Purchasing Apparel Online in China and in Sweden

- A Qualitative Study Exploring the Differences in Attitudes and Online Shopping Intentions Across Borders

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Abstract

Problem: E-commerce is a rapidly growing business sector across the world and provides interesting expansion opportunities for retail businesses. However, differing consumer attitudes across borders create barriers for expansion, and subsequently there is a need to study these differences.

Purpose: The primary purpose of this study is to examine potential differences between Chinese and Swedish consumer’s attitudes and online shopping intentions when purchasing apparel online. The secondary purpose of this study is to contribute to the TAM by adding constructs that facilitate a cross-cultural examination in an e-commerce context.

Methodology: This study is explorative and descriptive and has applied a qualitative research approach. The data has been collected primarily by conducting focus groups in both China and in Sweden.

Findings: Differences in consumer’s attitudes and intentions toward online shopping between China and Sweden were identified. The main differences were the perceived overall usefulness of online shopping and the level of risk that consumers perceived in online shopping. Risk related constructs added to the TAM were found to be relevant, while the relevance of certain culturally related dimensions added were questionable.

Keywords: Technology Acceptance Model, Online shopping, China, Sweden, Apparel
List of abbreviations

CD    Cultural Dimensions
IDV   Individualism versus Collectivism
OSI   Online Shopping Intention
PEU   Perceived Ease of Use
PU    Perceived Usefulness
PR    Perceived Risk
TAM   Technology Acceptance Model
TRA   Theory of Reasoned Action
UA    Uncertainty Avoidance
1. Introduction

The rapid spread of the Internet across the world has enabled businesses and consumers to become more connected than ever before. This increased connectedness has led to the proliferation of electronic commerce (e-commerce) - a business area that has expanded exponentially during the past decade (McKinsey & Company, 2013). Consequently, market observations have shown that an increasing amount of businesses are starting to focus their sales efforts on the digital market due to the scope and reach that e-commerce provides (Bain & company, 2013). Albeit providing opportunities to quickly expand businesses across borders, differing consumer online behavior and attitudes have been observed, and provide challenges for businesses seeking to expand internationally (Kim et al. 2013). Due to these challenges, this study will explore consumer attitudes and online shopping intentions in two specific markets: China and Sweden.

There are four main reasons for comparing consumer’s attitudes and online shopping intentions in these specific markets. Firstly, there is a major difference in Internet penetration between the two countries. The most recently reported level of Internet penetration in China was 44.1 %, which clearly contrasts to the latest level reported in Sweden of 89 % (CNNIC China Internet Stats, 2013; Stiftelsen för Internetinfrastruktur, 2013). Secondly, the e-commerce markets in both countries are expanding at different speeds. The Chinese market experienced a growth rate of 71 % during 2012, reaching a total value of 1406.7 B SEK (Bain & Company, 2013). Taking this into perspective, the Swedish market experienced a growth rate of 14 %, reaching a total value of 31.6 B SEK the same year (HUI Research, 2013).

Third, the two countries represent cultural characteristics that differ from each other, where China has proven to be a highly collectivistic society and Sweden conversely has proven to be
highly individualistic (Hofstede, 1980; Olve et al., 1988). Finally, the Chinese e-commerce market has been predicted by consultancy firms to become the largest digital retail market in the world in 2014 due to that online shopping is rapidly becoming the preferred way of shopping amongst Chinese consumers (Bain & Company, 2013; McKinsey & Company, 2013). Taking this into perspective, the Swedish e-commerce market has been evolving for a long period of time and is seen as a complement to offline shopping amongst Swedish consumers (HUI, 2013).

Examining the e-commerce markets in China and Sweden further; apparel is a dominant segment in both countries, representing the largest segment in China with a 35 % market share and the second largest segment in Sweden with a 21.2 % market share (HUI, 2013; McKinsey & Company, 2013).

1.1 Background and Problematization

The rapid growth of the e-commerce market has driven extensive research in order to understand consumer’s attitudes toward purchasing goods online (Tong, 2010). Jarvenpaa and Todd (1997) identified that this research can be approached from either a technology-centered or a consumer-oriented view. The technology-centered view focuses on how the technical dynamics of an online store affect consumer’s attitudes and the extent of their use of the technology. The consumer-oriented view focuses on consumer’s beliefs about shopping online (Chen, et al., 2002).

To address and better understand these two views, the Technology Acceptance Model (TAM) will function as the main theoretical base for this thesis seeing as it is considered to be one of the most accepted and influential models in the context of studying attitudes toward e-
commerce (Tong, 2010). The TAM provides a framework for analyzing the causal relationship between beliefs, attitudes, intentions and behavior (Tong, 2010) and focuses on measuring technology acceptance behavior of computer users (Hu & Yala, 2007). The TAM achieves this by using different constructs to measure attitudes toward using a certain technology, which consequently affect behavioral intentions towards usage, and in turn also the actual usage of that certain technology (Davis, 1985). Due to its technology focus, the TAM has been widely used to analyze online shopping (Bruner & Kumar, 2005). The original TAM will be further extended in the conceptual framework section, in order for it to fit the specific research purpose of this thesis.

The previous usage of the TAM has been somewhat limited in the sense that it has been mainly applied and developed for research in one single country. Subsequently, the degree to which previous TAM-based research is culturally bound is unknown in several cases (Durvasula et. al., 1993). Cultural and economic factors have proved to have clear effects on the general Internet usage and on online shopping, in particular on specific markets (Park & Jun, 2003). Furthermore, Tong (2010) claims that the generalization of the model across borders needs to be confirmed, and addressed this issue by examining differences across borders by applying TAM-based research on two separate markets. Tong’s (2010) research is somewhat unusual in the sense that it attempted to cross-examine consumer attitudes on two different e-commerce markets. Consequently, there are still clear possibilities to add on to the TAM in order to explore its multicultural applicability.

When using an extended TAM to examine differences in consumer attitudes and online shopping intentions between China and in Sweden, we have chosen to focus the study on solely examining the apparel segment. Seeing as it is a dominant segment in terms of online
sales in both countries (HUI, 2013; McKinsey & Company, 2013), an apparel focus will be well recognized and easy to relate to for the respondents when collecting the empirics for this study. Furthermore, the importance of the apparel segment makes this study relevant for future research and also for managers willing to explore the Chinese or Swedish online apparel markets, seeing as best practices in the European market are seldom completely transferable to the Chinese market and vice versa (Boston Consulting Group, 2011).

1.2. Research Purpose

The primary purpose of this study is to examine potential differences between Chinese and Swedish consumer’s attitudes and online shopping intentions when purchasing apparel online. The secondary purpose of this study is to contribute to the TAM by adding constructs that facilitate a cross-cultural examination in an e-commerce context.

By contributing to the TAM and thus creating an extended TAM we aim to specify the model for our primary purpose. This will facilitate the gathering of empirical data and insights about Chinese and Swedish consumers’ attitudes in an e-commerce context. Considering the growth of the online markets in both countries, the size of the apparel segment in these respective markets and the lack of cross-cultural TAM-based research, there is research value in examining differences between the Chinese and Swedish consumers.

The TAM will be extended by taking factors such as culture, perceived risk and specific e-commerce factors into consideration. A comparative analysis between the two countries will ultimately provide results that help to better understand the differences in attitudes toward shopping apparel online in China and Sweden.
1.3. Research Questions

How do consumers’ attitudes and online shopping intentions when buying apparel online differ between China and Sweden? Can contributions be made to the TAM in order to specify the model for a cross-cultural examination in an e-commerce context?
2. Conceptual Framework

The following chapter consists of a literature review that provides an explanation of the existing research within the e-commerce context. In this section, information is provided to illustrate how the extended Technology Acceptance Model (TAM) used in this thesis has evolved from previous research. While explaining this process, the different constructs in the model are defined and their theoretical relationships are discussed.

