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Research Article

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A Study on the Usage of Arabic E-Commerce Websites Services among Uae Citizens

Mohammad Issa Saleem Al-Zoubi

Irbid National University, Jordan

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corresponding Author:
Mohammad Issa Saleem Al-Zoubi
Irbid National University, Jordan

ABSTRACT

As an e-commerce domain, online shopping is now in its golden era. It is now a potential contributor in e-commerce. E-commerce success has been documented by numerous countries and it contributed to these countries' economic growth. The UAE is witnessing growth of e-commerce at a yearly rate exceeding 20%. In this region, the majority of the population (>80%) use Internet. Within this portion, 15% do online shopping and approximately 10% use mobile devices for shopping online. 250 respondents in the United Arab Emirates were selected in this study and data were gathered from online questionnaires. In short, the predictive model demonstrates 60.1% of the variance in behavioral intention (BI). This is directly clarified by performance expectancy, effort expectancy, social influence, cost, awareness. Also, the model represents 54.2% of the variance in Use Behavior. This is directly clarified by behavioral intention and Facilitating Conditions. As such, it is expected that the increase in online Arab websites will shift the online purchasing intentions of the customer to the local Arab websites. This will enhance the Arab countries' microeconomics. Online shopping or e-commerce adoption differs based on countries because of different affecting factors. Thus, factors that affect, inhibit, and encourage e-commerce that are unique to each country should be considered in order to increase online shopping.

KEYWORDS: ***E-Commerce, Technology acceptance model, UTAUT, Performance Expectancy, Effort Expectancy.***

Introduction

Numerous countries as well as the developing countries including the Arab and Asian countries have experienced the rapid growth of electronic commerce (E-Commerce).E-Commerce comprises business transactions via electronic means where the delivery of services or goods is electronically done or in the tangible form (Kotler, Keller et al., 2014). Similarly, Kalakota and Whinston (1997) describe e-commerce as the recent type of enterprise that manipulates the technology of Internet to assist the development of business. The Middle East is witnessing the rapid growth of online shopping; in fact, over the last decade, it has grown by 1500%. The potential of online spending is speedily becoming one of the highest in the world and this is also factored by the

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dynamic young population with one of the highest global per capita internet penetration levels. As Internet is fast growing globally, it enables high-speed, low-energy, almost free infrastructure, global, instant, online everything, unrestricted by borders. All these impact both the society and the economies worldwide. Globally, there has been an increase in the utilization of advanced technology in learning, living, working, socializing, and entertainment via online services' devices including PCs, Tablets, Smartphones and Smart TVs.

Problem Statement

The Arab nations appear to be the slowest online shopping adopter (Rambo & Liu, 2010) where almost half (48%) of the Internet users in this region have never engaged in online transaction. Risk issue appears to be the reason why Arab consumers were reluctant to engage in online shopping (al-Smadi, 2013). In support to this notion, Megdadi and Nusair (2011) indicated the necessity of online retailer in increasing the trust perception and site quality so that users would be motivated to shop online. In short, the Arab consumers were majorly concerned with the issue of trust and websites quality when doing online shopping. In fact, Faqih (2011) reported lack of trust in the online transactions as a hindrance in online shopping acceptance.

Electronic Commerce allows the transactions of business to be electronically performed and such move has generated substantial operational and strategic benefits. As reported by Hasan et al. (2012), developed countries have aggressively implemented e-Commerce and in fact, e-Commerce has become an essential part of business activities in these countries. E-commerce could reduce the economic and digital gap between the developed and the developing countries. However, the developing countries are still lagging in the adoption of e-Commerce. Also, there remains a lack of research on e-Commerce readiness research in the developing countries and so, the relevance of e-Commerce in these countries is not yet fully understood. As such, this study aims to explore the readiness of e-Commerce in UAE. In order to achieve this aim, this study will evaluate the aspects of technology, legality and the environment of these countries in relation to the use of e-commerce.

E-Commerce is expected to become a megatrend among businesses in the UAE. In fact by 2018, e-commerce in this region was forecasted to worth $10 billion (Dh36.7 billion). Such statement was articulated by Frost & Sullivan's senior partner and head of visionary innovation group Mr. Sarwant Singh. Mr. Singh further remarked that albeit having the lowest percentage of online purchase in comparison to other countries worldwide, UAE will see e-Commerce expanding as a major megatrend its businesses (Alhassan, 2009). At the current time, it has been estimated that the overall value of e-commerce in the UAE is at $2.5 billion (Dh9.2 billion) and the amount is expected to grow and generate fresh businesses and job openings. As Mr. Singh had remarked, e-commerce appears to be the fastest expanding business in the UAE. A megatrend is a global trend and carries transformative change to businesses, culture as well as society. The market will also be impacted by this transformation via the generation of business models such as the "break and click, click and collect, click and deliver, click and fit" model.

E-Commerce requires Internet as its key medium. As such, countries that attempt to improve their economy through the use of e-commerce are obliged to adopt Internet and accept both its advantages and disadvantages. On the other hand, there are numerous factors that contribute to e-commerce's success and failure. As such, the factors of Performance Expectancy, Effort Expectancy, Social Factors, Cost and awareness

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that could potentially influence users' intention to engage in online transaction is examined in this study.

