Trustbusters: Enforcing Account Creation

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ABSTRACT

In this paper, we describe the enforcement of customer account creation from ecommerce vendors as a trustbuster element. This is the situation whereby ecommerce vendors require customers to create accounts, typically with usernames and passwords as opposed supporting transactions in as few steps as the technology can now allow.

This can be argued as being a usability issue and/or an issue of trust, either of which carry with them an increasing likelihood for transactions to be abandoned by the users concerned.

General Terms

Performance, Design, Security, Human Factors, Verification.

Keywords

Ecommerce, account creation, guest accounts, trustbusting

1. INTRODUCTION

This paper is concerned with a potential trustbuster issue that still remains prevalent within many business-to-consumer ecommerce websites – the practice of enforcing account creation to new customers.

Many online retailers maintain the early practices of requiring customers to create an account, along with the obligatory username and password before being able to process a transaction.

Several (mainly UK-based) online retailers have recognized an issue in adhering to this practice and as such have made changes in the payment process options, such as allowing guest checkout and including a wider array of payment handling companies to process transactions.

The use of a guest checkout facility can be understood as more of a usability concern than a trust issue as it arguably operates to smooth the transaction for the consumer. This also facilitates for more spontaneous purchasing, which therefore has a knock-on financial benefit. Important brands are moving towards ecommerce technology for increased sale of their products (Sharma: 2013) However, trust elements are involved and get brought more to the forefront when guest checkouts can be tied in with third party payment handlers such as PayPal. This combination allows a new customer to make a purchase without creating an account or in some cases, without having to input billing or payment information.

2. ACCOUNT ENFORCEMENT

There is a clear value to the vendor in obtaining customer details for marketing and gaining insight into customer habits (Day: 2003; Keiningham et al: 2008). However from the consumer side, enforcing this can result in abandoned transaction whether it is as a result of annoyance or a lack of trust. The likelihood of this occurring is increased when the purchasing in question is considered to be impulsive, spontaneous or something considered being one-off.

Enforcing an unnecessary layer in the purchasing process such as this can work to damage the initial user experience; an interaction experience that can also be understood to be one of the most crucial to an online vendor.

There is the ability to gain customer insight from the enforcement of account creation, such as tracking searches, purchase history, etc, but the amount of insight gained is zero if the consumer abandons the transaction at an initial stage. The vendor needs to understand that there is a noticeable trade-off between gaining the customers information or gaining a sale from the customer.

The above assumes that there is a potential to 'gain insight' from the customers, insight that can be capitalized on, through targeted marketing campaigns, etc. However, this also assumes that the vendors in question are multi-channel operations working in highly competitive environments, as opposed to vendors of niche products where repeat custom is highly unlikely, e.g. salt and pepper pot manufactures.

For these latter type operations, streamlined processing with minimal intrusion that supports impulsive purchasing is surely more crucial to the vendor.

3. ALTERNATIVE APPROACHES

A noticeable shift in attitude of various online vendors – namely UK based vendors such as schuh.co.uk, apple.co.uk, paulsmith.co.uk – and their approaches to customer account creation is starting to appear. A more relaxed and more straightforward approach is beginning to emerge, however it is challenging to establish whether vendors have adopted this as a method of overcoming trust concerns, or whether it is merely a tool to support impulsive transactions.

This relaxed attitude is something that is applied to the use of payment options, with an increasing prevalence of payment

handling companies such as PayPal integrating almost seamlessly into the vendors website. The author recognizes two clear benefits in supporting this:

i. It supports this notion of impulsive transactions by reducing the amount of 'steps' needed for the customer to complete a purchase. The speed at which a transaction can be completed is improved massively.

ii. Has the potential to enhance the aspect of trust, as an external party, such as PayPal, noticeably handles the payment process. In short, if the customer 'trusts' and has an account with the likes of PayPal, then they have little or no requirement to 'trust' the payment-processing infrastructure of the vendor.

The demand for duplicate information is something that is still prevalent within the three example websites that are used. Each of these three sites allow for guest accounts and third party payment in the form of PayPal, but each demand 'billing and/or delivery information' prior to selecting the payment method.

