

How online trust influence B2C e-Commerce adoption? An empirical study among Asian online shoppers

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ABSTRACT

Though many previous studies has proved the importance of trust from various perspectives, the researches about online consumer's trust are fragmented in nature and still it need more attention from academics. Lack of consumers trust in online systems is a critical impediment to the success of e-Commerce. Therefore it is important to explore the critical factors that affect the formation of user's trust in online environments. The main objective of this paper is to analyze the effects of various antecedents of online trust and to predict the user's intention to engage in online transaction based on their trust in the Information systems. This study is conducted among Asian online consumers and later the results were compared with those from Non-Asian regions. Another objective of this paper is to integrate De Lone and McLean model of IS Success and Technology Acceptance Model (TAM) for measuring the significance of online trust in e-Commerce adoption. The results of this study show that perceived security, perceived privacy, vendor familiarity, system quality and service quality are the significant antecedents of online trust in a B2C e-Commerce context.

Keywords

Trust model, e-Commerce success, TAM, online purchase intention, Structural Equation Modeling (SEM)

INTRODUCTION

From time to time, large numbers of researchers investigate the success factors of B2C e-commerce systems. However majority of those were conceptual studies. Though some empirically validated studies were published on B2C e-commerce systems, very few focused on Asian consumers. The study aims to fill this gap by studying ecommerce success factors among Asian online consumers. Asian markets are found to be very lucrative and promising for most of the global firms in this period of time due to their rapid transition to business economies (Shao et al., 1999). Asian countries such as China, India, Taiwan, and South Korea are growing at a faster rate than any other Asian countries (Arnott et al., 2007; Kim et al., 2006; Schramm, 2006). Consumer's purchasing behavior and characteristics are different while comparing on the basis of the eastern and western cultural perspectives. Previous literatures give many evidences of these existing differences. Kacen & Lee (2002) found that attitude- behavior relationship is weaker in collectivist cultures than in individualist cultures. Kacen & Lee, (2002, pp. 168) suggested "*collectivists are less driven than individualists to act on their trait buying impulsiveness by making an impulse purchase.*" Meng (Meng & Nasco, 2009) confirmed significant differences in consumer's price sensitivity, price consciousness and sales proneness while comparing Chinese and US consumers. Considering the significant differences between consumer's buying characteristics across eastern and western cultures, it would be interesting not only for academicians but also for the industrialists and practitioners to know more about the critical success factors of B2C e-Commerce among Asian online consumers. Therefore this study would be justifiable even though similar studies have been conducted under different cultural perspectives

According to the latest results from U.S. Census Bureau, 48.1% of the total retail sales revenue for year 2009 came from e-commerce channels. Clothing and clothing accessories, electronic appliances, books and magazines, furniture and home furnishing items, drugs and beauty aids etc. are the major categories people shopped online. This shows the huge popularity of e-commerce in this era. However, many researches (Gefen & Karahanna, 2003; Keen et al., 2000; Ott, 2000; Yousafzai et al., 2009) in the field of e-Commerce suggest that people are reluctant to provide personal information and shop online