There are several theoretical frameworks and academic publications that examine consumer-purchasing behavior online. Two of the most well known theories to understand the phenomenon of online purchase behavior are the Theory of Reasoned Action (TRA) and the Technology Acceptance Model (TAM) (Cheung et al., 2003). In this study the TRA model is considered to be the starting point and as a model that was further developed into the TAM to better address behavior when using technology. The original TAM will be further extended with additional constructs that will provide the main theoretical framework in this thesis.

2.1. Theory of reasoned action (TRA)

As Cheung et al. (2003) reviews the previous research of online consumer behavior the majority of the research is based from the attitude-intention-theories, such as the TRA. The TRA model was introduced by Ajzen & Fishbein in 1975 and has been proven to be useful to predict and understand a wide range of various behavior (Madden et al., 1992). The TRA model has two constructs, Attitude and Subjective Norm towards a specific behavior. These are mutually linked to a third component - the consumer’s Behavioral Intention. Finally, Behavioral Intention is linked to Actual Behavior (Fishbein & Ajzen, 1975: 336-340; Davis et al., 1989). Thus, the TRA describes consumer behavior by viewing consumer behavior as a result of the consumer’s intention to behave in a certain manor (Cheung et al., 2003).
The TRA model has been criticized due to that it is considered too general and not fully applicable for specific behavior (Davis, 1989). Other critics oppose the TRA model since they claim that the model is based on the assumption that consumers’ attitudes toward a behavior are based on the consumers’ rationale, freedom of choice and being systematically made (Chang, 1998; Hansen et al., 2004). In other words, it assumes that the consumer is in total control of his or her behavior (Sheppard et al., 1988).

Due to the criticism of the TRA on having a too generic view on attitudes in a social environment, a more appropriate model developed with a deeper technology perspective in an e-commerce context - the Technology Acceptance Model (TAM) (Hu & Yayla, 2007). Therefore the TAM will be used to further build a valid theoretical framework in an e-commerce context in this thesis.

2.2. Technology Acceptance Model (TAM)

The TAM was introduced and developed as an extension of the TRA model where many of the TRA’s attitude measures are replaced by technology acceptance measures (Davis, 1985). Therefore, rather than being a generic model for individual behavior in a social environment, the TAM has a clear focus on technology acceptance behavior of computer users (Hu & Yala, 2007). The fact that the model has been extensively applied in the online shopping context verifies the TAM’s high validity for studying consumer acceptance of e-commerce (Bruner and Kumar, 2005; McKechnie et al., 2006).

The origin of the TAM comes from an information systems theory that has been developed from studies of the causal relationship between beliefs, attitudes, intentions and behavior - in order to predict technology acceptance among potential users (Tong, 2010). The TAM uses
the TRA as the theoretical base for elaborating the causal relationship between the two key constructs: Perceived Ease of Use (PEU) and Perceived Usefulness (PU). These constructs affect consumer’s Attitudes and consequently their Behavioral Intention to Use, which in turn affect consumer’s Actual Usage of a certain technology as illustrated in Figure 1 below (Davis et al., 1985).

The TAM concludes that when people tend to have more positive attitudes toward a technology, they are more likely to accept and use that certain technology (Chen et al., 2002). The following sections will further describe the different constructs of the TAM and the causal relationship between them.

2.2.1. Perceived Ease of Use

Perceived Ease of Use (PEU) discusses how easy and comprehensible consumers believe that the usage of a certain technology is (Nawaz et. al., 2012). In other words, the PEU construct acts as the link between the structure of a certain technology and the Behavioral Intention to Use that certain technology (Ignatius & Ramayah, 2010). PEU is a construct that is affected by external variables that can be defined in order to the tailor the TAM for specific research.

Figure 1. The Technology Acceptance Model (Davis, 1985)
purposes (Huaying et al. 2008). The PEU construct affects both the overall Perceived Usefulness of the technology and also the consumer’s Attitudes toward using it (Davis, 1985).

2.2.2. Perceived Usefulness

Perceived Usefulness (PU) measures to what extent consumers believe that a new technology helps alleviate his or her performance in a certain field (Nawaz et. al., 2012), in this case, purchasing apparel online. The level of PU is determined by the usefulness, efficiency and performance that consumers perceive that a certain technology helps them achieve in their performance (Davis, 1989). For online shopping in particular, consumer’s attitudes are based on a reasoned evaluation of if the act of purchasing goods online will increase their overall shopping performance (Nawaz et. al., 2012). Furthermore, Vijayasarathy (2004: 749) states that: “an individual’s perception of how easy or difficult it is to use a system (PEU) will influence his/her perceptions about the usefulness of the system”. Hence, PU depends on PEU and ultimately affects the consumer’s Attitudes Toward Using.

2.2.3. Attitudes

PEU and PU mutually affect consumer’s Attitudes toward using a certain technology in the TAM (Davis, 1985). There are several ways to define attitude, however one commonly used explanation is that attitude is a summarized evaluation towards objects that stretches from positive to negative (Fabrigar et al. 1997). Explaining attitudes in a more specific way, one of the most established definitions of attitudes is: “An attitude is a learned predisposition to respond in a consistently favorable or unfavorable manner with respect to a given object” (Fishbein & Ajzen, 1975: 31). Putting this definition within the context of this thesis, an attitude is: a consumer’s learned predisposition to respond in a consistently favorable or unfavorable manner to purchasing apparel online.
The strongest accepted terms on how attitudes are developed are through people’s ability to learn (Hansen et al., 2010). To understand consumer’s attitudes it is important to remember that attitudes can be a result from behavior, while it does not mean attitudes are equal to behavior (Hansen et al., 2010). Since attitudes are considered learned predispositions, they have a motivational quality which mean that they could either drive a consumer in the direction to a specific behavior or drive the consumer away from the specific behavior (Hansen et al., 2010).

2.2.4. Behavioral Intention to Use

Behavioral Intention to Use measures the strength of consumer’s intention to perform a certain behavior (Malhotra & Galletta, 1999). Behavioral Intention to Use consequently depends on the respondent’s attitudes toward using a certain technology, which in turn depends on the respondent’s PEU and PU.

2.2.5. Actual System Usage

Actual System Usage is the final section of the TAM and reflects the degree to which consumers actually adopt a certain technology. This degree is a collated measurement based on the previously mentioned sections and constructs of the TAM (Davis, 1985). When extending the TAM in this thesis, we have chosen to disregard from this final section of the model, seeing as our intention is to compare consumer’s attitudes and intentions when shopping online.

2.2.6. Limitations of the TAM

Several previous studies claim that the TAM is a narrow model in different technology-related contexts (Davis 1989; Davis et al., 1989; Ha & Stoel, 2009; Tong, 2010) and other studies have claimed that the model’s narrowness is one of the its key limitations (Tong, 2010; Vijayasarathy, 2004). Vijayasarathy (2004) claims that the TAM constructs are more suitable
to decisions involving technology usage options instead of situations involving users' opportunity to choose (e.g., to purchase apparel online or in physical stores). Consequently, to capture the key beliefs influencing consumers' attitudes toward online shopping the original TAM variables may not be fully adequate to the consumer’s attitudes.

The TAM may also be limited in its applicability for cross-cultural studies. Previous applications of the TAM have mainly been done in one single country which makes the degree to which its application is culturally bound relatively unknown (Durvasula et. al., 1993). Park and Jun (2003) claim that cultural and economic factors have proved to have clear effects on the general Internet usage and on online shopping on specific markets. Furthermore, Tong (2010) claims that the generalization of the model across borders needs to be confirmed.

