
Trust and Confidence in eBay and TradeMe: a Comparison

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Introduction

The ease of access to online shopping has meant a rapid increase in its use. Also the sense of fun and adventure of online auctions, with the ever-present hope for a bargain, has meant the huge increase in use of this area of the Internet. In this case, the comparison was between the "big two" successful online shopping websites, eBay and TradeMe to examine the issues of trust and confidence of people who conduct transactions on these websites.

Literature review (selected)

Consumer peace of mind is one of the most important factors when shopping online. Consumers are faced with the possibilities of financial loss, non-delivery, and possibilities of performance risk (qualities of product). Thus consumers need protection to help them overcome any perceived risks and to promote trust and confidence (Griggs, 2009). There are a variety of key factors involved in establishing consumer trust and loyalty to a website, to promote consumer satisfaction and help them decided to make a purchase and one of the most significant is security (Martin & Camarero,, 2008). Positive experiences of security will increase consumer satisfaction and consequently enhance trust and the probability for repurchase (Martin & Camarero, 2008).

Comparison

EBay, along with many other online stores use PayPal for secure online purchasing. PayPal can protect people from fraud and also help people claim money back from bad purchases. PayPal has a dispute resolution centre to resolve any problems occurring after the buyer may have experienced such issues as non-delivery or receiving goods that are different from that described in the listings (PayPal, 2009). TradeMe's SafeTrader manages the exchange of both goods and money (SafeTrader, 2009). Both buyer and seller sign up to SafeTrader first and agree

This poster paper appeared at the 1st annual conference of Computing and Information Technology Research and Education New Zealand (CITRENZ2010) incorporating the 23rd Annual Conference of the National Advisory Committee on Computing Qualifications, Dunedin, New Zealand, July 6-9. Samuel Mann and Michael Verhaart (Eds).

on the details of their transaction. When the buyer buys a product, the money is paid to SafeTrader who hold it in a secure ASB Trust Account. Shipping is tracked and after the buyer has received the product and has signed for it, SafeTrader pays the money directly into the seller's account and the transaction is complete.

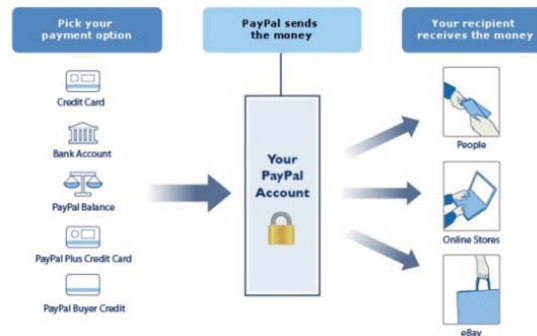


Figure 1 –The PayPal payment process



Figure 2 – The SafeTrader payment process

Results

Results of a survey conducted in Christchurch confirmed security as a significant factor for online shopping or auctions. The survey further showed the level of trust that people were prepared to put into eBay and TradeMe.

Conclusion

It appears that most people are aware of the risks of online shopping and auctions and agree security is a major issue

for them. The survey having been conducted in Christchurch there was some degree of bias in the responses towards the use of TradeMe, but trust and confidence in eBay was still high.

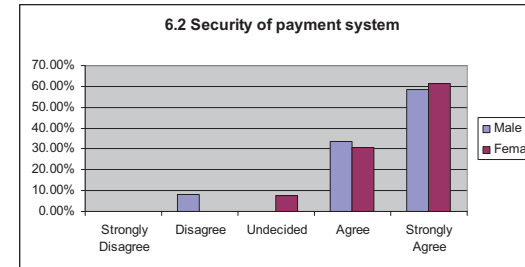


Figure 3 – Security of the online payment system

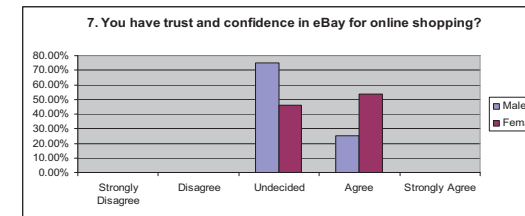


Figure 4 – Trust in eBay and TradeMe

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