Theoretical Background and Current Research

In understanding what determines user acceptance of e-commerce, this study first elaborates the Unified Theory of Acceptance and Use of Technology (UTAUT) Model as below:

Unified Theory of Acceptance and Use of Technology (UTAUT) Model

The Unified Theory of Acceptance and Use of Technology (UTAUT) Model was developed by Venkatesh et al. (2003). The UTAUT model consolidates the past researches that are linked with TAM. The UTAUT describes the intentions of user to utilise an Information system (IS) and user's ensuing usage behavior. As proposed by the theory, four (4) key constructs directly determine of usage intention and behaviour of user. As presented by Venkatesh et al. (2003), these determinants are: performance expectancy, effort expectancy, social influence, and facilitating conditions. Further, the factors of age, gender, experience, as well as use voluntariness are theorised as the mediators to the impact of the aforementioned four key constructs (Venkatesh et al., 2003). The theory establishment was based on a review and consolidation of the constructs from eight models used by the past researches on IS usage behaviour. Figure 1 illustrates the UTAUT.

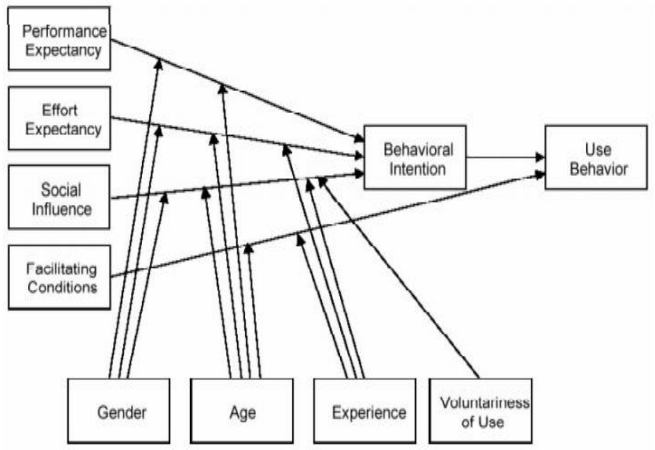

Fig. 1: Unified Theory of Acceptance and Use of Technology (UTAUT) Model Source: (Venkatesh et al., 2003)

Research Model Factors

Thus study proposes a research model based on Venkatesh et al.'s (2003) Unified Theory of Acceptance and Use of Technology Model (UTAUT) with two more factors added. This model will be used to examine the factors that impact users' acceptance of e-commerce in United Arab Emirates. The constructs of the proposed model are discussed as below:

Cost

As explained by Wind (1977), perceived price denotes the internalization or encoding of the objective selling price of a product or service. Then, when moving to m-commerce (MC) from wired e-commerce (EC), there will be added costs such as cost related to access, equipment and transaction (Constantinides, 2002). In other words, MC is generally a more costly solution when compared to the wired EC. Further, financial and hardware/software resources appear to be crucial for users with respect to information systems (Wu & Wang, 2005). Hong, Thong, Moon and Tam (2008) further added that compared to other factors that are linked to m-commerce, cost is perceived as a main aspect for consumers when they are deciding if they should

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(or should not) make purchase and utilise m-commerce. For instance, Sathye (1999) pointed out how important the factors of cost are, particularly with respect to innovation adoption. According to the author, cost is one of the major factors that prevent users in Singapore and Australia from using Internet banking. (Anil, Ting, Moe, & Jonathan, 2003).

In Malaysia, behavioural intention is found to considerably be affected by cost and also other factors (Wu & Wang, 2005). Also in Malaysia, Wei et al. (2009) reported the factor of perceived cost as one of the major obstacles that prevent m-commerce use among Malaysians. Also, in Finland, Carlsson, Walden and Bouwman (2006) stated the factor of cost as significantly impacting users' implementation of 3G (third generation) services and in fact, in this country, the factor of cost is more important than the factors of privacy and security.

Awareness

Awareness is about familiarization of consumers by way of advertising and marketing of the brand, product and services of the company, and also making the consumers aware of the special features and benefits of the products and services in a manner that is distinctive from the competitors particularly with respect to function or style. Martins et al. (2014) stated that consumers who obtain information by way of mass media or word of mouth will have knowledge of the products and services. Thus, promotion can generate awareness towards online services. In relation to this, Nuseir and Al-Masri (2010) reported that consumer purchase decisions are linked with e-promotions. Further, Darby et al. (2003) added that site awareness has substantial impact on consumer's site commitment. As such, a positive relationship is hypothesised in this study as will be elaborated in the ensuing section.

Research Framework and Hypothesis

Taking in to account the factors that have the potential to impact users' acceptance of m-learning, three new constructs are added into TAM2 and IDT so that the factors that might impact the acceptance of university student towards m-learning can be scrutinised. These factors are: service quality, student readiness and trust. The condensed model can fully clarify m-Learning user.

