



## THE TREND OF ONLINE SHOPPING IN 21<sup>ST</sup> CENTURY: IMPACT OF ENJOYMENT IN TAM MODEL

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### ABSTRACT

*Although the technology evolve over the years however people takes more time to accept it and adopt in their daily life. Lack of customer acceptance towards new technology remains a big challenge for the marketers. The internet users in Pakistan increase at a phenomenal rate during the last five years but the adoption of online shopping is still slow. The purpose of this research paper is to create a model on the based on technology acceptance model in order to find the other factors that influence online shopping intentions. A survey of 150 respondents that includes professionals from various fields and university students was conducted. With the help of regression analysis, the proposed model was assessed. The findings reveal that perceived ease of use and perceived enjoyment are the factors that affect online shopping intention. Surprisingly, the effect of perceived usefulness was not significant on online shopping intentions. This particular results demand to create awareness in the population regarding the benefits of online shopping. This paper also found that perceived ease of use has a significant positive effect on perceived usefulness.*

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**Keywords:** Perceived usefulness, Perceived ease of use, Perceived Enjoyment, TAM

**Paper Type:** Research Paper

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## INTRODUCTION

Internet is frequently using for online shopping. Online shopping refers to the shopping behavior of consumer in an online store or a website used for online purchasing purpose (Monsuwe et al. 2004). Online shopping has experienced a rapid growth during the recent years due to its unique advantages for both consumers and retailers, such as shopping at round the clock facilities, decreasing dependence to store visits, saving travel costs, increasing market area, decreasing overhead expenses and offering a wide range of products. More than 85% of world's online population has ordered goods over the internet during the recent year. Todd and Jarvenpa, (1997) introduced technology-centered view and consumer oriented views for adoption of online shopping. The technology-centered view involves the technical specifications of an online store that influence consumer's awareness of using that technology (Chen et al. 2002). On the other hand, the consumer-oriented view involves customers understanding or views about online shopping. In this paper extended technology acceptance model (TAM) (Davis, 1989) is used to understand the variables that effect online shopping. Technology acceptance model is a foundation for examination of customers approval of online shopping (Stoel and Ha, 2009). Perceived ease of use (PEOU) and perceived usefulness (PU) are the two external variables of TAM (Davis, 1989). In this paper technology acceptance model is extended by accumulating perceived enjoyment (PE) as a 3<sup>rd</sup> external variable that affects online shopping intention.

Perceived usefulness is the perception of an individual that usage of new system will help her/him to achieve gains in their work performance. Perceived ease of use is the perception of an individual that it requires no cost or effort in the adoption of new system or technology. Perceived enjoyment is the individual perception that by adopting new system or technology he/she will have pleasure. Moreover, if a person perceives that usefulness facilities are greater than the effort required to use the internet then he/she will use the internet for online shopping. Utilitarian (extrinsic) and hedonic (intrinsic) factors are the two important factors that affect online shopping intention. Utilitarian value is review of financial benefits and costs whereas hedonic value is a review of experiential costs and benefits (Lee and Overby, 2006). This paper reveals that PE, PUSF and PEOU significantly affect online shopping intention.

## LITERATURE REVIEW

### Online Shopping

Online shopping is the consumers shopping behavior to shop online. The people who find it easy to use, useful and enjoyable can accept online shopping. Technology acceptance model is used to understand the variables that affect online shopping. These variables are perceived usefulness, perceived ease of use and perceived enjoyment. These variables and their effects on online shopping are explained as follows:

### **Perceived Usefulness**

In perspective of e-shopping, perceived usefulness is customers' perception that by shopping online his or her performance will be enhanced. Perceived usefulness (PUSF) is considered as the utilitarian factor that affects online shopping (Davis, 1989). According to TAM (Davis, 1989) customers tend to use that online website which significantly affects their performance. According to Zhou et al. (2007) it's the customer's probability that shopping online would increase his/her efficiency and this positively affect the entire purchase process. Bhattacharjee, (2001) says that customer prefer to acquire a product when such usage is perceived to be useful. Following hypothesis is developed with the help of above discussion:

**H<sub>1</sub>**. PU has a positive effect on shopping intention.

### **Perceived Ease of Use**

In the context of online shopping, perceived ease of use is the customer's perception that it would easy to interact with the e-commerce websites. According to TAM an online shopping web site that is easy to use positively affects perception of usefulness. Many other researchers found that technology that is easy to use increases people's perception of usefulness. Therefore, PEOU has a significant effect on PUSF. PEOU is estimated to have a positive effect on purchase intention. When customers find that interaction with an online shopping website is easy and it is easy to search product information and to pay online, they prefer online shopping. Van der Heijden, (2004) found that perceived ease of use is hedonic-oriented factor. As the web based technologies is increasing the structure of websites is becoming more complex. If the site for shopping intention is convenient to use then customers will interact more with the site (Wallace and Barkhi, 2007). On the basis of above discussion it is concluded that perceived ease of use (PEOU) significantly affects online shopping intention. The following hypotheses are developed on the basis of above discussion:

**H<sub>2</sub>**: Perceived ease of use (PEOU) has a positive effect on shopping intention.

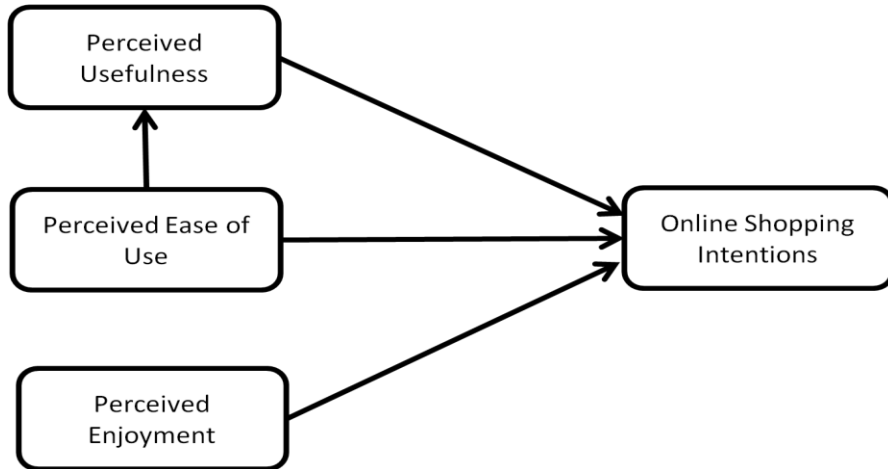
**H<sub>3</sub>**: Perceived ease of use (PEOU) has a positive effect on perceived usefulness (PUSF).

### **Perceived Enjoyment**

In the context of online shopping, perceived enjoyment (PE) is the customer's perception that by shopping online he or she will have fun. Perceived enjoyment is the hedonic factor that effect online shopping intention. Enjoyment is an efficient reaction and it affects the performance. Customers can have fun searching products online. Enjoyment is the essential element of online shopping. Online retailers should give importance to this hedonic factor when planning to develop their websites. Lu and Hsu, (2004) recommended that enjoyment effects online shopping. Thong et al. (2006) suggested that enjoyment has a significant effect on shopping. As compared with the offline shopping, online shopping can be equally enjoyable and can have positive effect on online shopping. Triandis, (1980) discussed that the feelings of delight, pleasure and joy have an impact

on individual's behavior that encourage them to shop online. The following hypothesis is developed on the basis of above discussion:

**H<sub>4</sub>:** Perceived enjoyment (PE) has a positive effect on shopping intention.



**Figure-1.** Proposed Research Model

**RESEARCH METHODOLOGY**

The current research is descriptive in nature. Descriptive research can be explained as relating something, some phenomenon or any particular condition. Descriptive researches are those researches that explain the existing situation instead of interpreting and making judgments. The main objective of the descriptive research is verification of the developed hypotheses that reflect the present situation. This type of research provides information about the current situation and focus on history or current for example online shopping intention (Kumar, 2005).