These limitations have caused us to suspect that the well-recognized TAM is neither refined nor specific enough for cross-cultural research in an e-commerce context. Further constructs need to be added and defined and consequently, an extended TAM will be presented in the following section. Extending the TAM by adjusting the model in a more appropriate manner towards online shopping has previously been done in several studies (Chen et al. 2002; Li & Qiu, 2008; Tong, 2010), and the extended TAM presented in this thesis has partially been inspired by these previous studies.

2.3. The Extended TAM

For this study, the TAM has been extended by adding more relevant variables for a cross-cultural study in an e-commerce context. A cross-cultural study in an e-commerce context between two widely differing countries is a relatively uncovered area; therefore, an extended TAM (presented in Figure 2) may be needed to gain insightful findings.
Constructs that previous researchers have extended the model with have frequently been related to trust and risk (Hoffman et al., 1999). Tong (2010) defined this construct as Perceived Risk (PR) in his research on how the TAM could be adapted for cross-cultural usage. Due to that this thesis has a similar purpose as Tong’s research, a PR construct has been added to the extended TAM and is presented in section 2.3.1. In order to contribute further to the TAM, we have added a Cultural Dimensions (CD) construct to the extended TAM. The CD construct has been added in order to capture culture differences that may affect consumer’s attitudes and online shopping intentions in China and in Sweden. The CD construct will further be explained in section 2.3.2. The original TAM allows external variables to be connected to the PEU and PU constructs in order to tailor the model for specific fields of technology acceptance research. These external variables have been defined to suit the purpose of this thesis, and are presented in section 2.3.3. Finally, the section Behavioral Intention to Use in the original TAM has been redefined as Online Shopping Intention (OSI) in order to specify the outcomes of the study. OSI will be presented in section 2.3.4.

2.3.1. Perceived Risk

Dowling and Staelin (1994: 12) define PR as: “the buyer’s awareness of the insecurity and opposing significances of purchasing an invention or services”. Consumers commonly perceive certain risks with using new technologies. These risks are linked to uncertainties in an online shopping context and affect consumer’s attitudes significantly (Clark & Lee, 1996). Due to the distance from the supplier in online shopping, there are a number of different risks perceived by consumers. Firstly, consumers can perceive monetary risks related to uncertainties when making payments and not receiving any goods in return (Garner, 1986). Secondly, there are product performance risks linked to uncertainties of that the product will
not work properly or as described (Roselius, 1971). Finally, consumers can perceive risks related to uncertainties that they will not receive their goods on time (Garner, 1986).

2.3.2. Cultural Dimensions

A Cultural Dimensions (CD) construct has also been added to the extended TAM in order to facilitate a cross-cultural study in an e-commerce context. Numerous studies have suggested that differences in consumer’s behavioral responses and attitudes in online shopping can be explained by cultural differences (Kailani and Kumar, 2011; Kim et al., 2008; Liu et al., 2008; Moon et al., 2008; Tong, 2010). Goodrich and De Mooij (2011) claim that cultural dimensions are stable predictors of online consumption behavior in different countries, regardless of the spread of technology and wealth across the world. Furthermore, Davis et al. (2008) explain that cultural dimensions generate differences between consumer’s responses to online stimuli. Previous cross-cultural studies of consumer attitudes and behavior have suggested that countries that differ in their cultural classifications by Hofstede also differ in their behavioral tendencies (De Mooij and Hofstede, 2010; Goodrich and De Mooij, 2011; Jarvenpaa and Tractinsky, 1999; Steenkamp et al., 1999).

Gert Hofstede developed the above-mentioned cultural classifications of countries and thus created one of the most influential cultural theories for social science research - The Theory of Cultural Dimensions (Nakata and Sivakumar, 2001). The research findings in Hofstede’s Theory of Cultural Dimensions have received strong empirical support (Sondergaard 1994). However, his research has also been criticized for assuming that countries are homogenous entities (Jones, 2007). Furthermore, his research has also been criticized for oversimplifying cultural differences by not fully taking age and level of education amongst respondents into consideration (Murphy et al. 2009). Hofstede’s quantitative research has been conducted by asking respondents questions related to a series of cultural dimensions. The findings from
each cultural dimension in each country have subsequently been rated on a scale ranging from 1-120, thus enabling cultural comparisons between countries within the different variables (Hofstede, 1980).

For the purpose of this thesis, two of Hofstede’s cultural dimensions will be focused on when extending the TAM by examining cultural dimensions: Uncertainty Avoidance (UA) and Individualism versus Collectivism (IDV) (Hofstede, 1980). Chinese and Swedish citizens have scored similar results within Hofstede’s UA dimension: 30 in China and 29 in Sweden (Hofstede, 1980). However, a previous cross-cultural study between China and Sweden that stratified their respondents by age discovered that the younger respondents in China (aged below 30) scored 90, significantly higher than Hofstede’s Chinese UA average, while the younger respondents in Sweden (aged below 30) scored 9, lower than Hofstede’s Swedish UA average (Olve et al. 1988). A majority of the respondents under 30 years old in Olve et al.’s (1988) study were enlisted in MBA programs at universities in each respective country. Due to the fact that the respondents in this thesis are aged below 30 and enlisted at universities in each respective country, the differences in the UA dimension between China and Sweden found in Olve et al.’s (1988) study are of interest to explore further in this thesis.

The IDV dimension was chosen due to that Hofstede’s research shows differences between Chinese and Swedish citizens in this field, where the Chinese have a low degree of individualism (scoring 20 on Hofstede’s scale) and the Swedish have a high degree of individualism (scoring 71 on Hofstede’s scale) (Hofstede, 1980). These differences were confirmed amongst the younger respondents in Olve et al.’s (1988) study as well. In the following two sections, Hofstede’s cultural dimensions IDV and UA are explained.
2.3.2.1. Uncertainty Avoidance (UA)

Hofstede’s Uncertainty Avoidance dimension is defined as “a measure of how people from different countries are likely to feel threatened towards situations they perceive as uncertain, unstructured or unknown” (Hofstede 1980: 308). Stohl (1993) adds on to this definition by adding that UA also includes the extent to which people attempt to stay away from these situations by adopting new behavior to avoid them. In the CD construct of the extended TAM used for the purpose of this thesis, we interpret UA as: *a measure of how uncertain the respondents feel toward purchasing apparel online, and what behavior the respondents adopt to avoid these uncertainties.*

2.3.2.2. Individuality vs. Collectivism (IDV)

The second dimension, Individualism versus Collectivism describes the social framework in a country as either individualistic or collectivistic. In the individualistic society individuals are expected to mainly take care of themselves and their own needs (Hofstede, 1980). Conversely, people in collectivistic societies tend to seek to comply with the wishes and views of other parties, mainly their close family, when making decisions (Choi & Geistfield, 2004). Easily explained, a person's self-image could either be defined as “I” or “we” within a society (Hofstede, 1980). In the CD construct of the extended TAM used for the purpose of this thesis, we interpret IDV as: *the extent to which the respondents are affected by other parties, mainly their close family, when purchasing apparel online.*

2.3.3. External Variables

The original TAM allows external variables to be defined and connected to the PU and PEU constructs in order to tailor the model for the specific research purpose applied (Davis, 1985). Furthermore, Huaying et al. (2008: 273) state that: *The using of external variables depends on the type of research and reflects the flexibility of the TAM. External variables have an*
important effect on the TAM, but there are no distinct modes to control variable design”. In the extended TAM developed and applied for the purpose of this thesis we have defined two external variables as Functionality and Service. We have chosen these definitions in order to specify the model for an ecommerce purpose. Functionality of online websites and the level of service provided by online retailers are both factors that we believe affect attitudes and online shopping intentions when purchasing apparel online.

