

**UNIVERSITI TEKNOLOGI MARA**

**THE EXTENSION OF  
TECHNOLOGY ACCEPTANCE  
MODEL (TAM): EFFECTS OF  
SOCIAL MEDIA, FACILITATING  
CONDITIONS AND PERCEIVED  
RISK IN ONLINE PURCHASE IN  
SAUDI ARABIA**

**AREEG ABDULGHANI ALMOWALAD**

Thesis submitted in fulfilment  
Of the requirements for the degree of  
**Doctor of Philosophy in Business Administration**

**Faculty of Business Management**

August 2017

## **ABSTRACT**

In Saudi Arabia, there is currently an active revolution not only in its physical and economy development, but also in the purchasing behaviour among Saudis. The world is observing massive change in people's behaviour in communication and the influence technology has on it. This has led to numerous studies related to information technology and purchasing behaviour, in particular the reality of online purchasing in Saudi Arabia. As it involves technology, the Technology Acceptance Model (TAM) has been widely used in various studies in the attempt to understand people's intention and actual behaviour online through the involvement of several external factors. This study is designed to examine the effects of ease of use, usefulness, enjoyment, and trust as the direct antecedent to intention, while social media, facilitating conditions and perceived risk are the moderating effects between intention and actual purchase to be able to advance the theories in TAM. This study aims to answer seven research questions by proving seven hypotheses involving seven relationships of dependent, independent as well as moderating variables. As the study employed a quantitative research design, 500 questionnaires were distributed to respondents identified using the snowball sampling method, however only 208 were successfully analysed and discussed. Data analysis was successfully conducted using a Structural Equation Model (SEM) and the findings were presented in numerical forms with systematic descriptions to prove the proposed hypotheses and to answer research questions. At the end of the study, the researcher managed to explain the proposed research framework which involved the extension of TAM. It was discovered that trust, ease of use, and usefulness are the main factors to online shopping in Saudi Arabia. On the other hand, two of the three moderators: social media, and facilitating conditions positively influenced the relationship between consumers' intention, and online purchase, whereas the third condition, which was the perceived risk, was found on the contrary. Ultimately, the findings of this study will be beneficial for marketers to understand the intrinsic behavioural factors that influence consumers' selection, hence avoid trial and errors in their advertising drives.

## ACKNOWLEDGEMENT

The writing of this thesis has been one of the most significant academic challenges I have ever had to face. It gives me great pleasure in expressing my gratitude to all those people who have supported me and had their contributions in making this thesis possible. First and foremost, I must acknowledge and thank The Almighty Allah for blessing, protecting, and guiding me throughout this period. I could never have accomplished this without the faith I have in the Almighty.

I would like to thank my supervisor, Dr. Lennora Putit, for the patient guidance, encouragement, and advice she has provided throughout my time as her student. I have been extremely lucky to have a supervisor who cared so much about my work. Her attitude to research inspired me to continue and complete this PhD program.

I would like to express my deep gratitude and respect to Professor Sofia Abdul Rahman whose advice and insight was invaluable to me. For all I learned from her, despite her many other academic and professional commitments. Her wisdom, knowledge and commitment to the highest standards inspired and motivated me. I'd also like to thank the management and academic members of the Universiti Teknologi MARA and the Faculty of Business and Management, UiTM Library staffs, and many others who do not know me directly, but have been a great help to me.

My friends and colleagues, Amani, Faiza, Layla, and Rzaz who inspired my final effort despite the enormous work pressures that we were facing together. Special thanks are given to Tg Nur Liyana, my friend and my research editor for helping me to finish this thesis.

My greatest appreciation and friendship goes to my closest friend, Lujain Mandourah, who was always a great support in all my struggles and frustrations in my new life and studies in this country. Thank you for being a great reliable person whom I could always talk to about my problems and excitements. Thanks for questioning me about my ideas, helping me think rationally and even for hearing my problems.

I'd like to acknowledge my brother Basem for the personal sacrifices he has made to push me forward to allow me to reach my dreams, achievement and goals.

Finally, I must express my very profound gratitude to my parents and family members for providing me with unfailing support and continuous encouragement throughout my years of study and through the process of researching and writing this thesis. This accomplishment would not have been possible without them. Especially to my late father (may Allah bless his soul), who'd always been there for me whenever I needed him. If it wasn't for his encouragement, I might not be able to complete what I've started.

Above all, I owe it all to Almighty God for granting me the wisdom, health, and strength to undertake this research task and enabling me to its completion.

# TABLE OF CONTENTS

	<b>Page</b>
<b>CONFIRMATION BY PANEL OF EXAMINERS</b>	ii
<b>AUTHOR'S DECLARATION</b>	iii
<b>ABSTRACT</b>	iv
<b>ACKNOWLEDGEMENT</b>	v
<b>LIST OF TABLES</b>	
<b>LIST OF FIGURES</b>	xv
<b>LIST OF ABBREVIATIONS</b>	xvi
<b>CHAPTER ONE: INTRODUCTION</b>	1
1.1 Introduction	1
1.2 Background of the Study	4
1.3 Problem Statement	5
1.4 Objectives of the Study	6
1.5 Research Questions	7
1.6 Significance of the Study	7
1.6.1 Theoretical Significance	8
1.6.2 Significance for Management	8
1.6.3 Significant from the Policy Making Perspective	9
1.7 Scope of the Study	9
1.8 Definition of Terms	9
1.8.1 Online Users	9
1.8.2 Online Purchase	9
1.8.3 Social Media	10
1.9 Conclusion	10
<b>CHAPTER TWO: SAUDI ARABIA</b>	11
2.1 Introduction	11
2.2 An Overview of Saudi Arabia	11
2.2.1 Economic Structure of Saudi Arabia	13
2.2.1.1 Government regulations and trading across borders	14

# CHAPTER ONE

## INTRODUCTION

### 1.1 INTRODUCTION

Trade boundaries continue to diminish as more economies continue to promote globalisation through the rapid growth of international trade, global corporations, and non-local consumption alternatives (Alden, Benedict & Rajeev, 2006) together with the emergence of the Internet and e-commerce. Singla and Kumar (2011) reported that the Internet offers a global means of transaction for consumers instead of only as a networking media (Syed Shah Alam, Bakar, Ismail & Nilufar, 2008). Pawar (2016) and Joseph (2017) mentioned that online shopping is growing in a great amount. He also stated that rather than local, online shopping is a global phenomenon. Singla & Kumar (2011) stated that the use of the Internet has grown rapidly over the past few years and has become common especially in information transfer, services, and trade. Consumers are shifting from physical to online store according to their ease and convenience (Geetha & Rangarajan, 2015) which is due to the availability of everything at the click of a mouse (Joseph, 2017).

E-Commerce or online shopping means buying and paying for an item via shopping websites (Joseph, 2017) and this is done from personal computers. Online shopping was invented in 1979 by an English business man Michael Aldrich (Geetha & Rangarajan, 2015). Online shopping enables consumers to purchase almost everything from clothes to cars and computers and even travel or financial arrangements. E-commerce or e-shopping has been a phenomenon and the phenomenon is growing in all four worlds, especially in countries acquiring high technology for marketing activities via Internet. With falling broadband investment costs and the savings that can be made by shopping online, the need to go out and shop in brick and mortar stores is fast diminishing. As Syed Shah Alam and Norjaya (2010) suggested more Internet users are turning to online shopping because items purchased are delivered direct to their preferred address, and they do not need to hurry as online stores are opened 24 hours a day, 7 days a week, and 365 days a year. In addition, Pawar (2016) said the benefits to consumers like the diversity of the available items, convenience, and quick access to online stores are the main attractions