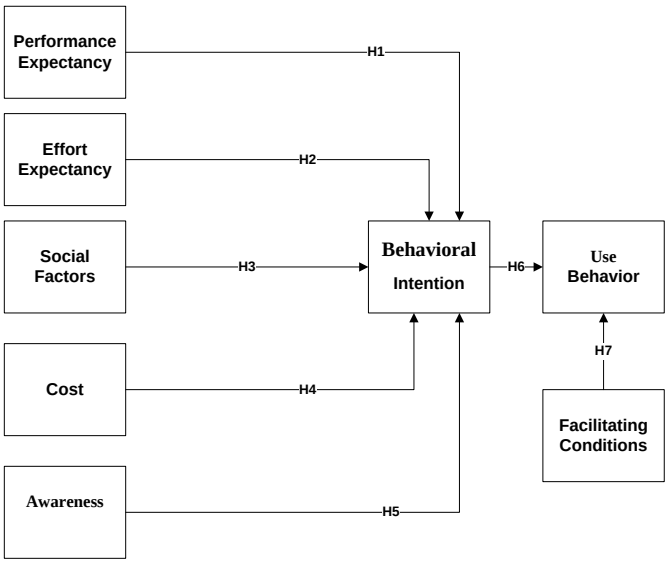

Figure 2: Research Framework

Research Hypothesis

H1: Performance Expectancy has a significant positive relationship with behavioral intention to use E-commerce.

H2: Effort Expectancy has a significant positive relationship with behavioral intention to use E-commerce.

H3: Social Factors has a significant positive relationship with behavioral intention to use E-commerce.

H4: Cost has a significant positive relationship with behavioral intention to use E-commerce.

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H5: Awareness has a significant positive relationship with behavioral intention to use E-commerce.

H6: Behavioral Intention has a significant positive relationship with Use Behavior to use E-commerce.

H7: Facilitating Conditions have a significant positive relationship with Use Behavior to use E-commerce.

Research Methodology

A total of 250 people in the United Arab Emirates were chosen as respondents in this study while data were gathered online (online questionnaires at www.surveyshare.com).The questionnaire has only one part and there are seven (7) key constructs that are linked with behavioral intention to use E-commerce to assess the likelihood of level of acceptance. Each construct is covered by a number of items. The 5-point scale is used to gauge user's degree of acceptance. The regression analysis is used to gauge the linkage between the seven key factors and behavioral intention to use E-commerce.

Data Analysis and Results

Based on the outcomes, each hypothesis shows significance based on the zero-order correlation test. Thus, at this level, the hypotheses are all supported. Further, the predictive model comprises 60.1% of the variance in behavioral intention (BI) and this is directly justified by performance expectancy, effort expectancy, social influence, cost as well as awareness. Also, the model entails 54.2% of the variance in Use Behaviour. This result is directly explained by behavioral intention and Facilitating Conditions. Figure 3 represents the predictive models with R^2 as well as path coefficients in the research model.

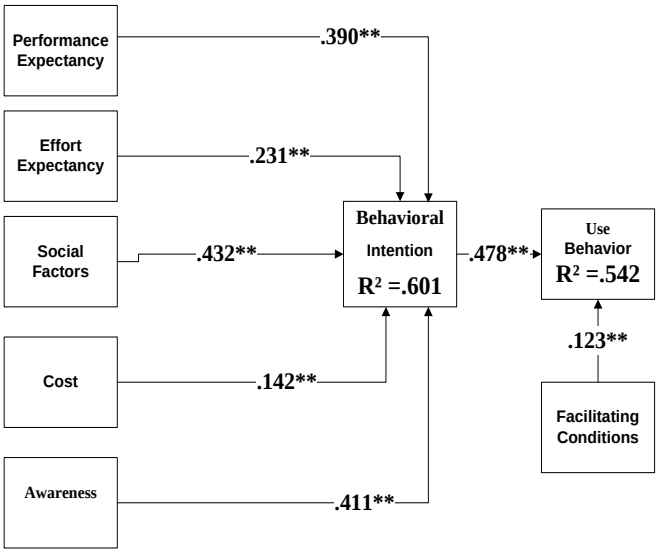

Figure 3: Predictive Model with R^2 and Path Coefficients

Conclusion

The expansion of E-Commerce within the last decade in the developed nations has intrigued the developing counterparts particularly the Middle East; they understand how important it is to be a player in the e-Commerce domain. It is important that countries in the Middle East also make use of the Internet technology in the domain of commerce. For most countries in the Middle East, the Internet users are still lagging in Internet's varied use when compared to their peers from the developed countries (i.e., Europe, America and Southeast Asia). In fact, there are very few e-Commerce sites available in Arab countries. This study's findings fulfil its key main objective of increasing the intention to use of Arab users of Arabic e-commerce websites. Thus, it is expected that the increase in the number of Arab e-commerce websites would shift the online purchasing intentions of consumer to the local Arab websites. If such happens, the Arab countries will improve their microeconomics. The validated a framework model on the setting of Arabic Websites and online shopping industry. A fundamental contribution to the body of knowledge and empirical findings to the industry has achieved through the significant model as

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main guideline to the academia and practitioners as well in their business development practices.

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