The Impact of Age on Electronic Commerce Participation: An Exploratory Model

Donna W. McCloskey, Widener University, USA
Karen Leppel, Widener University, USA

ABSTRACT

This exploratory study examined the impact of age on e-commerce participation and its antecedents: usefulness, ease of information access, and trust. The three age groups considered were the “young” who were 18 to 25, the “mature” who were 50 to 69, and the “elderly” who were 70 and older. Of the three age groups, mature consumers had the highest perception of the usefulness of e-commerce but the lowest perceptions of trust. The elderly perceived less ease of information access and were less likely to participate in electronic commerce than the other age groups. Greater perceptions of usefulness and trust were found to be positively related to participation. In addition, trust had positive impacts on ease of information access and usefulness. While ease of information access had a positive impact on usefulness, it had no direct impact on e-commerce participation.

Keywords: Electronic Commerce Trust, Online Shopping and Age, Users Attitudes, User Attitudes/Behaviors

INTRODUCTION

Despite continued steady growth, electronic commerce adoption is lagging expectations. According to the U.S. Department of Commerce (U.S. Census Bureau, 2006), total electronic commerce sales for 2005 were estimated at $86.3 billion. While this is a 24.6% increase in sales from 2004, it represents only 2.3% of total retail sales and lags the predicted growth. To be successful, online retailers must address cost effective customer acquisition. They must understand who is or is not likely to adopt electronic commerce by making online purchases and the reasons contributing to that decision. This research seeks to address this need by examining the antecedents to electronic commerce participation for two important age demographics, consumers in their 20s and those over the age of 50.

Whether called Generation Y, Echo Boomers or Millennials, young consumers in their late teens and early twenties are viewed as a lucrative and influential demographic (Hanford, 2005). Young consumers are a frequent subject for electronic commerce research (Ige, 2004; Lester, Forman & Lloyd, 2005; Song, Zinhan & Pan, 2005). While their level of participa-
tion has been well documented, the impact of age on the antecedents to electronic commerce has not been addressed. Because they are such influential consumers whom retailers hope to attract and retain, young consumers are an important demographic for inquiry.

Older adults comprise a large, and growing, segment of the population. In 2000, 12.6% of the North American population was age 65 or above. By 2015, it is estimated that 14.9% of the North American population will be in this age bracket. By 2030, this segment of the population will nearly double, with over 20% of the entire population over the age of 65 (http://www.census.gov). The graying of America will have a dramatic impact on the workforce, retirement age, healthcare and elderly support services. This segment of the population will also be a lucrative market with low debt, higher disposable incomes and additional leisure time due to retirement and reduced family commitments. Seniors are influential consumers, growing more desirable by marketers (Burnett, 1991; Moschis & Mathur, 1993; Schiffman & Sherman, 1991). While research has addressed internet usage by this age group (Eastman and Iyer, 2004; Opalinski, 2001; Tatnall, 2003), the reasons for or against electronic commerce participation have been neglected.

In their comprehensive literature review of consumer factors in online shopping acceptance, Zhou, Dai and Zhang (2007) reveal mixed findings on the relationship between age and online shopping intention. Research has reported differences among older and younger adults in terms of internet usage and online shopping (Akhter, 2003; Chang & Samuel, 2004; Swinyard & Smith, 2003). Bhatnagar, Misra and Rao (2000) found older consumers to be more open to purchasing on the internet. Few studies have addressed why these differences occur although the definition of “older” is a likely culprit. Burroughs and Sabherwal (2002) conclude that online purchasing is higher for older consumers, but the average age of the over 8,000 participants was only 36. Sorce, Perotti and Widrick (2005) examined the impact of attitudes and age on online shopping for 300 students and staff members from a U.S. university. They analyzed results from three age groups (under 29, 30-49 and 50 and above). They found that younger consumers were more likely to agree that online shopping was convenient and to search for more products online than older consumers, but there was not a significant difference in the amount purchased online. Attitudinal factors explained more variance in online behavior than age did. While that study examines the impact of age on attitudes and electronic commerce participation, the convenience sample is somewhat limiting. The sample was derived from employees and students at a university. The highest age bracket was over 50 but since the respondents were still working, it is unlikely there were many respondents over 70 years old. Research has not adequately addressed to what extent age impacts the antecedents to electronic commerce participation. Given the growth of these age groups and their importance as consumers, an understanding of the motivators and barriers to electronic commerce participation by young and old adults is critical. Does age really play a role in the adoption of electronic commerce? To address this issue, this research uses respondents from two groups, students at a university and senior citizens at senior centers and a retirement community.

MODEL

The acceptance of new technologies has long been an area of inquiry in the Management Information Systems literature. Attempts to explain internet and electronic commerce participation have dominated this area in recent years. Large scale literature reviews have identified a number of factors that impact electronic commerce participation including perceived characteristics of the web as a sales channel, environmental influences, web site and product characteristics, consumer characteristics (Chang, Cheung & Lai, 2005; Cheung, Chan & Limayem, 2005). Electronic commerce acceptance models have been developed to explore cultures (Park &
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