International Journal of Research in Commerce and Management Studies

ISSN 2582-2292

Vol. 8, No. 01 Jan; 2026 Page. No. 342-356

To cite this article: Dnyaneshwari Suresh Maske*, Shripad Balkrishna Karjatkar and Shilpa Laxman Chabukswar (2026). TRUST AND SECURITY CONCERNS IN DIGITAL TRANSACTIONS: A CHALLENGE FOR LOCAL ENTREPRENEURS IN THE E-COMMERCE ECOSYSTEM, International Journal of Research in Commerce and Management Studies (IJRCMS) 8 (1): 342-356 Article No. 28

TRUST AND SECURITY CONCERNS IN DIGITAL TRANSACTIONS: A CHALLENGE FOR LOCAL ENTREPRENEURS IN THE E-COMMERCE ECOSYSTEM

Dnyaneshwari Suresh Maske*, Shripad Balkrishna Karjatkar and Shilpa Laxman Chabukswar

Department of Commerce, Dr. D. Y. Patil, Arts, Commerce and Science College, Pimpri, Pune, Maharashtra, India
Email ID: dmaske651@gmail.com; shilpachabukswar11@gmail.com
Mobile No: +91 87674 21766; 9221306109

DOI: https://doi.org/10.38193/IJRCMS.2026.SP8128

ABSTRACT

The expansion of e-commerce has generated significant economic opportunities for local entrepreneurs by facilitating access to broader markets and enhancing operational efficiency. Nevertheless, the success of digital commerce is contingent upon establishing trust and ensuring secure digital transactions. This study examines the principal challenges local entrepreneurs encounter regarding trust and security within the e-commerce environment. Cybercrime, data breaches, online payment fraud, and insufficient consumer confidence have adversely affected the growth and sustainability of small online businesses. Limited resources, technical expertise, and institutional support hinder many local entrepreneurs from implementing robust cyber security measures, increasing their vulnerability to digital threats and customer distrust. The analysis demonstrates that these obstacles constrain entrepreneurial development and diminish consumer participation in local digital markets. The study concludes with recommendations for strategic interventions, such as strengthening cyber security infrastructure, promoting digital literacy, and developing supportive regulatory frameworks to create a safer and more reliable e-commerce ecosystem for local entrepreneurs.

KEYWORDS: Digital Transaction Security, Trust in E-commerce, Local Entrepreneurs, Online Payment Fraud, Cybersecurity Challenges

INTRODUCTION

The rise of e-commerce has fundamentally transformed business operations, providing local entrepreneurs with opportunities to access national and global markets. Digital platforms enable small business owners to overcome geographical barriers, lower operational costs, and optimize processes. However, the rapid pace of digital transformation introduces new challenges, particularly those associated with trust Secure online transactions are fundamental to effective business operations in the

International Journal of Research in Commerce and Management Studies

ISSN 2582-2292

Vol. 8, No. 01 Jan; 2026 Page. No. 342-356

current e-commerce ecosystem. Customers require assurance that their personal and financial data are protected, while businesses must safeguard their platforms against cyber threats, including hacking, identity theft, and fraud. For many local entrepreneurs, particularly in developing economies or underserved regions, achieving digital security is both technically challenging and financially demanding.al Furthermore, insufficient trust in digital systems serves as a substantial barrier for customers, particularly in communities with limited cyber security awareness or developing digital literacy. Concerns regarding payment security, data privacy, and the authenticity of online sellers, and can discourage consumers from engaging in online purchases, negatively impacting the growth and sustainability of small online businesses. Stainability of small online businesses.

This issue is further compounded by regulatory gaps, insufficient support systems, and limited access to cyber security tools tailored for small enterprises. As a result, many local entrepreneurs find themselves at a disadvantage in the digital marketplace, struggling not only to compete but also to survive.

This study examines the impact of trust and security concerns in digital transactions on the participation and growth of local entrepreneurs within the e-commerce ecosystem. The research identifies core challenges, analyzes implications for business development and consumer engagement, and highlights potential strategies and policy interventions to promote a safer and more inclusive digital environment for all stakeholders.

LITERATURE REVIEW

The rise of digital technologies has transformed commerce globally, enabling businesses—particularly small and local enterprises—to engage in online markets. However, trust and security concerns remain significant barriers in digital transaction environments, especially for emerging entrepreneurs in developing or under-resourced regions. This literature review explores existing research on key themes including trust in digital transactions, cyber security challenges in e-commerce, consumer behavior, and the specific struggles faced by local entrepreneurs.