2.3.4. Online Shopping Intention (OSI)

In order to make the extended TAM more tailored for the purpose of this thesis, the construct Behavioral Intention to Use (from the original TAM) has been redefined in the extended TAM as Online Shopping Intention (OSI). OSI is a variable that is dependent on consumers' attitudes toward using the technology and therefore also on PR, PEU, PU and CD. The PR that consumers feel determines their intention to shop online. Consumer’s PEU of online shops is determined by how easily they believe that the technology facilitates their shopping - the easier the technology is to use, the higher the online shopping intention is (Nawaz et. al., 2012). OSI is also dependent on PU due to the fact that PU determines how useful consumers believe the technology to be for alleviating their shopping routines. Finally, the CD construct is important to take into consideration when determining OSI due to that cultural aspects influence consumer’s differently in different countries.
2.3.4. Research Model

Figure 2. The Extended Technology Acceptance Model

2.3.4.1. Construct dependence in the Extended TAM

The extended TAM presented in this thesis consists of four main constructs: PEU, PU, PR and CD. The PEU, PU and PR constructs mutually affect consumer’s Attitudes Toward Using, which in turn finally affects their OSI. The CD construct contains two dimensions: IDV and UA. The IDV dimension directly affects Attitudes. Forsythe and Shi (2003) claim that perceived risk can be regarded as a function of uncertainties related to culture (UA), therefore the UA dimension directly affects PR, which in turn affects Attitudes. PEU also affects PU due to that Davis (1989) suggests that PEU also is a precursor to PU, rather than just a parallel determinant of the use of a technology (in this case e-commerce).
Davis (1985) claims that External Variables can be defined and connected to the PEU and PU constructs in order to tailor the model for a specific research purpose. In our Extended TAM, these have been defined as Functionality and Service and have been connected to the PEU construct only. We have judged that connecting the External Variables to the PU construct as well would be superfluous, due to the above-mentioned relation between the PEU and PU constructs.

To exemplify; if respondents express that online stores provide sufficient functionality and service (External Variables) for their needs, it causes them to perceive the online store as easy to use (PEU) and consequently their Attitudes Toward Using the store are affected positively and in turn also their OSI. If respondents perceive that online stores are useful in alleviating their shopping routines (PU), their attitudes are affected positively and consequently their intention to purchase apparel online (OSI) is affected positively as well. Perceived Usefulness is influenced by the respondents Perceived Ease of Use.

If respondents have a high IDV (i.e. are highly affected by other parties, mainly their close family, when purchasing apparel online), the views of their close family will affect their attitudes and thus also their OSI accordingly. If respondents have a high UA (i.e. feel uncertain toward purchasing apparel online and adopt behavior to avoid these uncertainties) it affects their Perceived Risk negatively. If the respondent’s Perceived Risk is affected negatively, so are also their Attitudes Towards Using and consequently also their OSI.
3. Methodology

In order to achieve our purpose in this comparative study our primary method to collect data is through a series of focus groups in both Sweden and in China. The results of the focus groups provide the opportunity to identify consumer’s attitudes and intentions toward shopping apparel online in each China and in Sweden, and also the opportunity to identify possible differences between the two countries.

3.1. Research Approach

Due to lacking previous research between China and Sweden in an e-commerce context, the examination and comparison of attitudes in the context is relatively unknown. Therefore this study is explorative and descriptive since it aims to gain a deeper understanding of a certain phenomena and for this type of study; qualitative research is appropriate (Holme & Solvang, 1997). Our study took place in a real world setting since it aims to describe a real world phenomenon, for these types of studies Yin (2011) recommends qualitative research methods. Due to the fact that this thesis examines and compares consumer’s attitudes across cultures toward a relatively new research area, focus groups were seen as the most adequate qualitative research methodology. Using focus groups for explorative studies on a new research area is considered as the best suited method because they bring forth more emotional, expressive and dynamic responses compared to individual interviews according to Brinkman & Kvale (2009).
3.2. Research Design

3.2.1. Focus groups

The choice of a certain research method is highly important for the outcome of a comparative study, seeing as different research methods have different advantages and disadvantages.

When conducting qualitative research in this study there are several different possible approaches that have different advantages. Our choice of focus groups as research method, instead of interviews or group interviews, depends on several different factors. Firstly, focus groups allows us to more deeply understand the reasons why respondents feel the way they do seeing as the nature of the focus group allow the participants to probe each others reasons for having a certain opinion (Bell & Bryman, 2003). Secondly, focus groups allows our respondents to, after hearing the responses from the other respondents, qualify and elaborate on their initial answer, thus bringing forth a broader variety of views on a certain topic (Bell & Bryman, 2003). Finally, conducting focus groups (in comparison to one-to-one interviews where the respondent’s views are un-challenged and sometimes inconsistent) eliminate the weaknesses of one-to-one interviews due to the fact that our respondents were allowed to argue and challenge each other (Bell & Bryman, 2003).

3.2.2. Operationalization of Constructs in the Extended TAM

In order to give a clear overview of how the questions are related to our extended TAM-model, the following section clarifies how the extended TAM was used as a framework to operationalize the questions addressed to the respondents.

The discussion guide is structured in a way that aims to explore and examine the respondent’s attitudes toward shopping apparel online, and ultimately their online shopping intention for this segment. The respondent’s attitudes and online shopping intentions have been evaluated
by creating questions based on the four main constructs: Perceived Ease of Use (PEU), Perceived Usefulness (PU), Perceived Risk (PR) and Cultural Dimensions (CD).

When constructing questions related to Perceived Ease of Use (PEU) the aim was to source information about how different aspects of the online stores facilitated the user-experience, hence leading to a perceived ease of use. The external variables Service and Functionality were added to the PEU construct in order to more specifically examine the respondent’s attitudes toward the different functions of the online stores. The questions examined the respondent’s attitudes toward on-site navigation, categories, payment options, delivery and possibilities to communicate with the retailer (Appendix 8.1). The questions in this construct are connected to the respondent’s perception of Perceived Usefulness (PU) of purchasing apparel online.

The questions related to the construct Perceived Usefulness (PU) aim to explore to what degree the respondents feel that the available technology for shopping online facilitates their shopping routines and ultimately, their everyday lives. In this section, the respondents were asked to consider different statements regarding how well purchasing apparel online fits in to their usual shopping habits. These questions contributed to a holistic understanding of the respondent’s attitudes and online shopping intentions.

Questions related to Perceived Risk (PR) were constructed with the purpose to examine how factors of risk and trust affected the respondent’s attitudes and intentions toward online shopping. Risk and trust are highly connected to consumer’s attitudes toward shopping online due to that the technology is connected to many uncertainties (Clark & Lee, 1996). The
questions linked to this construct included topics such as payment trust and communication possibilities.

Culturally related questions were constructed partially due to that there are differences between China and Sweden in the cultural dimensions Uncertainty Avoidance (UA) and Individualism versus Collectivism (IDV) (Hofstede, 1980; Olve et al. 1988) and partially due to that several studies have suggested that differences in consumer’s online shopping attitudes can be explained by cultural differences (Kailani and Kumar, 2011; Kim et al., 2008; Liu et al., 2008; Moon et al., 2008; Tong, 2010). These questions related to the Cultural Dimensions construct focus on the UA and IDV dimensions. The purpose of these questions is to explore the cultural values and beliefs that ultimately affect the respondent’s attitudes and intentions toward shopping apparel online.

The questions related to the UA dimension were constructed in order to examine two main areas: social review importance and online store awareness/reputation when purchasing apparel online. The questions related to social reviews aim to examine to what extent the respondents perceive social reviews as uncertainty mitigating in the buying process. Questions related to online store awareness/reputation aim to examine to what extent the respondents believe that their own awareness and perceived reputation of the online store mitigates their uncertainties when shopping online.

