



Factors affecting current users' attitude towards e-auctions in China: An extended TAM study



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ABSTRACT

E-auctions have the potential to gain a larger market share of the C2C sector by increasing participation of current users. The purpose of this study was to examine the factors that impact attitude towards e-auctions among current Chinese e-auction users. Variables of the extended technology acceptance model and their antecedents were examined. Data were collected from 210 current users of e-auctions in China. Using structural equation modeling, the results highlighted key antecedents, such as security, social motives, and playfulness, suggesting the importance of creating a safe, interactive, and fun e-auction platform. Connection speed and economic gain as influential factors were also identified.

1. Introduction

The Chinese online market is not only the largest but also the fastest growing online market in the world. According to the China Internet Network Information Center (CNNIC, 2014), China had more than 632 million Internet users as of 2014, increasing from 420 million users in 2010. Over half (53%) of Chinese Internet users, 332 million people, were online shoppers (CNNIC, 2014). However, the composition of the Chinese online market differs from that of well-developed online markets (e.g., the U.S. market), where the ratio between the business-to-consumer (B2C) sector and consumer-to-consumer (C2C) sector sales volume is 60–40% (Sohu, 2009). At its height in 2008, the C2C sector possessed more than a 90% share of the online market (iResearch, 2009), and since then, the C2C sector has seen an average annual growth rate of more than 35% in sales (iResearch, 2014). Today, although the relative market share has decreased because of the exponential growth of the B2C operations in China, the 2.4 trillion Chinese Yuan (400 billion USD) C2C sector continues to dominate the Chinese online market with greater than a 60% share (iResearch, 2014).

E-auctions are a unique form of C2C transactions. Unlike traditional retail business models in which sellers determine the prices for goods, the e-auction allows buyers to influence the final price of a product by competitively bidding on it (Bernhardt and Spann, 2010). At present, although only a small portion of Chinese C2C buyers participate in e-auctions, it is a substantial number given China's leading C2C platform (Alibaba Group's Taobao) has more than 8 million individual sellers and more than 279 million active buyers

(Sina, 2014). Hence, Taobao is a platform for kick starting entrepreneurial small businesses and frequently a means for consumers to procure goods at a lower price. Because of its importance to entrepreneurs and consumers in China, more attention should be paid to C2C transactions, including e-auctions, as alternate means for individual sellers to market products and for consumers to acquire products.

Understanding the factors affecting Chinese consumers' adoption of and attitudes towards e-auctions has not been fully addressed in the academic literature. Most of the studies regarding e-auctions have focused on issues that affect bidders' perceptions and behaviors towards e-auctions (e.g., Hou and Elliott, 2014), such as perceived value, effectiveness, and satisfaction with e-auctions (Du et al., 2012; Lee et al., 2009). Looking at consumer characteristics, Hou and Elliott (2014) compared traits of online bidders and nonbidders and found significant differences in their respective need for uniqueness, tendency to seek variety, and propensity to trust. In other studies, researchers (e.g., Huang and Dai, 2006; Lu et al., 2009; Quaddus et al., 2005) have begun to investigate the factors that influence Chinese consumers' assessment and selection of different e-auction websites.

As a distinct form of purchase transactions, e-auctions have the potential to expand the C2C market and gain a larger share of the C2C sector by increasing the number of users and the participation level of current users. Therefore, further research is needed to fully understand the factors affecting Chinese consumers' adoption of and postadoption attitudes towards e-auctions. For instance, as Chinese online consumers become more sophisticated, niche market e-auction websites (e.g., vintage, limited, and collectable items) may emerge and attract new and distinct segments of online consumers. Additional investiga-

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tion of the factors affecting attitudes towards e-auctions among current Chinese users will help individual sellers and small business owners successfully enter and survive in the booming C2C market.

Therefore, research may help determine the factors leading to acquisition of new users and enhanced participation by current e-auction users in China. Given the comparative cost effectiveness of retaining current customers as opposed to acquiring new customers (Brynley-Jones, 2015; Stark and Stewart, 2011), the focus of the present study was on current users of e-auctions. Thus, the purpose was to examine the factors that influence attitudes towards e-auctions among current Chinese users. These factors include characteristics of the e-auction website (security and connection speed) and the factors associated with consumer experiences with e-auction websites (time consumption, economic gain, playfulness, and social motives).

In the present study, the extended technology acceptance model (extended TAM; Davis et al., 1992; Pavlou, 2003) was used to determine the factors affecting attitudes towards e-auctions. By adding constructs such as trust and enjoyment, the extended TAM has been found to be an effective tool in understanding technology acceptance in consumption environments such as e-commerce, e-services, and e-shopping (e.g., Ha and Stoel, 2009; Lee et al., 2005; Shih, 2004). Hence, the extended TAM was a suitable framework for the present study. Given the unique nature of e-auctions and their websites as well as the current Internet conditions within China, additional factors were included as antecedents, as will be discussed below.

