Obstacles of Electronic Purchasing Implementation in Tourism Sector of Saudi Arabia

Abdullatif I. Alhudaithy
King Khalid University
Abha, Saudi Arabia

ABSTRACT

Research reveals a low reported take-up of electronic transactions despite their numerous potential advantages. This paper investigates barriers to Electronic Purchasing (EP) in Saudi Arabia. Data were gathered from in-depth interviews with 20 managers in commercial companies in the tourism sector, and with 40 clients who used and did not use EP, in Riyadh, the capital city. Barriers reported included psychological and functional barriers, such as perceptions of risk; poor marketing information; lack of computer proficiency; limited availability and unreliability of Internet connection; conservative cultural values; cost; and proficiency in English. Until these issues are addressed, companies in the tourism sector are realistically targeting younger and more educated clients as potential EP users.

Key words: Electronic Marketing, E-purchasing, Tourism, Qualitative Study, Saudi Arabia.

1. Introduction

Electronic Purchasing (EP) potentially offers many benefits, such as convenience, simplicity, speed and the possibility of performing most transactions twenty-four hours a day, 365 days a year. Nevertheless, many customers and tourists have not embraced this new form to the extent expected. Since the success or failure of an Electronic Marketing (EM) application depends on level of acceptance by customers, there is a need to understand the culture in which EM is introduced and to identify how potential consumers perceive it.

Schiffman et al. (2005) state that diffusion of any new product or service usually takes place in a social system, that is, a particular physical, social, and cultural environment to which people belong and within which they function. The orientation of this system, with its own special values or norms, influences the acceptance or rejection of any new technology. Culture is the "prism" through which people view products and try to make sense of their own and other people's decisions (Solomon et al. 2006). As such, cultural differences have become an important issue in the implementation of new applications (Al-Gahtani et al. 2007).

Many consumer behaviour scholars assert the importance for understanding consumption patterns and preferences of customers, of considering the cultural context in which they occur (Blackwell 2006; Sharma 2007; Peter and Olson 2008). According to Kumar (2001: 113), culture is "the most basic cause of a person's wants and behaviour." Culture refers to the values, ideas, attitudes, and symbols that people adopt, communicate, interpret, and interact with as members of a society (Kotler and Armstrong 2006). In fact, culture describes a society's way of life. Culture is learned and passed on from one generation to another (Andersone and Gaile-Sarkane 2008).

One area where the influence of national culture is felt is online consumer behaviour. Chau et al. (2002) found that national culture not only impacts on the usage of the Internet but also on users' acceptance of particular websites. Almogbil (2005), Kuhlmeier and Knight (2005) and Slyke et al. (2005) asserted that differences of culture among countries lead to different

patterns of online consumer behaviour and could impede or encourage the success of online business because of differences in the way the innovation is perceived and interpreted.

One country in which such issues have recently begun to attract attention is the Kingdom of Saudi Arabia (KSA). In KSA, access to the Internet was restricted by government edict until 1999 and the country therefore experienced a lag of some 13 years in terms of its technological development and Internet usage by consumers. Despite heavy investments in EM in KSA, Saudi companies have found themselves moving slowly, with specific and very real concerns for reliability and security (Ahmed et al. 2006; Shalhoub 2006).

Concerns have been raised that Saudi development of EM and the use of Internet transactions have been developed using processes, technologies, applications, and methods which were built up overwhelmingly in Western cultural environments. Saudi society, however, has culturally-specific features, which may be significant elements in shaping and facilitating attitudes toward accepting technological developments and applications (Almogbil 2005). For instance any product or service innovation in Saudi Arabia could be affected by its indigenous population's strong religious beliefs, varied immigrant groups and the adoption of and compliance to Shari'ah (Islamic Law) as its basic constitution (Long 2005; Alhujelan 2008).

Such values can be expected to be influential in Saudi Arabia, which has a rigid culture that has not witnessed many changes in the last 50 years (Sharma 2007). In general, cultural considerations may be significant in the context of a conservative country such as the KSA, whose unique interpretation of the religion of Islam and its strict application make it very different from other Islamic countries, as Islamic teachings and Arabian values are dominant (Tuncalp and Erdem 1998). Saudi society is based on a strong religion and traditions which shape all interactions, including political, social and commercial transactions, and which give the KSA a unique cultural and social pattern (Long 2005; Alhujelan 2008). Consequently, it may be expected that Saudi consumers may have negative attitudes toward online transactions arising from cultural factors.