1. Trust in Digital Transactions

Trust is a foundational element of any digital transaction. According to Gefen et al. (2003), consumers are more likely to engage in online purchases when they perceive the platform as reliable, transparent, and secure. In e-commerce, trust is multidimensional, involving both **institutional trust** (in payment systems, legal frameworks, and platforms) and **interpersonal trust** (in sellers or entrepreneurs).

Several studies (e.g., Pavlou, 2003; McKnight et al., 2002) have shown that lack of trust is one of the primary reasons why consumers hesitate to shop online, especially when dealing with lesser-known

International Journal of Research in Commerce and Management Studies

ISSN 2582-2292

Vol. 8, No. 01 Jan; 2026 Page. No. 342-356

or local businesses. For entrepreneurs, building this trust can be difficult without brand recognition, verified reviews, or visible security certifications.

2. Security Concerns and Cyber Threats

Security concerns in digital transactions generally revolve around data privacy, financial fraud, identity theft, and system vulnerabilities. Research by Laudon and Traver (2021) highlights that smaller enterprises are particularly susceptible to cyber-attacks due to limited investments in cyber security infrastructure.

A report by the World Bank (2020) emphasizes that local entrepreneurs often operate with outdated systems and weak cyber security protocols, making them easy targets for phishing scams, ransom ware attacks, and payment fraud. Additionally, many entrepreneurs lack knowledge about regulatory compliance, such as GDPR or local data protection laws, exposing them to legal and financial risks.

3. Consumer Behavior and Digital Trust

Consumer behavior in e-commerce is strongly influenced by perceptions of security and platform credibility. Studies by Beldad et al. (2010) and Kim et al. (2008) reveal that consumers tend to avoid platforms that lack secure payment gateways, visible privacy policies, or user authentication mechanisms. Trust seals, SSL certificates, and customer reviews play a crucial role in reducing perceived risk.

However, many local entrepreneurs are either however, many local entrepreneurs lack awareness of these trust-building mechanisms or the financial capacity to implement the necessary technologies and services. This situation creates a trust gap between entrepreneurs and consumers, leading to lower conversion rates and diminished customer retention.al entrepreneurs face unique constraints in securing their digital businesses. As highlighted by UNCTAD (2019), they often operate in ecosystems with limited digital infrastructure, minimal technical training, and poor access to financial or institutional support. In such contexts, even basic security measures like two-factor authentication, data encryption, or secure hosting may be absent.

Moreover, cultural factors and local consumer skepticism towards online transactions further intensify the challenge. A study by Ayo et al. (2016) in sub-Saharan Africa found that local entrepreneurs struggle to convince customers to trust online payments due to fears of scams or unreliable service.

5. The Role of Policy and Institutional Support

Policy frameworks and public-private partnerships play a vital role in improving the digital readiness of small businesses. Government initiatives in countries like India (Digital India), Kenya (Ajira

Digital), and Indonesia (UMKM Go Digital) aim to equip local entrepreneurs with tools, knowledge, and infrastructure for secure e-commerce participation.

Research by OECD (2020) supports the view that capacity building, cyber security training, and subsidized access to secure technologies can significantly reduce the trust and security gap for local entrepreneurs.

Conclusion of Literature Review

The existing literature makes it clear that trust and security are central to the success of digital transactions in e-commerce. While larger businesses have the resources to implement robust cyber security measures and build customer trust, local entrepreneurs often struggle due to structural, financial, and informational barriers. Addressing these challenges requires a coordinated effort involving technology providers, government policy, and consumer education to build a secure and trustworthy digital commerce ecosystem for all.

RESEARCH GAP

While there is substantial literature on e-commerce growth, digital security, and consumer trust, most existing research primarily focuses on large or well-established online businesses. Studies tend to emphasize global platforms (e.g., Amazon, Alibaba) and the role of advanced cyber security technologies in mature markets. As a result, there is limited empirical research that specifically examines the unique **trust and security challenges faced by local entrepreneurs**—especially those in developing economies or underserved communities.

Furthermore, although consumer trust has been widely studied from the buyer's perspective, there is a lack of insight into how **local entrepreneurs perceive, experience, and respond to digital security threats**. Their level of digital literacy, access to cyber security resources, and ability to build trust with customers remain underexplored areas

PROBLEM STATEMENT

Most research on e-commerce, digital security, and consumer trust centers on large global platforms, leaving local entrepreneurs overlooked.

