 and a standard deviation of 0.963. Furthermore, respondents strongly agreed that the consistency of their online purchasing behavior influences their trust in the digital marketplace, with a mean score of 1.84 and a standard deviation of 0.858. Additionally, they indicated trust in an online business based on the frequency of their transactions, with a mean score of 1.77 and a standard deviation of 0.820. However, respondents held a neutral stance regarding the impact of their online shopping habits on their trust in e-commerce as a whole, reflected in a mean

score of 3.5273 and a standard deviation of 0.95945.

Table 5 Summery of Discriptive Analysis

Variables	Pooled Mean	Std. dev
customer support and building trust	1.82284	0.2886
online reveiws and consumer trust levels.	1.9601	0.8317
building trust and frequency of purchase of online bussiness	2.35496	0.9076

Source primmery data 2024

Interpretations:

The statistics provided offer insights into various factors influencing consumer behavior and trust levels in online businesses. Customer support emerges as a key contributor, with a pooled mean of 1.82284 and a standard deviation of 0.2886, indicating its significant role in building trust. Similarly, online reviews exhibit influence, with a pooled mean of 1.9601 and a standard deviation of 0.8317, albeit with more variability in impact. Moreover, the relationship between building trust and the frequency of purchases in online businesses is noteworthy, reflected in a pooled mean of 2.35496 and a standard deviation of 0.9076, suggesting a strong correlation. These findings underscore the importance of fostering trust through robust customer support and managing online reviews effectively to drive consumer trust levels and ultimately enhance the frequency of purchases in online commerce.

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