Chapter 19
An Analysis of the Factors Influencing the Adoption of Online Shopping

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ABSTRACT

This article aims to identify the main influencing factors that may influence the adoption of online shopping in the UK by integrating Unified Theory of Acceptance and Use of Technology2 (UTAUT2) and DeLone-McLean model of IS Success with trust (TR), product variety (PRDV) and product guarantee. Data was collected from 388 British online shopping consumers using a structured self-administrated questionnaire. Structural equation modeling (SEM) showed that behavioural intention (BI) was influenced by performance expectancy (PE), convenience (CON), service quality (SerQ), trust (TR), product guarantee (PG), product guarantee (PRDV) and compatibility (COMP), in their order of influencing strength and all together accounted for 70.4% of the variance in BI. Contrary to the authors' expectations, effort expectancy (EE) and social influence (SI) did not have an influence on BI. The implications of this article to both theory and practice is discussed at the end.

INTRODUCTION

The rapid growth of the Internet retailers during the past two decades has undoubtedly quelled the overly optimistic expectations for on-line business to consumer (B2C) commerce (Zolait & Sulaiman, 2008; Celik, 2016). Most of the customers have recognized the importance of online shopping in their everyday lives, such as overcoming time and spatial barriers, convenience, competitive pricing, expert advice, customized service and greater access to information (Lim, 2015). However, many customers are still reluctant to shop online due to poor online customer experience (Lin, 2008). A related and arguably a more pressing problem for Internet retailers is identifying, attracting, and keeping customers (Chang et al., 2015; Tarhini et al., 2016).

The United Kingdom had the largest electronic commerce market in Europe in 2014 and accounted for 32% (roughly 118 billion Euro) of European e-commerce sales (Statista, 2015). However, many of the UK internet users still reluctant to use online shopping services (Turner & Callaghan, 2006; Ramanathan, 2011; Celik, 2016). Furthermore, the UK losses 19 billion Euro yearly of the annual online revenue due to poor online customer experience (Statista, 2015). Hence, it becomes vital for marketers and policy makers to have a deeper understanding of their customers to formulate strategies to enhance their experience (Zhou et al., 2007; Jeong et al., 2009; Lim, 2015). In order to have a better understanding of customers, both academics and online marketers must understand the factors that may hinder or enable the acceptance of online shopping.

Although there are many studies that examine the antecedents of online shopping (e.g. Çelik & Yilmaz, 2011; Clemes, Gan & Zhang, 2014; Chang et al., 2015; Amaro & Duarte, 2015; Celik, 2016), many researchers acknowledge that there still a gap in the understanding of online shopping (Dennis et al., 2009; Hand et al., 2009; Hansen & Jensen, 2009; Lim & Ting, 2012; Lim, 2015) and called for future studies that examine the influencing factors of online shopping.

Various models and theories have been mainly developed and employed to examine and predict the adoption of technology such as Technology Acceptance Model (TAM); Theory of Reasoned Action (TRA); Theory of Planned Behaviour (TPB); Innovation Diffusion Theory (IDT); Model of PC Utilization (MPCU); Motivation Model (MM), Social Cognitive Theory (SCT), Unified Theory of Acceptance and Use of Technology (UTAUT) and the Information Systems Success Model (IS Success Model). Hence, taking into consideration the importance of integrating both the Unified Theory of acceptance and Use Technology (UTAUT2, Venkatesh et al., 2012) and the Information Systems Success Model (IS Success Model, Delone & Mclean, 2004), and to answer the call of previous research (Delone & Mclean, 2004; Venkatesh et al., 2012) on this area to extend the extant models, this paper aims to propose a model which could be able to explain, theoretically and empirically, the main factors that may hinder or enable the adoption of online shopping by British customers. This study will enable the marketers to formulate strategies aiming at improving the take up of online shopping. Furthermore, only integrating the constructs from the two models may not necessarily portrays a complete picture of the phenomena under investigation. Therefore, trust, product guarantee and product variety were integrated into our model in order to have a better understanding of consumer adoption of online shopping. Indeed, these 3 factors appears to be a key predictor that made the customers use the online shopping services (Dennis et al., 2010; Clemes et al. 2014; Chen et al., 2015; Amaro & Duarte, 2015; Chang et al., 2015; Lim et al., 2016). Therefore, adding these factors will complement the existing factors of the UTAUT2 and IS Success Model and are expected to have a direct influence on behavioural intention towards using online shopping services. From the theoretical perspective, there are scare studies that integrate UTAUT2 and

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