Electronic Marketing implementation issues have been investigated in other, predominantly Western countries, but due to cultural, economic, social, and political differences, research on online consumer behaviour in those countries may not adequately explain consumer behaviour in KSA.

It is the intention in this paper, therefore, to add to the existing understanding of the potential for the development of EM in KSA through an investigation of the factors that seem to impede consumers' acceptance of EP, as perceived by airlines, hotels and travel agencies and their clients.

This research derives its significance both from its practical value in addressing issues of current concern to companies in tourism sector as they seek to enhance their services and attract clients, and from its theoretical contributions in the area of technology adoption generally, and in the Saudi context specifically.

The aim of this paper is to contribute to a better understanding of customers' adoption of the EP technology. Consequently, the first objective of this study is to investigate the nature of the presence of EP in tourism sector in KSA. This objective will be accomplished through depth interviews with policy makers and EM managers in selective companies in tourism sector. The second objective is to evaluate what factors may influence Saudi customers' adoption of EP services. In this respect, the research considers both on-line and off-line

clients. This objective will be accomplished by conducting depth interviews with both users and non-users of online transactions in tourism context in the KSA.

2. Background (Literature Review)

Ram and Sheth (1989) suggest that there are functional and psychological barriers to acceptance of new technology. Functional barriers can be divided into usage, value and risk barriers, whereas psychological barriers include tradition and image barriers.

A usage barrier is a situation in which using an innovation is incompatible with consumers' lifestyle or current habits. Value barriers refer to the economic benefits of using the new innovation; innovations with higher cost face stronger resistance to adoption. Risk barriers are associated with the uncertainty of using innovations. The tradition barrier refers to changes that an innovation may cause in the adopter's routines. The more meaningful these routines are to a consumer, the stronger will be the resistance. Finally, image barriers are associated with the image related to using or not using an innovation, as a perceived positive image may accelerate customer adoption, whereas a perceived negative image could cause strong resistance (Ram and Sheth 1989).

Figure 1 - Essential barriers causing resistance to innovation
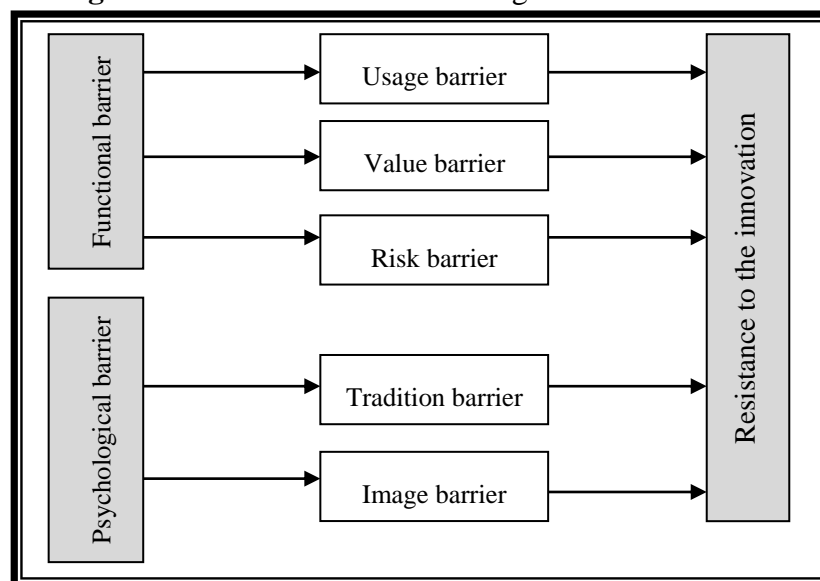
Source: Ram and Sheth (1989)

Since many researchers have assumed that Internet applications in marketing are beneficial and likely to be adopted, its rejection has not received as great attention as has its acceptance in scholarly research. Nevertheless, several reasons have been reported in previous studies in various parts of the world.

Arsal (2008) found the degree of involvement with travel products influences channel choice, which may explain the popularity of Internet applications with regard to some quick and minor transactions. There are also those who still favour the traditional way of making reservations and purchasing travel products by visiting agencies and companies in person due to inertia to change (Abendroth, 2011). In another recent study (Chen and Kao, 2010), it was

suggested that for some customers, the positive attributes of Internet applications were overridden by habitual behaviour associated with visiting actual agencies.