2. Theoretical framework

The TAM (Davis, 1989; Davis et al., 1989) was initially used to understand and predict consumer adoption of new information technologies. Davis (1989) found that perceived usefulness and perceived ease of use contribute to attitude and consequent behavioral intention towards using a new technology. Perceived usefulness entails the expectation that using new technology will bring about positive outcomes, and perceived ease of use reflects the expectation that the new technology will be easy to learn and use (Davis, 1989).

Although a number of studies have validated the TAM's robustness in explaining consumers' adoption of new technology (e.g., Im and Ha, 2013; Lee et al., 2005; Shih, 2004), a consumer's voluntary decision to use a certain technology may not be fully explained by its usefulness and/or ease of use. Other factors such as trust and enjoyment, which are variables that have extended the original TAM, may help explain consumer adoption behavior in various online situations (Childers et al., 2001; Dahlberg et al., 2003).

2.1. Trust-extended TAM

Hosmer (1995) defined trust as the expectation that both parties in a transaction will meet commitments, negotiate honestly, and refrain from taking advantage of others. Because of the lack of physical contact between sellers and consumers and the inability to inspect products before purchase in online shopping environment, trust is important. A number of studies suggested that the lack of trust in online businesses discouraged consumers from shopping online (e.g., Clark, 1990; Hoffman et al., 1995). Gefen et al. (2003) suggested that online shopping intentions are the outcome of both consumers' assessment of information technology and their trust of the shopping websites. Trust was found to enhance prediction of consumer adoption of new technology and was an antecedent of perceived usefulness (Dahlberg et al., 2003; Ha and Stoel, 2009; Pavlou, 2003), attitude (Chen and Tan, 2004; Ha and Stoel, 2009; Suh and Han, 2002), and behavioral intentions (Gefen and Straub, 2003; Pavlou, 2003; Suh and Han, 2002).

2.2. Enjoyment-extended TAM

Davis et al. (1992) added perceived enjoyment as an intrinsic motivation factor to the original TAM. Davis et al. (1992) defined perceived enjoyment as "the extent to which the activity of using a technology is recognized as enjoyable in its own right, apart from any utilitarian or practical outcomes" (p.1113). Enjoyment, a reflection of hedonic value, is one of the underlying motivations that affects a consumer's intention to adopt new technology (Childers et al., 2001). Previous studies have indicated that perceived enjoyment positively affects the perceived usefulness of (e.g., Reese et al., 2014; Venkatesh, 1999), attitudes towards, and intention to adopt a new online technology (e.g., Agrebi and Jallais, 2015; Childers et al., 2001; Van der Heijden, 2003). E-auctions may generate enjoyment through the fun and entertaining process of competing with others for a desired item. Specifically, the enjoyment of strategic bidding for an item and the gratification of winning the item may be attractive to e-auction bidders. Thus, enjoyment associated with e-auctions may enhance attitudes and intentions towards this way of shopping.

3. Hypotheses

Although the extended TAM serves as a suitable framework, the variables in the model do not fully address the factors affecting attitudes towards e-auctions. In response, specific antecedent factors to extended TAM variables were also examined. In the present study, Internet infrastructure, website features, and other possible factors associated with consumer participation in e-auctions were examined as antecedents to the extended TAM variables in an effort to explain Chinese consumers' attitudes towards e-auctions. The antecedents examined in the present study were security, connection speed, time consumption, economic gain, playfulness, and social motives.

3.1. Security as an antecedent variable

According to previous research, trust is instilled when the website is secure enough for consumers to complete transactions without worries (Chen and Tan, 2004). Shopping online often requires a consumer to provide personal details, such as name, phone number, and address, as well as financial details, such as credit card information. Lack of security is a major concern for many potential online shoppers (e.g., Éthier et al., 2006; Salo and Karjaluoto, 2007). The lack of perceived security of a website deters Internet users from shopping online or causes shoppers to give up their purchase transactions (e.g., Jauhar, 2015; O'Cass and Fenech, 2003). Security features, including certified antivirus and antihacking safeguards, are signals of website quality (Yoon and Oceaña, 2015) that may increase consumer confidence in making online transactions (Wu et al., 2010). Moreover, perceived privacy and security affect a consumer's level of trust towards online shopping (e.g., Chen and Barnes, 2007; Pappas, 2016). In support, Elbeltagi and Agag (2016) found that security and privacy are important factors shaping consumer perceptions of online retailing ethics, and these perceptions consequently impact trust and satisfaction towards online retailing.

In an online shopping context, including e-auctions, uncertainty exists mainly because online shoppers do not have full control over the exchange process after entering payment information (e.g., paying before receiving and inspecting products) (Yen and Lu, 2008). This increases perceived economic risk for online shoppers (Pavlou, 2003). Moreover, divulging personal information online augments perceived risk due to loss of privacy (Pavlou, 2003). E-auctions require users to provide their personal and financial information before participating in the bidding. With the uncertainty of whether personal information is properly protected, the security of the e-auction website may be crucial in building a user's sense of trust. Therefore, the present study proposed that the perceived security of an e-auction website would

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