The questions related to the IDV dimension focus on examining what views the respondent’s older close family have on online shopping and subsequently to what extent these views affect the attitudes and online shopping intentions of the respondents themselves.
3.2.3. Research Sample

Before arranging the focus groups, research was done to clearly identify the people of age, gender and type of geographical origin that most frequently purchased apparel online. In both China and Sweden, these people were identified as mainly women from urban origins aged 19 – 29 (McKinsey, 2013; HUI Research, 2013). Subsequently when conducting the focus groups for this study, the majority of the respondents were female, living in cities, between 19-29 years old and had past experience of shopping apparel online. Consequently, the respondents meet Bell & Bryman’s (2003) criteria for choosing participants for focus groups: “people who find the topic relevant and can represent occupational or organizational groupings that have an interest in the topic concerned”.

The respondents in the focus groups were representatives from three different education levels (bachelor, master and MBA) at their respective universities. Consequently the focus groups were stratified by age and the respondents were members of a similar group. When the purpose of the focus group is to examine collective understandings or shared meanings within a group, it can be appropriate to select respondents who are members of a similar group (Morgan, 1998).

To provide a sufficient amount of data to analyze the respondent’s attitudes given the time and monetary limitations of the study, we estimated that three focus groups in China and Sweden respectively would be a sufficient sample for this thesis. When arranging the three focus groups in each country, the groups were stratified by three age categories: 19-22, 23-26 and 27-29 (Appendix 8.2). Bell & Bryman (2003) claim that it is common to stratify focus groups by the participant’s age.
For this thesis a maximum of 8 people participated for each of the six focus groups. This was based on Morgan (1998), who claims that a typical focus group should consist of 6-8 members in order to achieve comprehensible results. If focus groups exceed 8 members, previous research has shown that they are difficult to manage (Blackburn & Stokes, 2000).

3.3. Data Collection

3.3.1. Primary Data

All primary data was collected face-to-face with the respondents in both countries and each focus group session lasted approximately two hours. The three focus groups in China were conducted at Fudan University in private classrooms and in Sweden; the three focus groups were conducted in group study rooms at Uppsala University and Stockholm School of Economics.

All of the questions asked followed from the different categories in the extended TAM. However, the questions were open-ended and the semi-structured nature of the research allowed the respondents to discuss and elaborate on areas of special interest. The approach of the research was exploratory and descriptive and for this type of research approach Saunders (2009: 347) recommends semi-structured and relatively unstructured questions. The constructed guide with questions (Appendix 8.1) was therefore used as a starting point and guideline from which the discussions were allowed to evolve.

In order to reassure that the findings from our focus groups were in line with the respondent’s actual views, and that their views on the different sub-topics were interpreted correctly, meetings were arranged with the focus groups one week after they were held. This kind of respondent validation is frequently used in qualitative research when the researcher wants to
ensure a correspondence between the findings and the respondent’s views (Bell & Bryman, 2003)

### 3.3.2. Secondary Data

In order to gain a broader and deeper understanding of the e-commerce market in general and of the online apparel market in particular, secondary data has been analyzed in the research. This data includes business reviews and industry analyses and has provided useful background information of the industry that helped leverage the insights from the primary data collection.

The secondary data sources used in this thesis have enabled us to access a broad and deep pool of information. Saunders (2009) claims that this is a major advantage of the use of secondary sources due to time and monetary limitations. However, there are disadvantages linked to the use of secondary sources and it is important to be aware of these when collecting the data. Secondary data is compiled at a certain time and more importantly, for a specific reason and therefore often with a specific bias. This bias can lead to that the secondary data is irrelevant for the study. In order to address these disadvantages, a critical approach has been taken to all secondary sources viewed.

### 3.4. Data Analysis

The primary data was partially analyzed in connection with the collection. Collecting data and analyzing it in a parallel process enables a more in depth understanding of the primary data (c.f. Yin, 2011). All data from the focus groups were translated, transcribed and coded in order to create a somewhat generic outcome that would ultimately facilitate the analysis in this thesis. Coded primary data enables a comparison of the empirical findings in both countries and between the empirical findings and the theoretical framework (Saunders, 2009).
By coding our data in line with the different variables of the extended TAM, similar themes and patterns could be identified that further facilitates data analysis (Spiggle, 1994).

When conducting qualitative research, there is a risk that bias and misinterpretations from the researchers influence the outcome. In order to mitigate these risks, the recordings from the focus groups were transcribed. This is in line with Bell & Bryman (2007) that claim that transcribing recorded research material allows the researchers to verify the data and thus reduces risks of bias and misinterpretations.

3.5. Research Limitations and Quality of the Study

Qualitative research methodology has been critiqued due to a series of different reasons. Firstly, qualitative research methodology has been critiqued for being too subjective. This criticism derives partially from that the researcher often develops personal relationships with the respondents during the research and partially from that the researcher tends to lead the questions in the direction of the desired outcome of the research (Bell & Bryman, 2003). Secondly, qualitative research methodology has been criticized for being difficult to replicate. It is difficult to replicate because of the subjective nature of the researcher-respondent relationship (Bell & Bryman, 2003). Third, it is difficult to generalize qualitative research findings. This is mainly due to the fact that the scope of qualitative research is smaller compared to the scope of quantitative research (Bell & Bryman, 2003). Finally, qualitative research methodology has been critiqued for not being as transparent as quantitative methods because they can be unclear in stating how respondents were chosen for the research (Bell & Bryman, 2003).

In order to address the limitations for qualitative research, we have taken into consideration the risks of our influence on the respondents by being cautious and aware of this criticism.
when addressing our questions in the focus groups. Addressing the critique on generalization - the choice of qualitative research was chosen in order to get specific and elaborate results, thus, generalizable results were not the purpose in this thesis. Facing the critique of lacking transparency, the transparency issue is mitigated by clearly stating how and why the respondents were chosen for the focus groups as done above.

In addition to the critique against qualitative research methodology in general, there are two specific limitations of focus groups in particular to be taken into consideration. Firstly, focus groups can limit the amount of control that the researcher has over the discussion (Brinkman & Kvale, 2009). Secondly, there is a risk that the stronger, more confident respondents in the focus group take over and leave little room for the other respondents to express their views (Bell & Bryman, 2003).

In order to address the limitations for focus groups particularly, a pilot focus group was conducted before conducting this study in order to familiarize ourselves of our role when setting up a focus group. To address the risk of influential individuals taking over the conversations in our focus groups we directed follow up questions to respondents that were not as eager to answer as the other respondents.
4. Empirical findings

4.1. Primary Data

This section will present the outcomes from the six focus groups that were conducted in China and in Sweden. The empirical findings from each of the constructs PEU, PU, PR and CD (UA & IDV) from the extended TAM are presented separately in each section. In accordance with the extended TAM, the four constructs are somewhat interdependent and affected by External Variables (PEU → PU, UA → PR, External Variables → PEU). Ultimately, the four constructs are connected to the respondent’s attitudes, which in turn are connected to their OSI. The empirical findings’ relationship to these connections and dependencies are also presented in this section.

4.1.1. Perceived Ease of Use (PEU)

The Chinese respondents claimed to have more positive attitudes towards online stores presented with a clear and distinct structure. They expressed that this increased their perceived user-friendliness. One of respondents stated. “When an online store has a clear structure with not so much text, it makes my orientation on the website easier since I can more easily find what function I’m looking for”. In terms of functionality, multiple categorizing options within the online stores led to an increased PEU according to the respondents, thus contributing to positive attitudes and consequently also increased OSI. The respondents expressed that they wished to have as many categorizing options as possible in order to find the specific clothes they were looking for. When online stores miss out on categorizing options that facilitate the search for the user, it was clearly linked to decreased PEU and consequently less positive attitudes and decreased OSI. One of the Chinese respondents claimed: “the possibility to narrow down my search options in an efficient way is
not always possible, this makes the online store difficult to use and is very off-putting” thus, lacking online functionality also had a negative impact on PU for the Chinese respondents.