One risk barrier pertains to lack of the human touch and absence of face-to-face contact. Casaló et al. (2007) found that absence of human contact added to the perception of risk associated with the performance of transactions via the Internet. A significant number of customers in KSA still prefer and depend on face-to-face interactions (Lawrence and Tar 2010). Other risk barriers such as apprehension about using Internet applications and fear of making mistakes have been reported. For example, Srivatsa and Srinivasan (2008) found clients consider the unfamiliarity of Internet applications and websites' interface to increase their concerns regarding responsibility for possible mistakes. Cai et al. (2008) found that perceived problems were the most important factor in forming consumers' attitudes toward e-marketing.

According to Liu (2005) and Kim et al. (2009), security concerns and the uncertain environment of Internet application usage increase the perceived risk and decreased trust. When customers consider that the risk of adopting new transaction tools is relatively higher than following the old methods, they will be less willing to adopt them (He and Mykytyn 2007).

Uncertainty as to usage is another possible factor in reluctance to adopt Internet applications in marketing. Some customers regard the Internet as a newly-developed channel on which insufficient information is available, resulting in their lack of awareness about such services. In a Greek study, Mavri and Ioannou (2006) found that 89% of customers cited deficiency of information concerning e-marketing services as the main reason for their rejection of Internet applications. Similarly in Australia, Lichtenstein and Williamson (2006) suggested that many non-users may still be unaware of the existence, features, relative advantages and benefits of Internet applications. Moreover, several non-users in the same study felt that the advantages claimed for Internet applications were not applicable to themselves, but were for other types of people.

Before consumers can fully adopt Internet applications, they should be familiar with the use of computers and the Internet. He and Mykytyn (2007) found computer knowledge, online shopping experience, online trading experience, online auction experience, and online vending experience influence customers' intention to adopt online payment systems. Many customers may not have the skills needed to use Internet applications, and the widespread diffusion of these applications will not be achieved unless this barrier is overcome (Kim et al. 2009). However, this factor may vary across societies. Weir et al. (2006) found that an understanding of terminology and instructional language used in websites in England did not have a significant impact on usability.

Prices of PCs and of Internet connectivity may also be a barrier. Poon (2008) found that in Malaysia, Internet connection prices to affect customers' decision to use Internet applications, while Srivatsa and Srinivasan (2008) reported that in India, some customers perceived no performance-to-price value due to the high purchasing costs of a computer and Internet connection. Finally, some cultural factors could affect Internet penetration. Srivastava (2007) in India discovered that factors such as culture and religion inhibit customers' intentions and affect their mindset towards Internet applications. Al-Somali et al. (2009) found tradition and resistance to change were among the main inhibitors of Internet applications adoption in marketing.

The factors identified above fit well into the functional/psychological categories of Ram and Sheth (1989). Based on the reported literature, therefore, the study investigated the proposition that obstacles to Internet application take-up include:

a) Functional barriers:
- Usage barriers – lack of awareness, perceived irrelevance (Lichtenstein and Williamson 2006); lack of skills (He and Mykytyn 2007); inertia (Srivatsa and Srinivasan 2008).
- Value barriers – cost of PC and Internet connection (Poon 2008).
- Risk barriers – unfamiliarity (Srivatsa and Srinivasan 2008); perceived risk (Liu 2005, Kim et al 2009)

b) Psychological barriers:
- Tradition – preference for face-to-face contact (Durkin and O'Donnell 2005).
- Image – perceived difficulty *(*Hansen and Jensen, 2009); association with Western values (Almogbil 2005).

This proposition provides a framework for investigating factors impeding Internet application implementation in an under-researched context, Saudi Arabia, and enables the research findings to be linked to existing theory and empirical evidence.

3. Methodology

The research was grounded in the interpretive paradigm, on the basis that the research propositions assume that the "reality" under investigation is constructed based on human knowledge and experience and influenced by social interests (Tashakkori and Teddlie 2003). The interpretive approach allows a multi-subjective understanding of the obstacles to acceptance of Internet applications, based on the meanings attached to their experiences and attitudes by the participants (Seale et al. 2007). Such an approach seeks to understand and interpret phenomena in their real-life context (Remenyi et al. 1998) and is particularly appropriate to the investigation of social, behavioural and cultural phenomena (Tashakkori and Teddlie 2003). It is particularly suitable in the present study, due to its exploratory nature, resistance to Internet applications being an under-researched area, and one that has not been investigated previously in the Saudi context.