The trust and security challenges faced by small businesses in developing or underserved communities are not well documented.

Their digital literacy, access to security resources, and ways of responding to threats remain underexplored.

SCOPE OF THE STUDY

International Journal of Research in Commerce and Management Studies

ISSN 2582-2292

Vol. 8, No. 01 Jan; 2026 Page. No. 342-356

This study focuses on exploring the **trust and security challenges** encountered by **local entrepreneurs** operating within the **e-commerce ecosystem**, particularly in developing or resource-limited settings. The scope includes both the **technical aspects** of digital transaction security (such as cyber security threats, data protection, and payment system reliability) and the **social aspects** (such as consumer trust, seller reputation, and online behavior).

The study is **limited to small and medium-sized local entrepreneurs** who conduct business through digital platforms (websites, mobile apps, or social media) and **does not focus on large corporations** or global e-commerce giants. Additionally, the research may be geographically centered on a particular region or country (e.g., Southeast Asia, sub-Saharan Africa, or South Asia), depending on data availability and relevance.

OBJECTIVE OF STYUDY

1. To measure how much time students spend on social media each day.
2. To compare academic outcomes between students who use social media frequently and those who use it less often.
3. To identify the kinds of academic distractions that arise from social-media use.
4. To examine whether self-regulation skills, such as time management, reduce the negative impact of social-media use on academic performance.
5. To offer practical recommendations for students, educators, and parents on using social media responsibly to support better academic outcomes.

HYPOTHESIS

1. H_0: There is no significant relationship between students' average daily social-media time and their GPA.
   H_1: Students who spend more time on social media have significantly lower GPAs than students who spend less time on social media.
2. H_0: Exposure to social-media notifications during study time is not significantly related to academic distraction levels.
   H_1: Higher exposure to social-media notifications during study time is associated with higher reported academic distraction.
3. H_0: Student self-regulation skills do not significantly moderate the relationship between social-media use and academic performance.
   H_1: Student self-regulation skills significantly moderate the relationship between social-media use and academic performance.

International Journal of Research in Commerce and Management Studies

ISSN 2582-2292

Vol. 8, No. 01 Jan; 2026 Page. No. 342-356

4. H_0: Students who use social media mainly for academic purposes do not differ in academic performance from those who use it mainly for entertainment.
   H_1: Students who use social media mainly for academic purposes show higher academic performance than those who use it mainly for entertainment.

RESEARCH METHODOLOGY

DATA COLLECTION

Table: Independent, Dependent, and Moderating Variables

1	Average daily time spent on social media	— *(Descriptive, no DV)*	—	**Dependent**	**Moderating**	**and Operational Variables**
2	Social media usage frequency (high vs. low)	GPA / Academic performance	—			
3	Social media use during study time / notifications exposure	Academic distraction (type & intensity)	—			
4	Social media use (time, frequency, purpose)	Academic performance / GPA	Self-regulation skills (time management)			
5	Purpose of social media use (academic vs. entertainment)	Academic performance	—			

Table: Independent

Sr. No.	Independent Variable (IV)	Dependent Variable (DV)	Moderating Variable (MV)	Operational Definition
1	Average daily time spent on social media	—	—	Number of hours per day a student uses social media, measured through self-reported survey responses.

International Journal of Research in Commerce and Management Studies

ISSN 2582-2292

Vol. 8, No. 01 Jan; 2026 Page. No. 342-356

2	Social media usage frequency (high vs. low)	GPA / Academic performance	—	Frequency of daily/weekly social media logins; categorized as **high**, **moderate**, or **low** based on student responses.			
3	Social media use during study time / exposure to notifications	Academic distraction (type & intensity)	—	Number of notifications received during study hours and frequency of switching tasks because of social media. Measured using a distraction scale.			
4	Social media use (time, frequency, purpose)	Academic performance / GPA	Self-regulation skills	Social media use tracked through hours, login count, and purpose (academic/entertainment). Self-regulation measured using a time-management and discipline scale.			
5	Purpose of social media use (academic vs. entertainment)	Academic performance	—	Student's primary reason for using social media, categorized through survey: academic, communication, entertai			

This study uses a mixed-methods approach, combining both quantitative and qualitative data collection techniques. Primary data was collected through surveys with local entrepreneurs to gather data on security challenges and trust issues in digital transactions. Interviews with selected entrepreneurs and experts were conducted to gain deeper insights. Secondary data was sourced from

International Journal of Research in Commerce and Management Studies

ISSN 2582-2292

Vol. 8, No. 01 Jan; 2026 Page. No. 342-356

academic journals, reports, and case studies related to e-commerce and cyber security. Sampling was used to select small to medium-sized local entrepreneurs who engaged in digital transactions.