**Sample /Data**

A sample of 150 respondents will ask over to participate in a self-administrated questionnaire. The population for the present research is internet users in Pakistan. The current study utilizes a non-probability sampling techniques that is convenience sampling. Convenience sampling is usually used for collecting a large number of data. It has ensured that the sample members posses two main qualification to participates in the self-administered survey. First, the sample members should be using internet and having enough knowledge about internet. Second, they never purchase any item over the internet because in the case of knowledge regarding internet purchase, it absolutely influences the attitude and behavior of the respondent. We select these test members from different metropolitan cities of Pakistan. Two main clusters were focused to collect the sample data like university students and working professionals. The selection of students and working professionals

are based on the earlier results of the studies on online shopping. Noted that young adults are more attracted in online shopping as compared to others. Young people can easily study the skills necessary for online shopping (Hubona and Kennick, 1996).

## Measures and Scales

**Table-1.** Scales of the study.

No.	Variables	Items	References
1	Perceived Usefulness	<ol style="list-style-type: none"> <li>1. The internet would improve my performance when searching for and purchasing goods.</li> <li>2. The internet will makes it easier to search for and purchase goods.</li> <li>3. The internet will probably enhance my effectiveness in goods searching and purchasing.</li> <li>4. Using internet to acquire a product would allow me to do my shopping more quickly.</li> <li>5. The internet will increase my productivity when searching for and purchasing goods.</li> </ol>	Davis (1989) and Gefen et al. (2003)
2	Perceived Ease of Use	<ol style="list-style-type: none"> <li>1. Learning to operate the internet to buy a product would be easy for me.</li> <li>2. The internet to buy a product would be flexible to interact with.</li> <li>3. My interaction with internet to buy a product will be clear and understandable.</li> <li>4. The internet would be easy to be use to do my shopping.</li> <li>5. It would be easy for me to become skillful at using the internet to buy a product.</li> </ol>	Davis (1989) and Gefen et al. (2003)
3	Perceived Enjoyment	<ol style="list-style-type: none"> <li>1. I shall have fun when purchasing products over internet.</li> <li>2. Using the internet to purchase a product would provide me a lot of enjoyment.</li> <li>3. I think that purchasing products from internet shall be interesting.</li> <li>4. Using the internet to purchase a product would provide me a lot of excitement.</li> </ol>	Moon and Kim, (2001)
4	Online shopping Intention	<ol style="list-style-type: none"> <li>1. I intend to use the internet frequently to shop for products.</li> <li>2. I intend to use the internet whenever appropriate to do shopping.</li> <li>3. I intend to purchase products using internet to get experience about online shopping.</li> <li>4. If I could, I would like to continue purchasing products using internet in the future.</li> </ol>	Moon and Kim, (2001)

The survey instrument of the current study address two major purposes: first is to examine the relationship of different variables in the acceptance of online shopping. Second, to collect information about the dissimilar characteristics of the respondents that can be used to realize the variations in different categories. The survey instrument contains two sections. Section-1 includes different personal and demographics variables. This section will obtain the respondent's

information about gender, age, income, education, status, frequency of internet use and likely product to be bought in the future.

Section-2 includes the latent variables that are essential in the present study. These variables include perceived usefulness, perceived enjoyment, perceived ease of use and online shopping intention. This section of the study is developed based on the past literature and already used questionnaires (Table-1). The scales of the study were adopted from the earlier literature and published studies.

### Regression Analysis

The survey was distributed among 200 respondents in Islamabad, Lahore, Multan, and Bahawalpur. These respondents are selected based on the criteria above mentioned. Before distribution, the questionnaires were explained to the respondents so they can easily fill the questionnaire with significant responses. A total of 150 questionnaires were selected and rest of the questionnaire was not included in the further analyses due to incomplete or unacceptable responses. After collecting the completed questionnaire, these questionnaires were implied and entered into SPSS sheet for further analysis.

### Reliability Analysis

Overall Cronbach 's alpha of the variables were more than suitable and recommended value of 0.50 by and 0.60 by. This shows that all the 18 items were reliable and applicable to measure the opinions of consumers towards Online Shopping.