According to Gill and Johnson (2002) the ideographic approach is *"an approach that emphasizes that explanation of human behaviour is possible only through gaining access to actors' subjectivity or culture"* (Gill and Johnson 2002: 227). Although researchers can draw general conclusions from their empirical understanding, Ghauri and Gronhaug (2005) argue that in this type of research the process goes from observations, to findings, to theory building, as findings are incorporated back into existing knowledge to improve theories.

Such research is often associated with the qualitative school, which developed in the social and behavioural sciences to allow researchers to study social, behavioural, and cultural phenomena. Berg (2007) defined the qualitative research approach as one that involves the meaning, concepts, definitions, characteristics, metaphors, symbols, and description of things. Creswell (1998) observes that research questions often start with a "how?" or a "what is?". An example of this approach would be a researcher's plan to interview people in order to examine their behaviour, and make a record of the verbal responses of those interviewed (Marvasti 2004; Maxwell 2005). The qualitative approach was appropriate in this research, to identify companies' policies and practices in relation to tourism sector, and the rationale

underlying them, as well as to explore Saudi clients' intention to adopt EP and their interpretations of their practices and experiences in this regard.

Two sets of interviews were conducted. First, managers at 20 Saudi companies in the tourism sector were interviewed face-to-face regarding their views on the main factors that deter Saudi clients from using Internet applications, and why they might be resistant to change. Second, 40 interviews were conducted with Saudi users and non-users of online applications services. These interviews covered a variety of clients: male and female, young and old, with different occupations, with a variety of educational qualifications, and with diverse monthly incomes. Interviews were conducted in Riyadh, the capital of KSA.

Interviews were conducted face-to-face with respondents who were asked about the main reasons that inhibited them from using Internet applications, perception of ease of use, risk, and relative advantages and disadvantages of e-purchasing.

4. Results

4.1 Managers' perspectives

Interviewees were asked why they thought some Saudi customers used e-purchasing facilities and others did not. The responses showed agreement on certain factors perceived as deterrents or obstacles to the use of Internet applications in the Saudi context, including computer illiteracy, security concerns, purchasing habits, Internet infrastructure, and fear of new technology.

The interviewees asserted that those Saudi customers who were familiar with using computers and had adequate knowledge and experience of using the Internet in general, predominantly younger, educated people, would have no difficulty in using online services, and are the priority target segment. For example, one interviewee commented on the role played by recent trends in education in the Kingdom:

> *"The biggest number of users is among the new generation. Due to the availability of computers in schools, the new generation are technology users".*

Another identified the influence of overseas travel:

> *"It is very important. For example, Saudi customers who have studied or lived abroad for some time use online services without any problems because when they were abroad they became familiar with using such services".*

Conversely, older people were expected to be less interested in Internet applications, either because of lack of competence in computer use, or simply because they had developed strong purchasing habits and were resistant to change. As one manager expressed it,

> *"It is very difficult to get older people to use e-purchasing. When those people have not used the Internet from the beginning, it is difficult to convince them to use it."*

Computer illiteracy was a term mentioned frequently by the interviewees; some managers added other inhibiting factors, such as technophobia. A distinction between different levels of technological barriers was made by one interviewee, who argued,

> *"There are two kinds of people; first, those who are not educated enough, they are computer illiterate. The second kind is those who are not computer illiterate as such, but they don't know enough about technology to be confident in using e-purchasing".*

Others suggested that ingrained purchasing habits in relation to tourist products might deter conservative people from making travel reservations and purchasing tickets and vouchers online, as they have no interest in seeking out new channels. For example,

> *"Saudi consumers still prefer to use the main conventional channels in this regard; for example, they like to visit travel agencies in person or phone them. I think that's because they are more established than using Internet"*

Another suggested factor, particularly in the early stages of EP in Saudi Arabia, was infrastructural problems,

> *"Another problem related to the system is that it was very limited. In some areas it was difficult to use the Internet because Internet connections were limited".*

Such problems were gradually being addressed, for example, with the availability of Internet service from three operators.