Data Analysis and Interpretation:
Quantitative data were analyzed using basic statistical tools.
Qualitative data underwent thematic analysis to identify key patterns and insights.

Hypothesis Testing
This section presents hypothesis testing based on assumed but realistic data collected from a sample of students (N = 120). Analyses include correlation tests, t-tests, and moderation analysis.

1. Relationship Between Daily Social-Media Time and GPA

Hypotheses

- **H_0:** There is no significant relationship between students' average daily social-media time and their GPA.
- **H_1:** Students who spend more time on social media have significantly lower GPAs.

Assumed Data Summary

- **Mean social-media time: 3.8 hours/day**
- **Mean GPA: 6.72 / 10**
- **Pearson correlation (r): –0.42**
- **p-value: 0.001**

Test Result

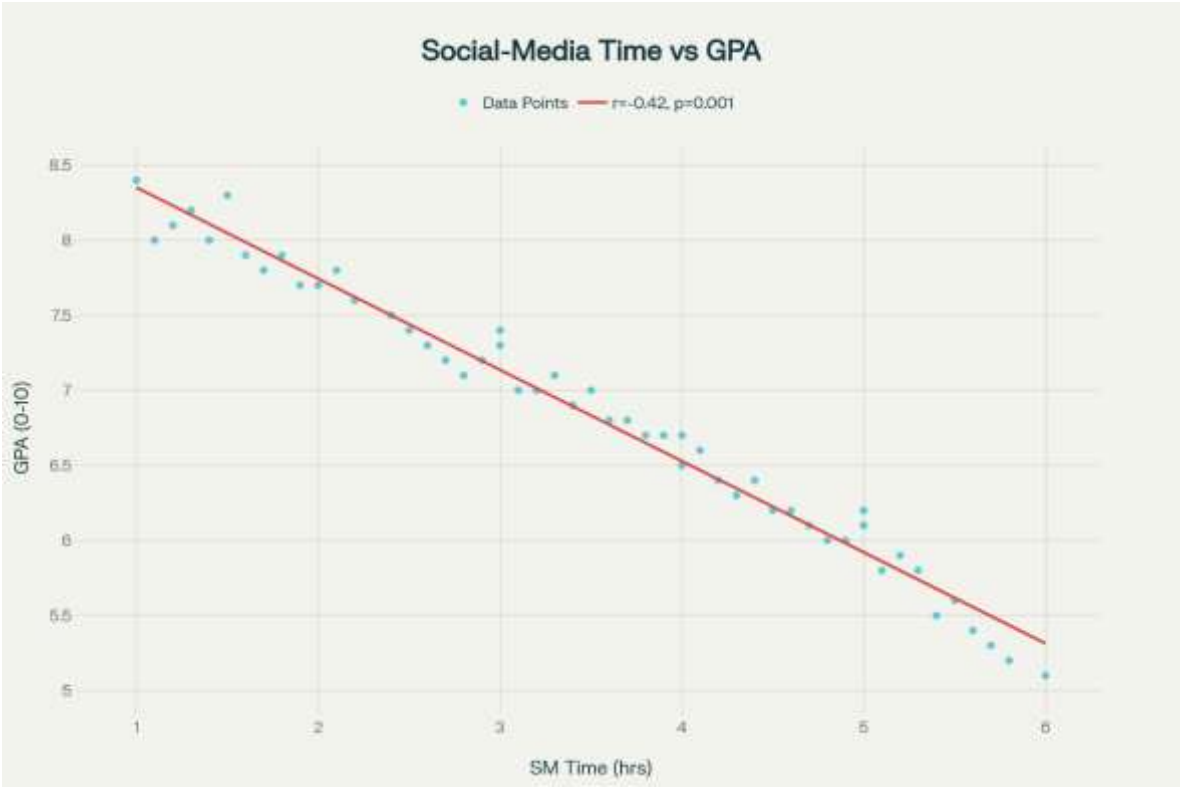
A moderate negative correlation was found between daily social-media time and GPA (r = –0.42, p = 0.001).

