Chapter 40
Consumers’ Adoption of Online Shopping

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ABSTRACT

Online shopping is a broadly defined activity that includes searching for product information, buying products or services, and communicating with retailers and other consumers. It has been described as a “flow experience:” consumers’ goal-directed as well as experiential activities on the Internet. Four factors, namely consumer characteristics, consumer perceptions, e-tailer attributes, and product characteristics, have been identified as the determinants of consumers’ adoption of online shopping. Researchers have developed and applied several theories and models, such as diffusion of innovation, theory of reasoned action, theory of planned behavior, and technology acceptance model, to explain why and how consumers shop online.

INTRODUCTION

Nowadays the Internet plays a critical role in a large and ever-growing array of activities such as communicating, information searching, entertaining, shopping, and social networking. Asia was the leading geographic region in terms of Internet users in 2009, reaching approximately 740 million, followed by Europe with approximately 420 million (MarketResearch.com, 2010). The U.S. remains the leading country in terms of Internet penetration rate. According to a Pew Internet and American Life Project (2010) survey, 79% of American adults use the Internet, and many Internet users shop online, a broadly defined activity that includes searching for product information (78% of Internet users), buying products or services (66%), and communicating with retailers and other consumers, for example, about rating products or services (32%) (See Figure 1).
This chapter reviews important research related to consumer adoption of online shopping. It begins with an overview of the pioneering scholars’ research about the characteristics of the Internet as a shopping channel for consumers and the “digital divide” among consumers. The next section reviews the theories and models proposed by leading researchers with respect to consumer online shopping adoption. The final section introduces future research directions.

OVERVIEW

Internet as a Shopping Channel: Online Flow Experience

D. L. Hoffman and T. P. Novak from the University of California at Davis are pioneering scholars who introduced the “online flow experience” to describe the characteristics of the Internet as a shopping channel for consumers. Originally, “flow” was described by Nakamura and Csikszentmihalyi (2009) as an experience of complete absorption in the present moment. The experience was characterized as an integration of the constructs of perceived challenges or opportunities, clear goals, feedbacks, focus, control, and the autotelic (auto = self; telos = goal) nature of activities. Hoffman and Novak (1996, 2009) introduced and validated a conceptual model of flow in a computer-mediated environment, which is characterized by interactivity, intrinsic enjoyment, and loss of self-consciousness and self-reinforcement. The framework provides insight into understanding consumers’ goal-directed as well as experiential activities on the Internet. Specifically, the model describes 1) the factors that create compelling online experiences (i.e., the antecedents; e.g., skills, interactivity, motivation, and vividness); 2) the nature of a compelling flow experience (e.g., involvement, attention, and flow); and 3) outcomes of the flow experience (e.g., increased learning and exploratory mindset).

Many studies have been built upon this conceptual model of online flow experience. Novak, Hoffman, and Yung (2000) demonstrated that the constructs underlying the model could be measured and their research validated empirically most of the relationships in the model. Other studies

Figure 1. Percent of American Internet users who report various activities. Source: Online activities (Pew Internet and American Life Project, 2010).
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