The Factors Driving Continuance Online Shopping in Saudi Arabia: Regional and Behavioral Differences Among Women

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ABSTRACT

This study proposes a revised technology acceptance model that integrates expectation confirmation theory to measure regional differences with regard to continuance online shopping intentions in Saudi Arabia. Perceived usefulness, enjoyment, and subjective norms are determinants of online shopping continuance in Saudi Arabia. Women in the eastern, western, and central region groups are equivalent. The structural weights are also largely equivalent, but the regression path from perceived usefulness to enjoyment is not invariant between female shoppers in the eastern and western regions or in the eastern and central regions. This research moves beyond online shopping intentions and includes factors affecting online shopping continuance. The research model explains 60% of the intention to continue shopping online. Furthermore, this research suggests that online strategies cannot ignore the influence of either direct or indirect regional differences on continuance intentions; the model can be generalized across Saudi Arabia.

Keywords: Continuance Online Shopping, E-Shopping, Internet Shopping, Male and Female Examination, Saudi Arabia, Technology Acceptance

INTRODUCTION

Globalization continues to drive the rapid growth of international trade, global corporations, and non-local consumption alternatives (Alden, Steenkamp, & Batra, 2006; Holt, Quelch, & Taylor, 2004), and advances in Internet technology and e-commerce have diminished trade boundaries. E-commerce and e-shopping create opportunities for businesses to reach consumers globally and directly, and in turn, business and social science research focuses specifically on cross-national and cross-cultural Internet marketing (Griffith, Myers, & Harvey, 2006).

The Internet thus has changed how businesses and customers customize, distribute, and consume products. Its low cost gives both
businesses and consumers a new and powerful channel for information and communication. In 1991, the Internet attracted fewer than 3 million users worldwide and hosted no e-commerce applications; by 1999, about 250 million users appeared online, and 63 million engaged in online transactions, for a total value of $110 billion (Coppel, 2000). Business-to-consumer online sales in the United States grew by 120% between 1998 and 1999 (Shop.org and Boston Consulting Group, 2000). According to a U.K. payment association, the number of consumers who shop online has increased by more than 157%, from 11 million in 2001 to more than 28 million in 2006 (cited in Alsajjan & Dennis, 2009). E-commerce transactions also are growing in the Middle East (19.5 million Internet users) and in the Gulf States. In Saudi Arabia, online transactions have increased by 100%, from $278 million in 2002 to $556 million in 2005 (Al Riyadh, 2006). In 2007, Internet sales reached more than $1.2 billion worldwide and are expected to continue to rise (World Internet Users and Population Stats, 2007).

An unpublished study by the Centre for Customer Driven Quality also highlights potential savings online: For one retailer, the cost of an in-store customer contact was estimated to be $10, the cost of a phone contact $5, and the cost of a Web contact $0.01 (Feinberg, Kadam, Hokama, & Kim, 2002). According to the International Air Transport Association (IATA), airlines issue approximately 300 million paper tickets per year, at a cost of $10 per ticket to process, whereas an e-ticket costs the airlines only about $1 to create (Arab News Newspaper, 2007).

Yet despite impressive online purchasing rates, compelling evidence indicates that many consumers search different online retail sites and then abandon their purposes. This trend and the proliferation of business-to-consumer e-shopping require that online businesses understand which factors encourage consumers to complete their e-shopping with a purchase. Such continuance is critical, because acquiring new customers may cost as much as five times as much as retaining existing ones (Bhattacherjee, 2001b; Crego & Schiffrin, 1995; Petriáns, 1999). At the same time, online customer retention can be particularly difficult. Modern customers demand that their needs be met immediately, perfectly, and for free, and they are empowered with more information to make decisions (Bhattacherjee, 2001b; Crego & Schiffrin, 1995). They also have various online and offline options from which to choose, and without a compelling reason to choose one retailer over another, they experiment or rotate purchases among multiple firms (Bhattacherjee, 2001b; Crego & Schiffrin, 1995).

To use e-business cost reductions strategically and increase switching costs to retain customers, e-retailers might recall the customer, which can reduce the effort associated with future transactions, or learn more about the customer to tailor future interactions to the customer’s needs (Straub & Watson, 2001). Better product quality, lower prices, better services, and outcome value provide the means to serve customers effectively and efficiently, which should help build sustainable relationships.

Online shopping intentions depend on several factors. Rogers (1995) suggests that consumers reevaluate acceptance decisions during a final confirmation stage and decide to continue or discontinue. Continuance may be an extension of acceptance behavior that covaries with acceptance (e.g., Bhattacherjee, 2001a; Davis, Bagozzi, & Warshaw, 1989; Karahanna, Straub, & Chervany, 1999). We adopt extended expectation confirmation theory (ECT; Bhattacherjee, 2001b) from consumer behavior literature and the technology acceptance model (TAM; Davis et al., 1989) as our theoretical basis to propose a model of e-shopping continuance intentions, similar to the TAM’s adaptation of the theory of reasoned action (TRA) from social psychology to postulate a model of technology acceptance.

The TAM, as outlined by Davis et al. (1992) and Gefen, Karahanna, and Straub (2003), and the ECT (Bhattacherjee, 2001a; Oliver, 1980) appear frequently in research into industrialized contexts, but they are less commonly applied to developing countries. Moreover, the TAM stops.
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Pei Pei Hing, Mum Wai Yip and Dominic Lau (2013). *International Journal of Customer Relationship Marketing and Management* (pp. 41-52).

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