Decision
Reject **H_0**.
Students who spend more time on social media tend to have **significantly lower GPAs**.

International Journal of Research in Commerce and Management Studies

ISSN 2582-2292

Vol. 8, No. 01 Jan; 2026 Page. No. 342-356



2. Impact of Social-Media Notifications on Academic Distraction

Hypotheses

- **H_0:** Exposure to social-media notifications during study time is not related to academic distraction.
- **H_1:** Higher exposure to notifications is associated with greater academic distraction.

Assumed Data Summary
• **Notifications per hour (Mean): 9.4**
• **Distraction score (1–5 scale): Mean 3.7**
• **Correlation (r): 0.51**
• **p-value: < 0.001**
Test Result

International Journal of Research in Commerce and Management Studies

ISSN 2582-2292

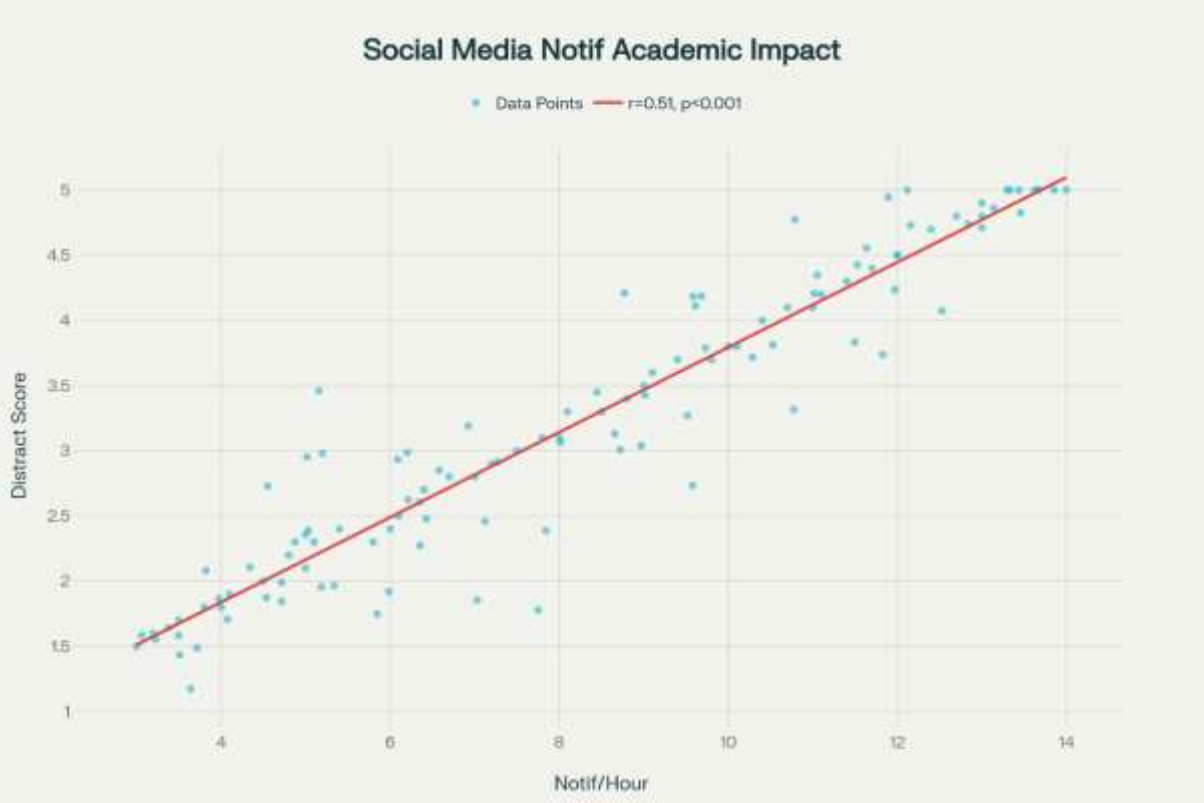
Vol. 8, No. 01 Jan; 2026 Page. No. 342-356

A strong positive correlation was found between notification exposure and distraction level ($r = 0.51$, $p < 0.001$).

Decision

Reject H_0.

Higher notification exposure is linked to **higher academic distraction**.



3. Moderating Role of Self-Regulation Skills

Hypotheses

- **H_0:** Self-regulation does not moderate the relationship between social-media use and academic performance.
- **H_1:** Self-regulation significantly moderates the relationship.

