An Empirical Study on Predicting User Acceptance of Online Apparel Shopping in Iran

Nariman Pahlavanyali, Lula University of Technology, Tehran, Iran
Seyyed Mohammad Hossein Momeni, Lula University of Technology, Tehran, Iran

ABSTRACT

E-commerce is an emerging market and a developing research field in Iran. The main factors influencing the Iranian consumer's intention towards shopping apparels online are of utmost importance, which the authors are aimed to study. The framework developed for accomplishing this task is created combining constructs of Trust and Perceived Risk with the Technology Acceptance Model which tries to demonstrate the relationship between those two constructs and the subcomponents of TAM including Attitude, Perceived Usefulness, and Perceived Ease of Use and the strengths of these relationships. The findings of this study illustrate the importance of Trust which is proved to have significant direct relationship with Intention and Perceived Risk which has both direct and indirect relationships with Intention. The impact of Perceived Risk is even more critical once the cultural dimension of the country put into account. It is concluded that minimizing the risk of online shopping along with maximizing the trust in this purchasing method plays a main role in adoption of online shopping.

KEYWORDS

E-Commerce, Online Apparel Shopping, Perceived Risk, Technology Acceptance Model, Trust

1. INTRODUCTION

Online purchasing accounts for 5.1% of the total revenue of over 1 trillion Dollars of e-commerce in 2013 and is estimated to climb to 8.8% in 2018 (eMarketer, 2014). This is one of the reasons that many researchers have dedicated their time an effort to find out the possible predictors of online consumers’ behavior. Some scholars believe that constructs such as Trust, Perceived Risk, Intention, and Attitude have crucial roles in online consumers’ decision making process (Bauer, Albrecht, Neumann, & Haber, 2015; Beatty, Reay, Dick, & Miller, 2011; Bélanger & Carter, 2008; Dinev & Hart, 2006; Featherman & Pavlou, 2003; Habibi & Hajati, 2015; Kim & Benbasat, 2006; Liu & Goodhue, 2012; Lopez-Nicolas & Molina-Castillo, 2008; McKnight & Chervany, 2002; Shen & Chiou, 2010; Teo & Liu, 2007).

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Despite it accounts for even less than 1% of the country’s GDP, Ecommerce is a potentially growing market in Iran. This field of business is in its early days in Iran, but the country’s young population along with the high rate of Internet penetration (55%) and smart phone usage (126%) has created this expectation that there are still a lot of opportunities for online enterprises in this Middle Eastern country. International sanctions have banned international Ecommerce companies from entering the online market of Iran leaving this huge market to some local companies such as Digikala, Takhfifan, Sheypoor, and Zarinpal. Since Iranian people, even at the time of harsh sanctions of 2012, have spent considerable sum of money on food ($77 billion), cloths ($22 billion) and outbound travels ($18.5 billion), the potential of this market is huge for new enterprises. Once the young population of the country that accounts for more than 70% of the people is considered, it will be revealed that this intact online market can be an ocean of new opportunities for Ecommerce enterprises. Removing the international sanctions against the country’s economy can be a starting point for a new era not only for global Internet companies but also for the young generation of Iranians who want to demonstrate they are just like the people of other parts of the world (Dudley, 2015).

In spite of all the benefits of online shopping, there are still some risks and uncertainties to be dealt with. It has already been argued that there is more risk involved in an online shopping procedure than that of a traditional one (Forsythe, Liu, Shannon, & Gardner, 2006; Lee & Tan, 2003; Tan, 1999). The same higher levels of risk are reported in other non-store purchasing systems such as mail orders, catalog sales, and telephone shopping (Akaah & Korgaonkar, 1988; Eastlick & Feinberg, 1999; Peterson, Albaum, & Ridgway, 1989; Van den Poel & Leunis, 1999). Being a crucial part of any online shopping system, online payment possesses the same high level of risk as well. In order to reduce the uncertainties and risks of the online shopping, Trust has a critical role to play (Pavlou, 2003; Suh & Han, 2003).

According to prior studies, any successful commercial activity requires Trust without which consumers hesitate to make the purchase (Gefen, 2002; Jarvenpaa, Tractinsky, & Saarinen, 1999; Kim, Song, Braynov, & Rao, 2005; Urban, Sultan, & Qualls, 2000). Cyber world transactions require trust even more urgently rather than real world transactions due to their unique specifications such as being borderless and non-instantaneous that increase consumers’ concern whether online vendors will keep their promises or not. Unlike traditional shopping that focuses more on face-to-face interaction between buyer and seller, online shopping concentrate more on transaction process (Kim, Song, Braynov, & Rao, 2005). Such a concept is more crucial when it comes to shop apparel on the Internet since the inability of touching, testing, and trying of apparels have made it riskier to buy these items online while clothing items are already among most frequently products sold through Internet (Aghekyan-Simonian, Forsythe, Kwon, & Chattaraman, 2012). Besides, different variations of qualities, sizes, and prices have made online apparel shopping even more risky (Grewal, Iyer, & Levy, 2004). Apparel continues to be one of the bestselling online product categories (Zaroban, 2012), despite the need for trialability and tangibility to reduce perceived risks (Aghekyan-Simonian, Forsythe, Kwon, & Chattaraman, 2012).

According to Davis (1989), Technology Acceptance Model is one the best approaches when the subject in question is related to information systems. It has been designed to measure how successful it is to have an information system properly adopted and performed. Furthermore, Prior studies have shown the correlations between Trust and Technology Acceptance Model (TAM). Based on these findings, Trust is accepted as a predictor of Ease of Use (Pavlou, Consumer acceptance of electronic commerce: Integrating trust and risk with the technology acceptance model, 2003), Usefulness (Dahlberg, Mallat, & Öörm, 2003; Pavlou, 2003), Attitude (Chen & Tan, 2004; Suh & Han, 2003), and Behavioral Intention (Gefen & Straub, 2003; Pavlou, 2003; Suh & Han, 2003). The trust-enhanced
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