Consumers' Adoption of Online Shopping in China

Yi Cai
California State University – Northridge, USA

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. China is one of the leading countries in terms of Internet users, reaching approximately 650 million in December 2014 (Chinese Internet Network Information Center, 2015). As one of the most important online activities, online shopping has witnessed a rapid growth in China: there were 194 million online consumers in 2011; in three years this number has increased by 86%, to 361 million in 2014 (Chinese Internet Network Information Center, 2015). While online shopping has influenced consumers' shopping behaviors and the way buyers and sellers interact, it has also made significant contributions to the economy: in 2013 the online consumptions reached to RMB 1.85 trillion (approximately US $ 303 billion), which accounted for 7.9% of the total retail sales in China (Chinese Internet Network Information Center, 2014).

The emerging market and large population with increasing purchase power have brought tremendous opportunities for the rapid growth of online shopping. The total online consumption in China has increased by 70 times in seven years from 2006 to 2013, and the number of online consumers has increased by eight times in the same period (Chinese Internet Network Information Center, 2014). For consumers, the online market has become an ecological system that encompasses and integrates not only information sources and business exchanges, but also technological support, financial management, and social networks.

This chapter reviews important research related to consumer acceptance of online shopping in China. It begins with an overview Chinese consumers' use of the Internet and online shopping. The next section introduces online shopping theories and frameworks applied in research and factors influencing Chinese consumers' acceptance of online shopping. This section also addresses an issue of consumer risk perceptions and privacy/security concerns. A final section provides an overview of emerging issues in online shopping in China and concludes with comments regarding future research.

CHINESE ONLINE SHOPPERS

An underlying assumption of a well-functioned online market system benefiting consumers is that consumer participation in online activities in general and in e-commerce in particular will continue to grow exponentially. Therefore, it is important to learn that in China who uses the Internet and shops online and who does not, and to investigate what attracts consumers to go online and shop there, how and what they do when they shop online, and what factors might accelerate or slow the growth in consumer online activities.

Profiling Chinese Online Shoppers

The rapid transition to market economy in China and the unprecedented development of e-commerce have reshaped the way Chinese consumers shop. In 2006, only about one fourth (24.5%) Internet users shopped online; in 2013 almost half (48.9%) of Internet users did (Chinese Internet Network Information Center, 2014). Researchers have examined the profile of online shoppers from different perspectives, including their demographics, socioeconomic characteristics, psychosocial characteristics, and attitude characteristics. Similar to those in Western countries, the Chinese online shoppers tend to be male, well educated, with a higher income and mainly in the age bracket between 20 and 30 (Chinese Internet Network Information Center, 2014; Gang et al., 2013; Sorce et al., 2005). There is evidence, however, from surveys that online shopping in China has increasingly be adopted by every consumer segment in an unprecedented rate—for example, the percentage of 40 years of age or older online shoppers has increased from 2.3% in 2009 to 11.3% in 2015; and those with education level of high school or lower has increased from 24% in 2009 to 33% of all Internet users in 2015 (Chinese Internet Network Information Center, 2010; Chinese Internet Network Information Center, 2014). Researchers also have found that the Chinese online shoppers tend to be time conscious, self-confident, have a positive attitude toward Internet shopping, and have personal values of *openness to change* and *self-enhancement* (Sin & Tse, 2002; Wu et al., 2011). Other researchers have found that having computer capacity, online experience, and a web-based lifestyle are characteristics of Chinese online shoppers (Li, 2009).

Online Shopping 'Digital Inequality'

Despite the growth in the Internet's popularity, inequities in access to the Internet and use of online shopping still exist in China. Some people are technological "have-nots," who do not have computers and/or Internet access. However, studies have shown that the 'digital divide' is closing, especially with respect to consumers' demographic and social economic characteristics as more female, older consumers, and those with lower income have started to access to the Internet and shop online (Chinese Internet Network Information Center, 2014). The Chinese survey respondents are more likely to cite "don't know how" or "not necessary" than "no computer/access" or "cannot afford" as the reasons for not shopping online (Chinese Internet Network Information Center, 2014).

A theoretical framework developed by Van Dijk (2006) may help redefine the 'digital divide' issue by paying more attentions to social, psychological, and cultural backgrounds of users and non-users. The model incorporates different types of access such as motivational, material, skill, and usage access into a process rather than a single event of obtaining a particular technology. Researchers have already begun to examine Chinese consumers' cultural background, cultural values, and social interactions as they influence their adoption and use of online shopping (Wu et al., 2011; Zhang et al., 2012; Zhang & Gu, 2015). Others have gone a step further and defined 'digital inequality' as the "second order" digital divide in China, which is not only a product of social inequality and immobility between urban and rural residents, but also a reproducer and even an accelerator as the Internet may widen the knowledge and skill gap and hence the social and economic disparities (Zhu & Chen, 2012).

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