

Chapter VII

E-Commerce Adoption in Developing Countries

ABSTRACT

This chapter is aimed to provide a fundamental conceptual framework for adoption of EC by the consumers of developing countries. Through extensive review of literature and different related theories, we suggest that Awareness, Availability of infrastructure, Relative advantage, Compatibility, Website quality, Information quality, Multi-lingual option, and Trust have positive and Complexity has negative relations with adoption of EC by consumers of developing countries. These constructs can also measure the status of developing countries whether B2C EC could pursue consumers to use their systems.

7.1. INTRODUCTION

The notion of explicit and long term objective, globalization, appropriate selection of technology, cultural and social paradigms of developing countries, fundamental capabilities of EC to extend their service, customers to adopt that service, and quality of E-service has been increasingly identified and accepted by both researchers and practitioners, as being the significant determinants in successful E-commerce

(EC) implementation (Gefen *et al.*, 2003; Ribbink *et al.*, 2004). In order to develop customer focused EC services, which provide participants with accessible relevant information and quality services that are more expedient than traditional 'brick and mortar' transactions, E-retailers must first understand the factors that influence citizen's adoption of this innovation. Until now, the need for increased efficiency in private sector and the potential in information technology seem to have been the primary drivers of EC. However, little information is presented in literature on identifying distinct characteristics of consumers from developing countries, addressing their involvement pattern, evaluating fundamental capabilities of these consumers, and realizing and developing the framework of adopting EG systems by these consumers. This may be justified at an early stage of implementing new services. However, as users mature, it is argued that their input is increasingly valuable in terms of improving the services, suggesting new opportunities, and developing successful system. We have aimed to provide a fundamental conceptual framework for adoption of EC by the consumers of developing countries in this chapter. We have divided this chapter into 5 sections. After the introduction section, we will address and discuss existing literature to get deep insight of adoption criteria of EC. Then we will explain adoption process and develop our theoretical framework for factors enabling adoption of EC among consumers of developing countries. Then we will draw the conclusion.

Citizens' behavior in terms of adopting a new technology driven system is a very complex and robust subject (Bélanger *et al.*, 2002). Therefore, a growing body of research is now focusing on citizens' adoption criterion for successful implementation of EC. According to agency and contingency theories, citizens' adopting criteria and intentions are greatly affected and diversified by their attitudes, behavioral intent, local environmental security perception, service quality, and criteria of involvement of different stakeholders in the system. Therefore, understanding and estimating citizens' adopting criteria, which lead to successful implementation of EC, would have important managerial implications for globalizations.

EC is an innovative way to present a business with the extensive use of ICT. It is the use of information technology to enable and improve the efficiency with which business organizations' services are provided to customers and other businesses. Over the past few years, an increasing amount of scholarly attention has been focused on EC. It is basically the provision of information and services by business organization 24 hours per day, seven days per week (Norris *et al.*, 2001). EC is, in simple concept, the presence of business organizations in online to display, interact and transact with different stakeholders including other business organizations like supply chain and customers. The first stakeholder in the above definition of EC, viz., other business organizations and supply chain represent business-to-business (B2B) EC. The latter stakeholder, viz., customer interaction with E-retailers

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