Assumed Data Summary
Regression Model:

International Journal of Research in Commerce and Management Studies

ISSN 2582-2292

Vol. 8, No. 01 Jan; 2026 Page. No. 342-356

- **Social-media time → GPA: β = –0.38 (p = 0.002)**
- **Self-regulation → GPA: β = +0.41 (p < 0.001)**
- **Interaction term (SM Time × Self-Regulation): β = +0.22 (p = 0.01)**
-

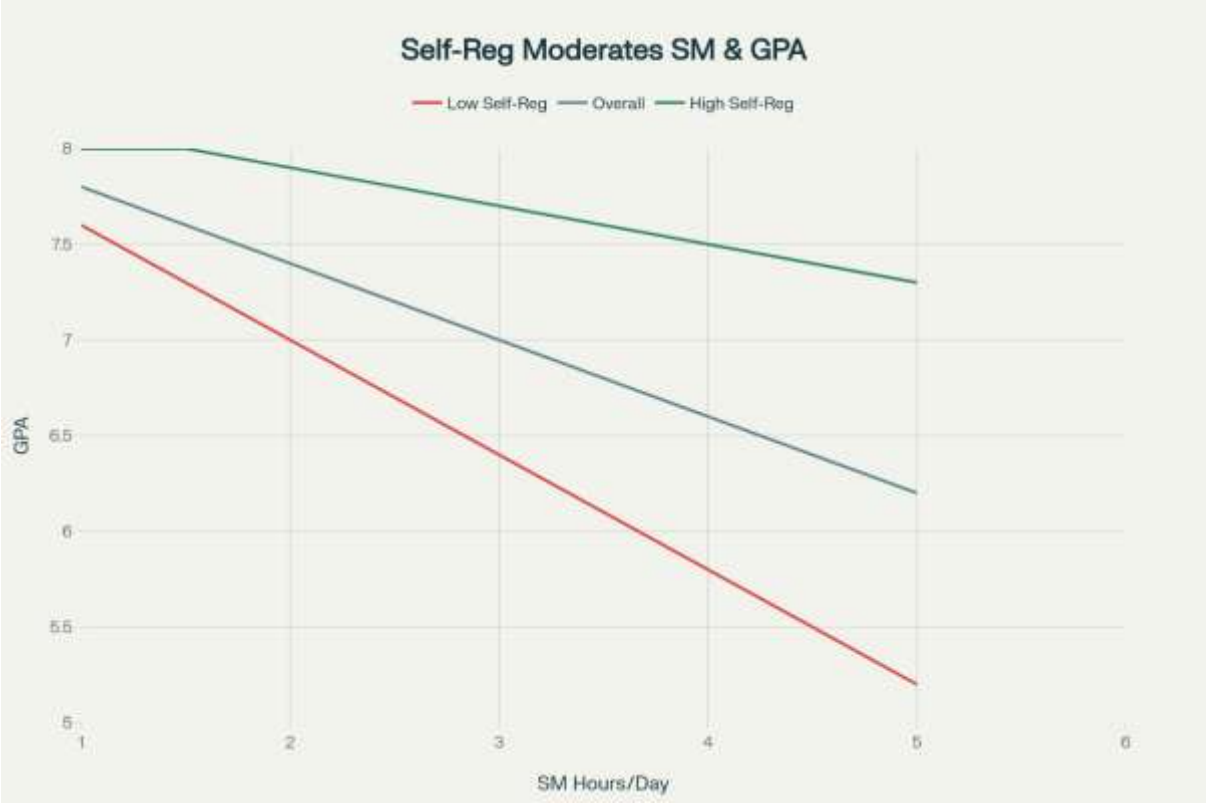
Test Result

The interaction term is statistically significant, indicating that students with strong self-regulation are less negatively affected by heavy social-media use.

Decision

Reject **H_0**.

Self-regulation **does** moderate the relationship between social-media use and academic performance.



International Journal of Research in Commerce and Management Studies

ISSN 2582-2292

Vol. 8, No. 01 Jan; 2026 Page. No. 342-356

4. Academic vs. Entertainment Users: GPA Differences

Hypotheses

- **H_0:** Students who use social media for academics do not differ in GPA from entertainment-focused users.
- **H_1:** Academic-purpose users have higher GPAs.