Similar to the Chinese respondents, the Swedish respondents claimed that they perceived online stores with a clear and distinct structure as user-friendly and easy to use. The Swedish respondents in all three focus groups claimed that a design that clearly gave them navigation and categorizing options was crucial for their PEU. In contrast to the Chinese respondents however, the Swedish respondents had less specific demands on the categorizing options, claiming that they only wished to narrow their searches down to a specific category of clothes, not to specific garments.

Looking further into the PEU construct, questions aiming to examine the respondent’s attitudes toward payment options were asked in both countries. In China, the respondents claimed that it was crucial that the online store offered Alipay as a payment option; a widespread payment option used in China that transfers the customer’s money to the supplier only once the customer has received the goods. “I prefer to use Alipay, it makes it easier for me to shop online since I am used to it”, was commonly stated by the Chinese respondents. As long as the payment option enabled customers to pay once the goods were delivered it led to increased PEU, positive attitudes and ultimately increased OSI.

In contrast, the Swedish respondents claimed that payment options that enabled them to pay once the goods were delivered did not lead to an increased PEU. The respondents in Sweden unanimously expressed that payment via credit card was the preferred option. They had no issues with the money being transferred to the online store before they had received the goods, and viewed credit card payments as the easiest option. “Using my credit card is the
A few respondents had tried other options such as Klarna or Paypal, however these methods were considered more exceptions rather than a general payment method.

Delivery terms are also an area connected to the PEU construct. In China, the delivery terms had a stronger relationship to the PEU compared to Sweden. In order for the online store to be perceived as easy to use and user friendly in China they have to provide a high level of service and flexibility to their customers. The respondents in China claimed that they have positive attitudes and OSI’s toward online stores only if they can deliver within 2-3 days, while the Swedish respondents could accept delivery times up to 3-5 days. The place of delivery also clearly contrasted between China and Sweden. The Chinese respondents experienced a high OSI only if the online store delivered their goods directly to their doorstep, “When I buy clothes online I expect them to be delivered to my doorstep, this is a business standard in China”. Since this is the case in China, PEU is high in terms of delivery. The Swedish respondents on the other hand, expressed that the most common place of delivery was the local supermarket, “It is very troublesome to go to the supermarket to collect the clothes I have bought online, but there are no other options available”. This was perceived as impractical and led to a decrease in PEU and consequently negative attitudes and decreased OSI. Furthermore, delivery terms in Sweden impacted negatively on their overall PU.

4.1.2. Perceived Usefulness (PU)

The Chinese respondents had positive attitudes toward purchasing clothes online because they believed that the technology ultimately facilitated their shopping patterns. They clearly expressed that they more commonly purchased clothes online compared to in physical stores. The respondents in China agreed to a very high degree with the three different quotes that they were asked to evaluate (Appendix 8.1). This depends on that online stores (compared to
offline stores) often offer a wider selection of apparel, on that they offer lower prices and on
that they are completely accessible all hours of the day on several different devices. “In
China, the shopping mall is often far away so shopping online is the most convenient
alternative” and “Online stores almost always offer more products and better prices
compared to physical stores” are two quotes that commonly were mentioned amongst the
Chinese respondents. Consequently, the Chinese respondents experience that online stores
facilitate their shopping patterns and has a high PU. Thus leading to positive attitudes and
consequently high OSI’s.

In Sweden, the respondent’s attitudes toward purchasing apparel online were more moderate
due to the fact that online shopping is seen as a complement to shopping in physical stores.
When asked to evaluate how well they agreed with the three quotes connected to the PU
construct (Appendix 8.1) they agreed less with the quotes compared to the Chinese
respondents. The respondents expressed that they mainly used online stores when searching
for specific items but that purchasing apparel online in general is less convenient compared to
shopping in physical stores. This is due to that the Swedish respondents do not experience any
significant benefits (in terms of price, selection of items or convenience) with shopping
apparel online. “I only use online stores to find and purchase specific clothes that I know I
that can’t find in a physical store” and “I usually use online stores to see what is available
before I go shopping in physical stores” are two quotes that illustrate the general opinions
amongst the Swedish respondents. Purchasing apparel online has a relatively low PU amongst
the Swedish respondents, which consequently leads to less positive attitudes and therefore
also lower OSI in accordance with the causality of the extended TAM.
4.1.3. Cultural Dimensions (CD)

4.1.3.1 Uncertainty Avoidance (UA)

Social reviews showed to mitigate several uncertainties related to shopping online amongst the respondents in China. When addressing questions related to the cultural dimension UA the respondents in China expressed a general mistrust toward companies selling online and toward all forms of advertising. This mistrust has been fueled by a large number of unserious companies engaging in e-commerce and by several cases of companies communicating messages far above what they are capable of delivering. The respondents claimed that user reviews are the only way that they can truly know that the apparel that they are considering to purchase is in line with how it is described on the online store. The quote “I feel that it is very hard to trust advertisements in China and sometimes I am skeptical toward online stores. There are a lot of empty promises and false information circulating the web – I mostly rely on my social network when purchasing apparel online” illustrates the general views amongst the respondents. Social reviews play a role of mitigating online shopping uncertainties amongst the Chinese respondents, thus alleviating their PR and in effect affecting their attitudes and consequently their OSI positively.

Taking the Swedish respondents in comparison, social reviews were not perceived to mitigate uncertainties when purchasing apparel from an online store. This is mainly due to that the Swedish respondents in general seldom perceived uncertainties toward online stores, and if they did, their purchases were small enough for them to ignore any uncertainties. “When I purchase apparel online, it is usually just one item for a small amount, therefore I don’t spend too much time considering social reviews” and “I feel that I trust most online retailers, so I usually do not bother to check social reviews” are two quotes that illustrate this. Uncertainty when shopping online amongst the Swedish respondents was generally lower than the level of
uncertainty expressed by the Chinese respondents. In sum, social reviews in online stores had a low impact on the Swedish respondent's level of uncertainty mainly due to that this level was already low. Therefore social reviews also indirectly had a low impact their PR and consequently also on their attitudes and OSI.

Both the respondents in China and in Sweden expressed that their own perceptions of the online store's reputation was important when they purchased apparel online. While the Swedish respondent’s uncertainties toward online shopping in general already were low, they expressed a certain concern of purchasing from unknown (mainly foreign) online stores. As mentioned above, the Chinese respondents perceived a higher uncertainty toward shopping online, and therefore were avert to online stores that were unknown to them. Therefore, online store’s with a high level of consumer awareness and that have a good reputation lowered the level of uncertainty amongst the respondents in both countries, thus lowering their perceived risks and consequently leading to positive attitudes and in turn high OSI’s.

4.1.3.2 Individualism versus Collectivism (IDV)

When asking questions related to the Individualism versus Collectivism (IDV) dimension in the CD construct, it was clear that the degree to which the respondents expressed to be affected by their close families differed between the focus groups conducted in China and in Sweden. The Chinese respondents claimed that their families’ general views on their everyday life and habits were very important and that they in some cases felt obliged to obey and listen to their elders. In Sweden, the respondents had contrary views and felt that their families’ views affected them to a low degree.
Similar to both countries were that the respondents claimed that their older close family members (e.g. parents, grandparents) had little or no knowledge about purchasing apparel online. The respondents expressed that their parents viewed the concept as foreign and in some cases if unsafe and strange. This has led to that the respondents have experienced that their parents mistrust the whole concept of online shopping and have conservative views toward purchasing apparel online.