It was also acknowledged that Saudi clients may have been deterred from using EP by security concerns. As one interviewee commented,

> *"I think that security plays an important role in making customers hesitate to use Internet in shopping or buying tourist products and services. I do believe that there some problems have arisen concerning Internet safety".*

The same interviewee explained the role of the media in fuelling such fears:

> *"Sometimes a particular incident might take place or people read about hackers in the press and start thinking about unauthorised access or money loss as a result of using the Internet as a transaction medium. All of these factors make people feel afraid of making online transactions".*

Managers classified a number of measures taken to enhance security and to advise customers of the precautions they should take when performing transactions online. Nevertheless, they felt that doubts as to the safety of the Internet as a marketing medium still influenced some Saudi clients and deterred them from trying e-purchasing. Managers, therefore, saw building clients' trust in the travel agency and in the Internet channel as a priority.

4.2 Clients' Perspectives

Nine main types of barrier to e-purchasing use were reported by Saudi clients. The categories are discussed in order of the frequency with which they were mentioned, beginning with those most frequently stated.

4.2.1 Perceived risk

The majority of respondents did not fully trust Internet transactions and perceived a degree of risk if they used e-purchasing, particularly security risks associated with using the Internet. Respondents feared their credit card would be vulnerable to misuse, were afraid of making mistakes or something going wrong and felt the channel was by nature highly insecure. As one suggested,

> *"This new technology is unfamiliar to us, and those people who developed it, and are experts in it could take great advantage of us"* (Interviewee 15).

Security concerns were reported by more female than male respondents and by more older than younger ones.

Another concern in relation to risk was the absence of an "official receipt". Such receipts with headed, signed and stamped paper generate feelings of certainty and security, by providing

concrete evidence of a completed and certified transaction. The absence of such receipts made e-purchasing appear a less attractive option for such respondents.

4.2.2 Marketing barriers

The second most frequently cited reason for not using EP was lack of knowledge about this service. Non-users regarded e-purchasing as a newly developed channel on which insufficient information was available. They did not feel they had received enough information from the media or from the agencies and companies in the tourism sector to increase their awareness about such services. Some respondents were unaware of what needed to be done to become an e-shopper. One client said,

> *"I have heard about it from some friends but I do not know how to benefit from this service"(Interviewee 16).*

Others were not aware of what tourist services could be sourced over the Internet, and a few mentioned that they did not know what level of PC skills was needed to operate as an e-shopper.

Eleven respondents claimed not to have known or thought about EP previously, nor seen it advertised, while those who had seen advertisements found them uninformative. For example,

> *"I see some adverts around, but I do not know anything regarding how to use it or the benefits of using the Internet to purchase tourist products and services; they do not provide enough information about it and how to use it" (Interviewee 14).*

One client mentioned that he had occasionally received SMSs via his mobile from travel agencies, informing him that electronic services were available and giving the URL, but nothing else, whereas customers need more persuasive information to encourage them to change their consumption behaviour. Others alluded to the ineffectiveness of marketing methods. The need for initial encouragement was very clear for some clients who had little knowledge of electronic services as an effective channel through which they could perform various tourist transactions. Some male clients, who were interested in using EP, commented on the lack of information and usage of e-purchasing, which left them uncertain about it. One elaborated,

> *"I wish there was someone who could train me how to run online transactions with any travel agency and do my business through it, instead of going to the agency every time I want to buy a ticket" (Interviewee 3).*

Such clients indicated a possible interest in using e-purchasing if they were given some simple training by travel agencies to show them what was available and how to make such purchases.

It appears that the marketing of the Internet as a shopping channel has eluded the awareness of many Saudi clients who may be potential e-shoppers. Male and female participants viewed EP as too complicated or of little interest. Importantly, women participants did not appear to have been reached at all by agencies' marketing and were unaware of the service. In summary, the results suggest that gaining clients' awareness is influential in the taking up of EP and that this must be achieved before any other factors are considered.

4.2.3 No perceived need

Respondents indicated that they did not feel the need to use EP. A large majority indicated that they were very satisfied with the way they currently performed their tourist transactions. They considered visits in person and phone calls to be simple, fast, and accessible services

through which they could easily fulfil their travel needs. Some argued that they were comfortable with their routines and they did not want to learn new methods. Some older respondents felt that they were too old to learn about such technology, and believed it was only for the younger generation. Others implied that they had the skills to find out about EP if they wanted to do so, but they were simply not interested.

Three respondents did not consider themselves to be heavy users of travel services, but said that if they were, they would be e-shoppers, implying that, at present, becoming an e-shopper was perceived to hold few benefits for them. One explained,

> *"My travel needs are very simple. they don't go beyond making reservations and buying airline tickets, but if I wanted to carry out some complicated business such as planning journeys and comparing prices, I think I would have to use the Internet as a shopping channel" (Interviewee 2).*

Accordingly, the degree of involvement in transactions seems to influence the acceptance of e-purchasing over other channels.