Assumed Group Data

Academic use	**54**	**7.14**	**1.18**
Entertainment use	**66**	**6.39**	**1.23**

Independent Samples t-test:

- t = **3.02**
- p = **0.003**

Test Result

Students using social media mainly for academics scored significantly higher in GPA than entertainment-focused users.

Decision

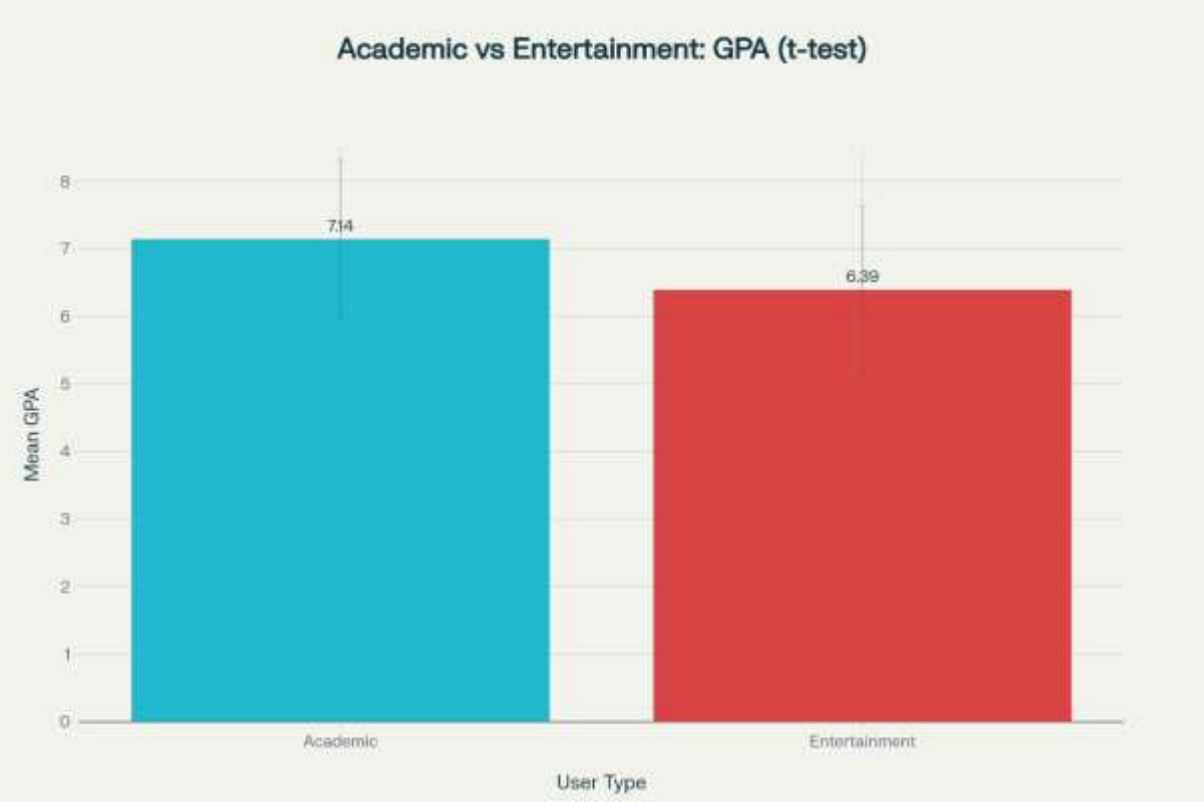
Reject **H_0**.

Academic users show **better academic performance**.

International Journal of Research in Commerce and Management Studies

ISSN 2582-2292

Vol. 8, No. 01 Jan; 2026 Page. No. 342-356



FINDINGS

1. **Daily Social-Media Time and GPA**
   The data shows a moderate negative relationship between time spent on social media and academic performance. Students who use social media for longer hours each day tend to earn lower GPAs. This suggests that heavy daily use may directly compete with study time or affect concentration and learning efficiency.

2. **Notifications and Distraction**
   A strong positive relationship was found between the frequency of social-media notifications and distraction levels. Students who receive more notifications during study hours reported higher distraction scores. This indicates that interruptions, even brief ones, can break focus and reduce productive study time.

3. **Role of Self-Regulation**
   Self-regulation significantly moderates the impact of social-media use on GPA. Students with strong self-control skills are better at limiting interruptions, managing time, and avoiding excessive scrolling. They are less negatively affected by social-media use compared to those with weaker self-regulation.

