

Chapter 11

Cultural Accommodation in Consumer E–Commerce: A Theoretical Exploration in the Context of Ethnic Culture

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ABSTRACT

Consumer e-commerce extends the marketplace of traditional business and brings in business opportunities in online retailing and service. As a consequence of intensive competition among online vendors, the need to capture customers has become a top priority. Thanks to the wide penetration of Internet, the online consumer group now consists of individuals with diverse cultural values and backgrounds. In the context of ethnic culture, we explore the ways a Web site may attract and accommodate ethnic consumers. Drawing upon existing literature in culture and Web Information System success, we develop a Web-based intercultural accommodation model. This model offers a theoretical explanation of online ethnic consumers' behavioral intention to use e-commerce Web site. The conceptual model recognizes the potential roles of ethnicity attributes of individual consumers as well as the use of ethnic pertaining Web site designs in accommodating ethnic consumers. Future study that validates the theoretical model is discussed as well.

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INTRODUCTION

The growth of the World Wide Web and its user groups has paved a way to the rise of Web-based consumer e-commerce (Gupta & Sharma, 2003). Such web-based information system represents a new frontier for business to establish an online presence by launching virtual stores, which exist in the cyberspace offering merchandise and services. Due to the low setup cost, transaction cost, maintenance cost, and increasing business opportunities (24/7), the prevalence of the e-commerce Web sites on retailing and services has been stimulated. US online retailing, for example, grew 11% in 2009 to reach \$155 billion and the revenue has been expected to reach \$248 billion by 2014 (Mulpuru, Hult, Evans, Sehgal, & McGowan, 2010). The Web creates business opportunities for companies ranging from small start-ups to Fortune 100 giants. This prosperity in consumer e-commerce Web sites, however, introduces enormous competition into the online market. Meanwhile, the higher availabilities of broadband Internet access and personal computers have granted online users with capabilities and convenient access to online shopping. Customers have grown to be powerful, demanding, and utilitarian in their online shopping (Koufaris & Hampton-Sosa, 2004) which shifts the locus of power from vendors to customers (Raman, 1997). As more and more business opportunities have been brought to the Internet, how to fully utilize Web site to attract customers has become a major issue. Not only does this capture immediate business opportunities (Longwell, 1999), it also casts great impact on customers' return purchases in the future and the buildup of their loyalty, which is poor in consumer e-commerce nowadays (Morrisette, McQuivey, Maraganore, & Lanpher, 1999).

The consumer group has grown culturally diverse (Sudweeks & Simoff, 2001). Take national culture for example, online consumers from Africa, Asia, Europe, Middle East, North America, Latin America, and Ocean/Australia represent 5.6%,

42%, 24.2%, 3.2%, 13.5%, 10.4%, and 1.1%. This diversity is further complicated by the different values that consumers keep with respect to religious culture, political culture, and ethnic culture systems. When culture groups interact, acculturation takes place which leads to the acquisition and adoption of new culture values. With this observation, online firms have begun to recognize consumer cultural difference for its strategic impact on sales and customer retention. Failure to recognize and respect cultural differences may, on the other hand, lead to struggled e-commerce business. The e-commerce's modest success in China was attributed to the fact that the prototypical Amazon experience lacked one or more ingredients important for China's online shoppers (Wolf, 2010). While cultural implications have been explored in prior literatures (Krishna, 2004; Moffett, Mcadam, & Parkinson, 2002; Quaddus & Tung, 2002), it has not been understudied in the context of e-commerce. It remains largely unknown how online vendors may attract users through an accommodation of their cultural values for business advantage.

In this article we investigate e-commerce Web site design and management through cultural perspective. To explore this topic, we focus on ethnic culture since it is one of the most prominent culture values (Ayouby & Croteau, 2008). Drawing upon the relevant literature in linguistic, sociology, and web information system success, we uncover the theoretical underpinning of ethnicity involving consumer e-commerce phenomena. The paper presents the Web-based Intercultural Accommodation Model, a conceptual framework that explains the relationships among individual ethnic attribute, intercultural accommodation reaction, and e-commerce consequence. We propose that the extent of ethnic designs on a Web site may positively affect an online user's attribution affects. This relationship however is contingent upon the strength of consumer ethnic identification. The attribution affects may further increase the personal attitude to Web site as well as the

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