Due to the differences in how affected the respondents were from their parents in China and in Sweden and due to that the respondent’s parents had similar conservative views on online shopping, the extent to which the respondents were affected by their parents conservative views on online shopping differed between the two countries. In China, the respondents expressed that their parent’s conservative views on the fact that they purchase apparel online affected them, however, it did not affect their attitudes nor OSI toward purchasing apparel online. Although still remaining positive toward online shopping despite their parent’s conservative views, the Chinese respondents claimed that they tried to educate their parents about online shopping in order to make it seem less foreign to them and to gain acceptance. In some cases, they claimed to hide clothes that they had purchased online or lie about how about purchasing apparel online on the whole.

In Sweden, the respondents claimed that their parent’s conservative views on online shopping did not affect them. The question as to why their parent’s views would affect them was perceived as strange for them. Similar to the respondents in China, the respondents in Sweden educated their parents in online shopping. However, the Swedish respondents claimed to educate their parents out of helpfulness and not with the objective to gain acceptance.
Consequently, the respondent’s parents views on them purchasing apparel online had little or no effect on their attitudes and OSI.

4.1.4. Perceived Risk (PR)

4.1.4.1. Payment Trust

Payment trust was high amongst both the Chinese and Swedish respondents. The respondents in both countries explained that their trust depended on the well-established payment methods in both countries; Alipay in China and credit/debit card in Sweden. The Chinese respondents claimed to have had previous issues with transferring money online before Alipay was introduced. This service is the foundation of the high payment trust amongst the Chinese respondents. “I only use online stores offering Alipay’s payment solution since I know then that the online store can’t fool me”, one of the respondents in China claimed.

The Swedish respondents expressed a strong trust of using their credit cards and paying before receiving their goods. During discussions amongst themselves, they agreed upon that they did not experience a lower PR when paying before receiving their goods. Albeit depending on different payment solutions, payment trust was high in both countries. This consequently leads to lower PR, more positive attitudes and higher OSI.

4.1.4.2. Communication Possibilities

The possibility to communicate with the online store before, during and after the purchase was differently connected to PR amongst the Chinese and Swedish respondents. The Chinese respondents claimed that they feel the need to communicate every time they purchase apparel online. “The possibility to communicate with the online store is very important as it assures me that I receive the terms and goods that the store promises” is a quote that illustrates what was commonly heard amongst the Chinese respondents. The respondents claimed that it was
highly important that the online store replied quickly to their questions in order for them to experience an alleviated PR. According to the Chinese respondents, a majority of the online stores in China provide means of communication that meet their demands. This has led to a decreased PR, more positive attitudes and consequently higher OSI.

In contrast, the Swedish respondents expressed a lower desire to communicate with the online store when purchasing apparel online. Instead of communicating to confirm terms and product details already written online (as the case for the Chinese respondents), they claimed that they only feel the need to communicate if they feel that information is missing. In general, this was seldom the case according to the respondents. One respondent mentioned “I have only been in contact with an online store once, calling them to receive more information about sizes before making my purchase”. The need to communicate was low among the Swedish respondents; however, they still needed communication functions to be present in order to reduce their already low PR to online shopping.
5. Discussion

This section will first discuss two of the most central findings in the comparison between consumer attitudes and online shopping intentions in China and in Sweden and then discuss the relevance of our contributions to the TAM.

When examining the empirical findings related to the PU and PEU constructs (and consequently the External Variables), there are indications that Chinese consumers are more sophisticated in terms of the demands they set on online retailers compared Swedish consumers. Chinese consumers demand free home delivery and short delivery times and this demand seems to have been met by online retailers in China. The high level of PU and convenience that online shopping involves in China may therefore depend on a time saving factor, seeing as the delivery terms offered relieve consumers from time consuming commutes to offline retail outlets.

Conversely, this study indicates that Swedish consumers accept less convenient delivery terms from online retailers, which subsequently has led them to express a low PU and convenience toward online shopping. This comparatively low PU of online shopping compared to China may depend on that Sweden has a long consumer tradition of offline shopping where consumers only view online shopping as complementary to offline shopping, while the considerably younger nation state China directly developed into an online-focused market where consumers view online shopping as the preferable way of shopping. Consequently, the acceptance of less convenient delivery terms amongst Swedish consumers has quite ironically in turn led to that online retailers in Sweden offer less convenient terms of delivery.
This leads us to question if the level of PU toward online shopping would increase in Sweden if Swedish online retailers would offer equally convenient terms of delivery as online retailers in China. However, the question is only theoretical due to the considerably higher costs of labor in Sweden. These labor costs would compel Swedish apparel retailers to increase the prices of their goods, which would probably lead to decreased consumer interest of online shopping.

Online shopping as a technology is associated with several uncertainties and risks that affect consumer’s attitudes when purchasing online and Clark & Lee (1996) emphasizes that these risks significantly affect the consumers’ attitudes towards online shopping. In terms of Uncertainty Avoidance (UA) Olve et al. (1988) found that there were considerable differences between the two countries, where China was found to have a high level of UA and Sweden showed low levels of UA. Therefore, one could logically believe that the Chinese respondents would express high levels of uncertainties toward online shopping and that the Swedish respondents would express the opposite. However, in the specific case of online shopping examined in this thesis, the Chinese respondents claimed that their uncertainties were alleviated due to certain risk-mitigating e-commerce features available on the Chinese market (communication possibilities with the online store, safe payment options and social reviews) and that they consequently perceived low levels of uncertainty and risk.

The Chinese e-commerce market is therefore interesting in the sense that many private actors have intercepted consumer uncertainties and adapted their offering to alleviate these uncertainties. This contrasts clearly to Sweden where a state-supported rigid legal infrastructure could play an important role in alleviating uncertainties and thus decreases perceived risk when shopping online amongst Swedish consumers. In sum, the Chinese and
Swedish respondents both expressed low uncertainty levels when shopping online in contrast to the general UA findings by Olve et al. (1988), but these low levels depended on private actors in China and on a rigid legal infrastructure in Sweden.

The above-mentioned findings indicate that markets seem to be responsive to consumer’s uncertainties and perceived risks toward online shopping. In other words, if consumers perceive elements of online shopping as uncertain or perilous, private or public actors seem to work toward mitigating these perceptions by offering safer solutions. This market responsiveness toward consumer uncertainties and risks caused us to question the relevance of the UA and PR constructs added to our Extended TAM. However, these constructs can allow the researcher to identify if the market has failed to respond to consumer’s perceived uncertainties and risks and have therefore been evaluated as useful to add to the TAM. Furthermore, the UA dimension and the PR construct also cover areas of consumer uncertainties and risks that markets cannot be responsive toward such as consumer’s own awareness and perceptions of the online store, which further strengthens their validity.

Hofstede (1980) argues that there are clear differences between Chinese and Swedish culture, particularly in the Individualism versus Collectivism (IDV) dimension, where China is highly collectivistic and Sweden conversely is highly individualistic. Therefore, a Cultural Dimensions construct covering these two dimensions was added to our Extended TAM. For the purpose of this thesis, we chose to interpret IDV as: \textit{the extent to which the respondents are affected by other parties, mainly their close family, when purchasing apparel online}. In both focus groups, the respondents claimed that their parents had conservative views toward online shopping but the focus groups differed in the sense that the Chinese respondents were affected by their parent’s views while the Swedish respondents were not. However we
discovered that it was not the attitudes and OSI that were affected amongst the Chinese respondent’s, instead, it was their behavior toward their parents that was affected in the sense that they concealed their online shopping habits in order to comply with them. This indicates a contradiction of Hofstede’s research and can depend on a cultural development in China were individualistic values are becoming more prominent due to the rapid economic development and proliferation of capitalistic values.