One of the customer incentives – outside of the trust bracket – for using third party payment companies such as PayPal is that this information is already stored and passed to the vendor. The requirement to enter it in is therefore largely unnecessary; negatively impacts upon the speed of transaction process and can potentially affect the customer's impression of trust.

4. DRIVERS

The website operators' rationale for facilitating transactions with minimal customer data requirements is challenging to establish externally. The author carries the notion that the central drivers for this are three fold:

i. Smoother transaction process, which has a clear potential to increase sales, something particularly important with regards to impulsive sales. (Sharma: 2013) If a customer can see the product and instantly purchase it within as few steps as the technology allows, then this carries clear advantages.

ii. Potential to increase sales as the prerequisite for the customer to trust in the vendors' ability to process transactions securely, and hold customer data is no longer required.

iii. With ecommerce becoming increasingly ubiquitous, it can be seen as a competitive advantage to facilitate for consumers to be able to make a purchase with the minimum necessary information without the need to develop a relationship with the vendor. A single, straightforward transaction

The negative aspect to the vendor is that their ability to gain customer insight is minimal; however the author feels – in some circumstances – that making the sale is the more crucial aspect. This is particularly important if the vendor is aware that transactions within their own website are often abandoned by new customers due to the enforcement of account creation.

In short, if the vendor runs the risk of losing the transaction as a result of demanding account creation, then the logical alternative is to ensure the revenue is still maintained albeit at the cost of receiving little or no detailed customer information. If demanding the customer information increases the likelihood of losing the sale, then the tradeoff should be established of still securing the transaction revenue from bypassing the customer information.

From the user perspective, the ability to fulfill transactions online whilst relinquishing the scantest of personal information to the vendor has a significant impact upon the aspect of trust and usability.

With respect to usability, the use of guest checkouts and third party payment handlers ensures that the transaction is completed with a minimal amount of 'keyed' data from the user. This enables greater speed of transactions as there are fewer steps, the majority of which will require less data. As a result of this, the potential to make mistakes is also significantly reduced if the factors such as payment and delivery addresses are effectively pulled from file.

More crucially, guest checkout enables the user to fulfill a purchase without the need of having to create another username and remember another password. This is something that can prove excessive, particularly if the transaction concerns a one off purchase. Negating the need to manage another account, username and another password is something that most regular users of ecommerce would – arguably – be in favor of (Tam, Glassman & Vandenwauver: 2009). Whether this would increase the likelihood of repeating a purchase from a vendor is something that would be difficult to establish, however logic would suggest that by removing the barrier of 'managing' an account provides one less negative reason to chose another vendor.

This guest account technique ensures that the users information is stored on a minimal amount of servers and, more crucially, if third party payment handlers are used, duplication of sensitive customer information isn't required. It remains held by one company.

The opposing approach of demanding account creation essentially means that the customer is required to duplicate their personal and payment information onto another vendor's servers. The speed of the initial transaction is unnecessarily extended, the potential for mistakes in greater and the prerequisite exists for the customer to have trust within the vendor's ability to store and manage sensitive data. Finally, the customer is also required to manage this account by remembering usernames, password and perhaps answers to security questions all in order to facilitate what may be, a single, never to be repeated transaction. When this is considered, it becomes understandable as to why some users will chose to abandon such a transaction in favor of using an existing vendor for which they have an account, or to abandon it with no substitute at all.

5. CONCLUSION

Requiring new customers to create an account, provide sensitive personal and payment information and then expecting the user to manage the account in the form of usernames, passwords, and the like is a potential means of trustbusting.

The significance of this type of process can be further heightened depending on the nature of the transaction in question. For

instance a purchase of insignificant value, importance or an impulsive purchase can be easily abandoned when the amount of trust and effort needed to facilitate the transaction is faced up to.

Completing purchases online is, to many users, becoming second nature and the need to create and manage numerous accounts, repeatedly relinquish sensitive information for vendors to store can, understandably, turn into a tiresome process. As more and more vendors are choosing to facilitate transactions with the emphasis on usability – in the form of guest accounts and third party payment handlers – users will begin to acknowledge that ecommerce transactions can be completed in a more secure, straightforward manner without the need to share and manage their personal information.

6. ACKNOWLEDGMENTS

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