4.2.4 Lacking the human touch

Some respondents commented that there was no human interaction when sourcing travailing services over the Internet. They expressed that they would miss the loss of personal relationships with agencies personnel if they used e-purchasing. This suggests that for some people, the human touch is still important. This concern was related to feeling unsure of the channel and being afraid of making mistakes. Some respondents were concerned that they might find Internet instructions difficult. In contrast, this was of less concern when using the phone, because as one client said,

> *"You can always express your feelings and clearly ask for exactly what you need when you use the phone" (Interviewee 3).*

4.2.5 Educational barriers

For a small number of respondents, lack of confidence and proficiency with computers was a fundamental reason for non-adoption of e-purchasing; they either did not use computers at all or used them only for very simple tasks at work. Six respondents, who tended to be older, female, or less educated people, indicated that their knowledge of computers and the Internet was very limited. Three of these respondents did not have a computer at home. The other three acknowledged that although they had a PC at home for the family, they never used it for access to the Internet. One housewife, who had a Bachelor's degree, said,

> *"We have computers at home for children to play and learn, but I don't use it and actually I don't understand it. I think I have limited understanding and knowledge regarding computers as I used to do simple things when I was at university, for instance typing several mails and reports using word-processing, but I don't use it any longer" (Interviewee 16).*

The rest of the participants had either a home PC, or a laptop, or a computer at work, and they were able to access the Internet.

Responses suggested that acceptance of e-purchasing requires not only obtaining a computer and gaining access to the Internet, but also gaining experience and confidence through using computers and the Internet for some time.

4.2.6 Technical barriers

Technical barriers relate to inaccessibility, mainly due to respondents being unable to connect to the Internet. This may have been because they did not own a PC, did not subscribe to an

Internet service provider, or because the technical specification of their PC did not satisfy the requirements of EP transactions.

Overall, the findings showed perceptions of adequate Internet accessibility to be highly significant. As one client commented,

> *"Access to the Internet is the issue. Everyone has got computers at home, but we do not have good access to the Internet or high-speed services."* *(Interviewee 4).*

Other respondents, who presumably did not subscribe to high-speed services, commented that access would be slow and tedious. With reference to low-speed Internet connection, respondents mentioned malfunction of the line and difficulty in opening the pages, particularly those containing drawings or figures. They argued that this prevented their using e-purchasing on a regular basis.

4.2.7 Image barriers

A few of the more conservative clients perceived the Internet as a liberal medium that is very difficult to control and a potential source of disorder, distraction and confusion to the home and family. Such perceptions strongly influenced their decision not to subscribe to the Internet at home. One commented,

> *"Raising my kids according to Islamic principles and values would be very awkward if I brought the Internet to our home. It has a lot of negative sides."* *(Interviewee 13).*

Such conservative Islamic cultural beliefs were expressed especially by older and female respondents. Other respondents considered the Internet as an entertainment medium more than a business channel. In their view, the Internet was meant to be an enjoyable communication tool for e-mailing, chatting, and searching, but not for performing business.

4.2.8 Economic barriers

Equipment and procedures required to access Internet were considered costly. Some respondents expressed concern about the need to buy a PC. Strong concerns about Internet subscription prices were also raised by respondents. PC, laptop, and Internet connection subscription prices in Saudi Arabia were compared, unfavourably, with those in neighbouring markets such as the Gulf countries, Egypt, and Jordan. Some respondents suggested that these costs were disproportionate to the advantages to be gained and that the capital expenditure could not be justified.

Whereas these concerns were expressed both by people who had Internet connections and people who did not, they were expressed particularly and somewhat worryingly, by younger clients, those on low incomes, and people whose financial transactions were few and infrequent.

4.2.9 Linguistic barriers

A number of Saudi clients perceived difficulty in using either a computer or the Internet because they associated these technologies with the English language. Because they did not know English and were not willing to learn it, they dismissed the idea of using these technologies.

Language barriers were considered a significant obstacle. One client said,

> *"If you like to use the Internet you must have a minimum degree of understanding of the English language to cope with them without problems. Otherwise you will find a lot of terms are unclear"* *(Interviewee 20).*

Another client added,

"I don't like to browse the Internet because most of the useful websites are in English" (Interviewee 9).

