Factors Influencing Consumer Adoption for Network Fellowship Auction in Taiwan

Yi-Fen Chen, Department of International Business, Chung Yuan Christian University, Taoyuan City, Taiwan
Chia-Wen Tsai, Department of Information Management, Ming Chuan University, Taipei, Taiwan
Yen-Fang Tseng, Department of International Business, Chung Yuan Christian University, Taoyuan City, Taiwan

ABSTRACT

The emerging online economy in recent years has facilitated the rapid growth of e-commerce, such as Internet bank, e-wallet, and electronic bidding. Network fellowship auction is a collective effort by people who network and pool their money together by Internet in order to invest in and support efforts initiated by other people or organizations. Network fellowship auction has replaced conventional fellowship auction by offering a new safer and faster financial instrument. This research investigated the determinants of network fellowship auction user acceptance, including consumer perceived risk, perceived value, computer self-efficacy, and product involvement. An online survey was used with a sample of 446 respondents. Structural equation models (SEM) were used to examine hypotheses in the theoretical framework. The results showed that consumer perceived risk substantially negatively influenced perceived ease of use and intention; consumer perceived value positively influenced perceived usefulness; consumer computer self-efficacy positively influenced perceived ease of use. Additionally, consumer perceived usefulness, perceived ease of use, and product involvement positively influenced consumer intention.

KEYWORDS

Network Fellowship Auction, Perceived Risk, Perceived Value, Product Involvement, Technology Acceptance Model

1. INTRODUCTION

Because of the convenience of sharing information and low communication cost, E-commerce has been gaining popularity and diversification in the application of banks (Lin, 2011; Oliveira et al., 2014). E-commerce makes banks have more opportunities in the online transactions (Meeker, 1999). Using financial electronic commerce mode to do personal finance and online transactions has evolved a trend nowadays. Internet technology creates an infinitely financial information environment (Eriksson and Nilssonb, 2007). With the applications of computers and the Internet become more sophisticated, many traditional practices have gradually been changing by information technology, also using the characteristics of zero time and space differences to solve the problems under the traditional system. Therefore, the network fellowship auction (also known as the Internet Mutual Association) was born. The network fellowship auction broke through the restrictions of time and activity space, and carried...
out a bidding behavior through the Internet (Ordanini et al., 2001). The network fellowship auction also has both time-saving and convenience advantages (Ordanini et al., 2001).

SinoPac Bank marked the first launch of the network fellowship auction on 2008 in Taiwan. SinoPac Bank provided professional risk checks by auditing the quality of participating members. Customer demand-oriented e-commerce has caused a major impact on the global economy. Faced with this impact and innovation, companies must explore what factors dominate the online consumer behavior (Fernandes, Raja, White and Tsinopoulos, 2006). For most consumers, the network fellowship auction is a new technology experience.

Due to the rapid development of the information technology era, the true value of information technology was produced by the actual use of users. Therefore, the process of users determines to use information technology has become an issue worth concerned. Davis (1989) proposed the Technology Acceptance Model (TAM), mainly applied to understand the popularity of information technology and the decision factors of determining to use information technology (Taylor and Todd, 1995). Financial e-commerce is an innovative business model developed by services of entity financial business cooperates with e-commerce platform, which can reduce transaction costs and time. However, the promoting innovative business services, in addition to the integration of technology and the supply side, the test of the market and the acceptance of customers, are the keys to the profitability of new services. Therefore, this study extended the TAM to discuss consumer willingness and acceptance of the network fellowship auction, and expected to understand consumer attitudes towards the use of the network fellowship auction in Taiwan.

LITERATURE REVIEW

Network Fellowship Auction

The traditional fellowship auction is called “Rotating Savings and Credit Association (ROSCA). In civil law, it is called “Credit Unions”, which have functions of earning interest and financing. Generally speaking, the founders gather a fixed number of members every certain period of time (usually every month), bidding to the level of interest paid. The winner can use the funds of that period. However, the traditional fellowship auction would be restricted by the time and space, along with the rise of the Internet, the network fellowship auction was born.

The major difference between network fellowship auction and traditional bidding (Credit Unions) is the process of bidding. The traditional bidding behavior only occurs at a specific bid opening time on the bid opening day. Members who would like to involve bidding can only bid at specific locations. Each member can only bid once. The bidding also cannot be changed or regretted. However, carrying out the biddings through the Internet can break through the traditional restrictions of fellowship auction. Every authenticated member can bid through the Internet, and they also can choose the sessions and payment before the opening day. The system would ensure the confidentiality and effectiveness of each member, offering a network transaction platform that can doing the bidding and sharing information.

The first innovative financial organization had the concept of “Social Lending Community” came from the “Zone of Possible Agreement (ZOPA)” established in Britain. ZOPA is a direct online financing company that provides an Internet platform for people who want to deposit earns interest (Lender) or want to lend money to people (Borrower), can directly bargain on this platform. Both lenders and borrowers can set an acceptable range of their own. If their ranges have overlapped, it means there is a possibility of deals. The internet interface can prevent traditional banks from the opportunity of earning interest during the bargaining and also offer a better preferential interest rate for both lenders and borrowers (Shacom, 2009). The SinoPac Bank in Taiwan created a concept of
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