**Table-2.** Reliability of Measurement Instrument

Scales	Items	Cronbach alpha
Perceived Ease of use	5	0.696
Perceived Usefulness	5	0.649
Perceived Enjoyment	4	0.761
Online Shopping Intention	4	0.699

## RESULTS AND ANALYSIS

### Profile of the Respondents

Personal and demographic information such as gender, age, income, education level, status, frequency of internet use and potential purchase over the internet are presented in the following

**Table-3.**

**Table-3.** Profile of the respondents.

Variable	Category	Frequency	Percentage
Gender	Male	121	80.7
	Female	29	19.3
Age	15-20 Years	40	26.7
	20-25 Years	102	68.0

	25-30 Years	8	5.3
Income	Below 15000	90	60.0
	15000-25000	22	14.7
	25000-35000	14	9.3
	35000-45000	9	6.0
	45000-55000	5	3.3
	Above 55000	10	6.7
Education	Matriculation	3	2.0
	Inter	7	4.7
	Bachelor	70	46.7
	Master	60	40.0
	MS/M. Phil	10	6.7
	PHD	0	0
Status	Student	131	87.3
	Employed	7	4.7
	Businessman	9	6.0
	Unemployed	3	2.0
	Housewife	0	0
Frequency of Internet Use	Less than 1 Hour	28	18.7
	1-2 Hours	47	31.3
	2-3 Hours	24	16.0
	3-4 Hours	11	7.3
	4-5 Hours	10	6.7
	More than 5 Hours	30	20.0
Future Purchase over Internet	Books/Magazine	21	14.0
	Music CD/DVD	6	4.0
	Video CD/DVD	10	9.3
	Cloths/Garments	27	18.0
	Shoes	5	3.3
	Sports Equipments	4	2.7
	Airline Ticketing	16	10.7
	Games/Software	15	10.0
	Electronics	22	14.7
	Hotels Reservation	6	4.0
	Toys/Gifts	0	0
	Cosmetics	13	8.7
	Others	1	0.7

## Hypothesis Testing

### Perceived Usefulness and Online Shopping Intention

The results of the present study shows no significant connection of perceived usefulness and online shopping intention with ( $\beta = 0.041$ ) and ( $p > 0.050$ ). Based on this result, we reject  $H_1$  and conclude that the study did not find significant connection of perceived usefulness with online shopping intention.

### Perceived Ease of Use, Perceived Enjoyment and Online Shopping Intention

According to the results of the study, both perceived enjoyment (PE) and perceived ease of use (PEOU) have positive relationship with online shopping intention with ( $\beta = 0.361$ ) ( $p < 0.010$ ) and ( $\beta = 0.421$ ) ( $p < 0.010$ ) respectively. That means perceived ease of use contributes more than 36%

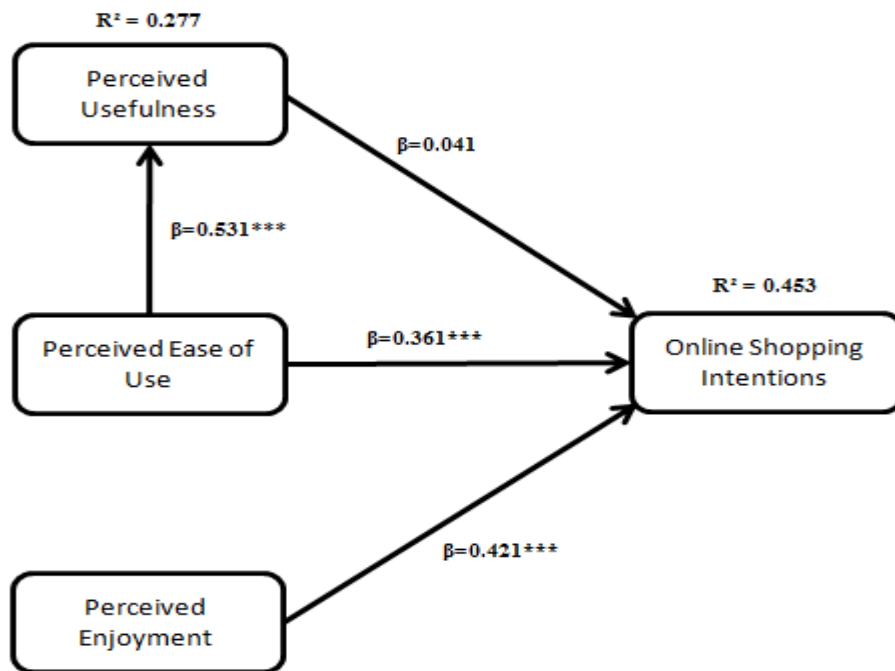
and perceived enjoyment contributes more than 42% towards online shopping intention. Results of the current study validate H<sub>2</sub> and H<sub>3</sub>.

