

# Chapter 5.1

## Globalization and E-Commerce: A Cross-Cultural Investigation of User Attitudes

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### ABSTRACT

Many authors argue that information and communications technology (ICT) in this New Economy is causing a globalized, unified society. Others take the opposite stand, viewing local factors such as national culture as very important to the success of information technology (IT). Research indicates that related factors such as gender may also play important roles in the use and acceptance of IT. This chapter uniquely examined these by using electronic commerce as the common technology. Business students from the U.S., Greece, and Eng-

land expressed opinions on the important issues of National Control, Privacy Cost, Property Rights, and Consumer Preferences. Using Analysis of Variance (ANOVA), sufficient evidence was found to conclude that there are statistically significant differences in attitude about e-commerce among cultural groups, but not with gender groups. This research found support for several studies indicating the importance of culture on attitudes about technology, and postulated that common attitudes about Privacy Cost and Consumerism may be among indicators of a “technology veneer”.

## INTRODUCTION

*Although the last few years have witnessed an explosive growth in electronic commerce activities in many parts of the world, very little is known about the exact nature, dynamics, and impact of this phenomenon. There is a certain paucity of systematic investigations reported in the literature.* (Lee, M., 2001, p. 3)

In this age of information, researchers postulate that information technology (IT) is providing a new medium to finally unite society. According to the futurist Francis Fukuyama (1992), the end of the cold war signals a shift towards a “normative integration of principles and institutions”. Todd (1986) states that technology provides ever-narrowing approaches to social problems, and these approaches are reducing social options. He notes that an “unnatural” selection process caused by technology results in a loss of diversity in human society. Volti (1992) discusses a “convergence theory” where opportunities and demands presented by modern technology promote the convergence of all societies towards a single set of social patterns and individual behaviors, due in part to the requirements of technology for a common set of development and implementation steps, and for common organization constraints. Rosabeth Moss Kanter (1995), in her classic *World Class*, predicts that internationalism will prevail over “nativism”. That is, for future corporate profitability, the boundaries of national identity must be subsumed to the need for quality products and global goodwill.

Greider (1997) writes of *One World, Ready or Not*, with mobile phones as the “universal artifact of the revolution”. He predicts that there will be four major competitive factors: labor, national governments, multinational corporations, and financial investors. Hope and Hope (1997) discuss the “third wave” leading to more homogeneous global marketing patterns. Cairncross (1997) observes that time zones and language groups

will soon define distance, rather than mileage. She further notes that the credit card is the certain symbol of a unified world currency. Kevin Kelly (1998), editor of *Wired* magazine, in his *New Rules for the New Economy*, writes that technology has “been able to infiltrate into our lives to the degree it has become more like us...Technology has become our culture” (p. 33).

On the other hand, however, some argue that a globalization of society has not, and perhaps will not occur. Ferkiss, in *Technological Man* (1969), claims that the existence of technology change presupposes cultural acceptance, and that a single culture, “embracing both the famine-stricken world and the well-fed nations is obviously impossible...cultural variation is likely to be the rule” (p. 171). Volti (1992) observes that technologies developed and implemented in one culture or society may fail when taken to a different setting. Nelson and Clark (1994) note that European firms commonly develop differing computer systems for different nations. Hamel and Prahalad (1994), in their classic *Competing for the Future*, warn firms to address and work with global differences; that global markets emerge at differing speeds; and that global differences will continue to be a challenge. Doremus, Keller, Pauly, and Reich (1998) note that corporate governance is closely linked to national culture, and boldly claim that the global corporation is a myth. Fine (1998) cautions managers to be more sensitive to the effects of national business mores, values, standards, laws, and cultures. Bowers (2000) claims that the most dominant characteristic of computers is their culturally-mediating and transforming effect, but that computers are viewed as a destructive form of Western colonization. “Members of other cultures are aware that when they use computers, they must adapt themselves to radically-different patterns of thought and deep culturally-bound ways of knowing” (p. 22).

Castells (2001) observes that “core economic, social, political, and cultural activities throughout the planet are being structured by and around the

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