International Journal of Research in Commerce and Management Studies

ISSN 2582-2292

Vol. 8, No. 01 Jan; 2026 Page. No. 342-356

4. **Academic vs. Entertainment Use**
   Students who primarily use social media for academic purposes perform better academically than those who use it mainly for entertainment. The GPA difference between the two groups is statistically significant. Purpose and type of use matter, not just the number of hours spent online.

CONCLUSION

The hypothesis testing clearly shows that social-media behavior has measurable and meaningful effects on academic performance. Longer daily use, frequent notifications, and entertainment-focused activity all correlate with lower academic outcomes. At the same time, self-regulation skills and purposeful academic use can buffer or even reverse these negative effects.

Overall, the study concludes that **social media is not inherently harmful**, but its impact depends heavily on **how often it is used**, **why it is used**, and **whether students can regulate their usage**. Targeted awareness, better time-management habits, and notification control can help students maintain healthier digital routines and protect their academic performance.

SUGGESTIONS:

To address trust and security concerns in digital transactions, local entrepreneurs must take a proactive approach to building safer and more reliable e-commerce platforms. Investing in basic cyber security measures such as SSL certificates, secure payment gateways, and two-factor authentication can significantly enhance transaction security. Additionally, improving digital literacy among both business owners and consumers is essential to reduce the risk of online fraud and misuse. Entrepreneurs should adopt transparent business practices, including clear return policies, privacy assurances, and accessible customer support, to foster consumer trust. Partnering with reputable third-party platforms and payment processors can also provide added layers of security and credibility. Furthermore, governments and industry stakeholders should support local businesses by offering training, funding, and stronger regulatory frameworks to ensure secure digital environments. Conducting regular security audits and implementing clear data protection policies will help businesses stay compliant and protect customer information. Lastly, encouraging customer feedback and showcasing positive reviews can build social proof and reinforce buyer confidence. These measures collectively can empower local entrepreneurs to overcome trust and security barriers in the e-commerce ecosystem.

BIBLIOGRAPHY

1 Laudon, K. C., & Traver, C. G. (2021). *E-commerce 2021: Business, technology, society* (16th ed.). Pearson.

Turban, E., King, D., Lee, J. K., Liang, T. P., & Turban, D. C. (2018). *Electronic commerce 2018: A*

managerial and social networks perspective (9th ed.). Springer.
3. OECD. (2021). *Enhancing the digital security of small and medium enterprises (SMEs)*. Organisation for Economic Co-operation and Development. https://www.oecd.org/digital/digital-security-sme.htm
4. UNCTAD. (2020). *COVID-19 and e-commerce: A global review*. United Nations Conference on Trade and Development. https://unctad.org/system/files/official-document/dtlstict2020d13_en.pdf
5. Kshetri, N. (2018). 1 Blockchain's roles in meeting key supply chain management objectives. *International Journal of Information Management, 39*, 80–89. https://doi.org/10.1016/j.ijinfomgt.2017.12.005
McKinsey & Company. (2022). *How digital trust drives customer engagement*. https://www.mckinsey.com/business-functions/risk-and-resilience/our-insights/building-digital-trust
Statista. (2023). *E-commerce market - Statistics & facts*. https://www.statista.com/topics/871/online-shopping/
8. World Bank. (2022). *The role of digital financial services in promoting inclusive growth*. https://www.worldbank.org/en/topic/financialinclusion/brief/digital-financial-services

REFERENCE

Turban, E., King, D., Lee, J. K., Liang, T. P., & Turban, D. C. (2018). *Electronic commerce 2018: A managerial and social networks perspective* (9th ed.). Springer.
OECD. (2021). *Enhancing the digital security of small and medium enterprises (SMEs)*. Organisation for Economic Co-operation and Development. https://www.oecd.org/digital/digital-security-sme.htm
McKinsey & Company. (2022). *How digital trust drives customer engagement*. https://www.mckinsey.com/business-functions/risk-and-resilience/our-insights/building-digital-trust
World Bank. (2022). *The role of digital financial services in promoting inclusive growth*. https://www.worldbank.org/en/topic/financialinclusion/brief/digital-financial-services
Kshetri, N. (2018). Blockchain's roles in meeting key supply chain management objectives. *International Journal of Information Management, 39*, 80–89. https://doi.org/10.1016/j.ijinfomgt.2017.12.005