**Perceived Ease of Use and Perceived Usefulness**

Regression estimates shows that perceived ease of use found significantly linked with perceived usefulness. There is a significant positive relationship between perceived ease of use and perceived usefulness with ( $\beta = 0.531$ ) and ( $p < 0.010$ ). This result of the study support H<sub>4</sub>.

**Table-4.** Regression Results

Hypothesis	Model Variables	Estimate	S.E	C.R	P	Results
H1	Intention ← PUSF	0.041	0.093	0.573	0.568	Not Supported
H2	Intention ← PEOU	0.361	0.88	4.707	***	Supported
H3	Intention ← PE	0.421	0.66	6.269	***	Supported
H4	PUSF ← PEOU	0.531	0.062	7.616	***	Supported



**Figure-2.** Structural Model Results

**DISCUSSION**

The aim of this paper is to understand online shopping intention with the help of extended technology acceptance model (Davis, 1989). This research paper identifies the factors that affect online shopping. These factors are perceived usefulness, perceived ease of use and perceived enjoyment. The results obtained helps to verify the established hypothesis and to understand the relationship of the three variables with online shopping intentions, i.e. perceived enjoyment,



perceived ease of use and perceived usefulness. Now we discuss the findings and implication as follows: many studies confirm the effect of perceived enjoyment (PE) and perceived ease of use (PEOU) on online shopping intention (OSI). The result of both variables is significant on online shopping intention with  $\beta = 0.361$  and  $\beta = 0.421$ . This means that perceived ease of use (PEOU) contributes 36% and perceived enjoyment (PE) contributes 42% towards online shopping intention. This finding suggests that more the customers think about the new technology is easy more the customers are ready to adopt it. This paper finds a significant connection between PUSF and PEOU with  $\beta = 0.531$  and  $p < 0.010$ . Moreover, this paper finds that there is no significant relationship between perceived usefulness and online shopping intention with  $\beta = 0.041$  and  $p > 0.050$ . This rejects the hypothesis that perceived usefulness positively affects online shopping intention.

Although previous studies provide mixed results about the impact of perceived ease of use on online shopping intentions, the present study confirm the importance of perceived ease of use in online shopping context. A user-friendly website or electronic retail store leads to greater behavioral intention. Easy to use online retail stores may allow the customer to obtain required information about their purchase that decreases the associated risk with new shopping medium. Therefore leading to positive attitude and increase behavioral intention like intention to recommend the online store and repurchase from the same store. For that reason, perceived ease of use can be important for developing online sites for shopping.

The important and surprising result of the study is insignificant relationship of perceived usefulness with online shopping intentions. It clearly means that the behavioral intentions of the sample members towards online shopping were not due to its usefulness but they attract towards the internet shopping for other reasons. For internet firms this findings is more important because it require their efforts to communicate and educate the customers about the benefits of the online shopping if they want to increase the traffic on their websites.

The limitation of this paper may create ability to generalize findings as it is based on particular region responses. Comparative study to know the differences in the perception of online shopping of people living in the diverse geographical areas is in progress. This research can be expanded by focusing on the potential customers who had used online shopping for many years in order to better understand online shopping.

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