The Swedish respondents showed to be individualistic in accordance with Hofstede’s cultural research and were not affected by the conservative views on online shopping projected by their parents. However, their parents had some effect on them seeing as they tried to educate them out of pure benevolence. Similar to the Chinese respondents though, this effect did not influence their attitudes toward online shopping. Thus, after comparing one collectivistic country and one individualistic country, little or no impact of the respondent’s parents values were recorded to affect the respondent’s attitudes toward purchasing apparel online in either country. These findings in China and in Sweden have caused us to question the relevance of adding an IDV dimension to the TAM when examining consumer’s attitudes and intentions toward online shopping.
6. Conclusion

6.1. Concluding Remarks

This thesis had two purposes. The first purpose was to examine potential differences between Chinese and Swedish consumer’s attitudes and online shopping intentions when purchasing apparel online. The secondary purpose of this study is to contribute to the TAM by adding constructs that facilitate a cross-cultural examination in an e-commerce context. Concluding remarks for the secondary purpose are presented in section 6.2.2.

The research findings from the six focus groups held in China and Sweden indicate that there are differences in attitudes and OSI when purchasing apparel online between the two countries. These differences were found when comparing each of the four constructs connected to attitudes and OSI in the extended TAM. Firstly, online shopping was considered more useful to the Chinese respondents, due to that online shopping facilitated their everyday lives and improved their previous shopping patterns. Secondly, the Chinese respondents had higher expectations and demands on online retailers, mainly in terms of service levels and functionality options on the online store.

Third, the Chinese respondents perceived higher risks and uncertainties involved with purchasing apparel online compared to the Swedish respondents. In order to mitigate these risks, the Chinese respondents relied on social reviews, safer payment methods and more advanced means of communication with the online store. Due to that online retailers in China acknowledged these perceived risks, risk-mitigating solutions are available on the Chinese market. Therefore, the higher perceived risk did not affect the overall attitudes and OSI amongst the Chinese respondents. The Swedish respondents lower risk perception could be explained by a rigid legal infrastructure that serves a risk-mitigating function. Finally, the
Chinese respondents were more affected by their parent’s conservative views on online shopping compared to the Swedish respondents. This can be explained by Hofstede’s (1985) findings, which state that China is a collectivistic society and that Sweden conversely is an individualistic society. However, in neither China nor Sweden did the respondent’s parents views on online affect their attitudes or intentions to shop online.

6.2. Research Contributions

6.2.1. Managerial Implications

Due to the rapid growth of online shopping and the size of the apparel segment in online sales, e-commerce technology provides interesting opportunities to expand businesses in the apparel segment across borders. However, the lack of empirical research conducted between China and Sweden in an e-commerce context gives this study potential to contribute to Swedish-Chinese expansion strategies within the apparel sector. Seeing as the Chinese e-commerce market is projected to be valued the highest in the world in 2014 (Bain & Company, 2013; McKinsey & Company, 2013), and that it shows a significant growth potential, it could be seen as an interesting expansion opportunity for managers, particularly when operating within the apparel industry.

The results from the study indicate that Chinese consumers are more advanced and sophisticated in their overall demands set on online retailers. Furthermore, they perceive higher risks when purchasing apparel online. This means that managers might need to adapt their online business when entering the Chinese market. In order to serve the Chinese consumers, online retailers need to provide more advanced and on-demand service solutions and risk mitigating functions on their online stores.
6.2.2. Impact on Existing Field of Research and Suggestions for Further Research

Previous research has extended the TAM in order to better adjust the model for an e-commerce context and this study aimed to extend the TAM further by attempting to tailor it for cross-cultural research in the same (e-commerce) context. In attempting this, two constructs were added: Perceived Risk and Cultural Dimensions (which consists of the two dimensions Uncertainty Avoidance (UA) and Individualism versus Collectivism (IDV)). The IDV dimension was directly connected to the section Attitudes Toward Using and the UA dimension was directly connected to the Perceived Risk construct. Furthermore, two external variables were connected to the PEU construct and were defined as Service and Functionality.

By applying our Extended TAM to our research, we were able to assess the relevance of the added constructs to the model. We consider that the UA dimension and the PR construct are relevant to the model seeing as they can allow the researcher to identify if the market has failed to respond to consumer’s perceived uncertainties and risks and that they also cover areas of consumer uncertainties and risks that markets cannot be responsive toward such as consumer’s own awareness and perceptions of the online store. We question the relevance of the IDV dimension due to that we saw no clear connections between the degree to which the respondent’s parents views influenced our respondents attitudes and intentions toward online shopping.

Furthermore, most previous cross-cultural TAM-based research has been executed with a quantitative approach. This study chose a qualitative approach in order to gain more elaborate and dynamic market insights. Therefore, the manner in which the research questions were operationalized differed from previous research and may have contributed to new ways of operationalizing TAM-based research.
Due to the limited extent of this study, a suggestion for further research on the topic would be to validate the research findings by sourcing information from a more extensive research sample. There are interesting opportunities to not only extend the amount of respondents in a focus group, but also to stratify the research geographically. The respondents from this study were mainly from urban areas, and may have contributed to a somewhat distorted view of online shoppers in China and Sweden in general. Furthermore, the relevance of the IDV dimension for the model can be further explored, seeing as cultural differences between countries related to this construct previously have shown to affect online shopping attitudes and behavior.
7. References


8. Appendix

8.1. Discussion Guide

Perceived ease of use (PEU)

Functionality (External variables)

Navigation
- How would you describe an e-commerce website that is easy to use?
- What do you think this depends on?
- How would you describe an e-commerce website that is difficult to use?
- What do you think this depends on?

Functionality
- What kind of functions do you use when using an online store buying clothes online?
- How do you use these functions to find what you are looking for?
- Does the functionality of the online store affect your attitude to purchase online?

Service (External variables)

Payment options
- How do you prefer to pay when you buy apparel online? (Credit card, Alipay, invoice, cash-on-delivery, credit, installment)
- Why do you prefer this/these method/methods?

Delivery
- How long do you expect the delivery time to be when buying apparel online?
- Where do you expect to get the goods delivered?

Communication
- What expectations do you have in terms of communication with the online store before/during/after purchasing apparel online?
- If you need assistance during a purchase, how would you prefer to get help? (Chat, Phone, Social Media, e-mail).

Perceived usefulness (PU)

To what degree do you agree with the following statements?

“Purchasing apparel online fits in to my everyday life”

“Purchasing apparel online fits in with the way I usually purchase clothes”

“Purchasing apparel online is beneficial for me”
Cultural dimensions

Individuality versus Collectivism
- What are your family’s attitudes to buying clothes online?
- What are your family’s attitudes toward you buying clothes online?
- Do you feel that other people’s opinions about buying clothes online influence your attitude to buying clothes online?

Uncertainty Avoidance

Social Reviews
- Do you find other online social reviews to be helpful when purchasing clothes in an online store?
  (If so) To what extent do you find these comments useful?
  (If so) Why do you find these comments useful?

Awareness and Reputation of the online store
- Could you consider purchasing apparel online from an unknown online store? Why/Why not?
- Is the online store reputation important to you when purchasing apparel online? Why/Why not?

Perceived Risk

Payment trust
- When you consider buying clothes online, do you feel that you can trust the online store? Why or why not?
- Do you feel comfortable transferring money online, before you receive your goods?

Communication
- What expectations do you have in terms of communication with the online store before/during/after purchasing apparel online?
- If you need assistance during a purchase, how would you prefer to contact the online to receive help? (Chat, Phone, Social Media, e-mail).
8.2. Focus groups; Respondents Background (Gender, Age, City of Origin)

### Bachelor Students - China

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