As the above discussion has revealed, there were clearly a number of factors, some general and others more specific to the Saudi environment, which constituted deterrents to the use of EP.

The barriers identified can be mapped broadly onto the framework (Ram and Sheth, 1989) presented previously, albeit with some additions and refinements (see Figure 2). The findings are discussed in relation to the framework proposed initially below.

5. Discussion and implications

Understanding the phenomenon of resistance to new services and methods of doing business, and careful handling of the aspects that can be overcome is important for travel agencies and tourism companies. Understanding the nature of resistance will help Saudi companies in the tourism sector not only to diagnose but also to work on potential solutions to alleviate the effect of such obstacles, in order to increase the level of EP penetration in the KSA.

Figure 2 - Current barriers to Saudi clients' acceptance of EP services
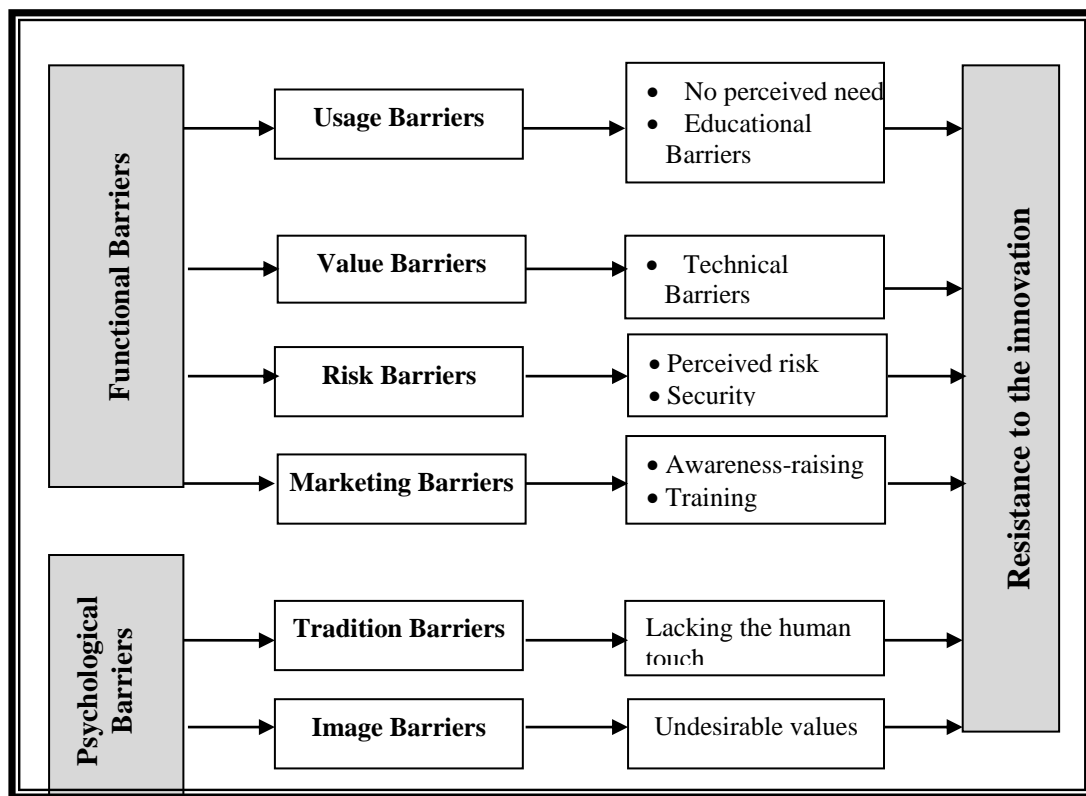
Source: Generated by author

Managers of companies and agencies showed agreement on certain predominantly functional factors perceived as deterrents or obstacles to the use of EP facilities in the Saudi context, including computer illiteracy, security concerns, purchasing habits, Internet infrastructure, and fear of new technology. Interviewees from companies were of the view that Saudi clients who are familiar with computers and have adequate knowledge and experience of using the Internet in general would have no difficulty in using online shopping, and were inclined to see computer illiteracy and technophobia as major factors in the failure to take up EP.

The findings from client interviews, however, suggest that the situation is more complex, as the majority were neither computer nor Internet illiterate. Nevertheless, some admitted to limited knowledge and use of computers. Moreover, educational and linguistic barriers to using e-shopping were reported by some clients. A number indicated that they could not use a computer, or used it only for simple tasks at work. These tended to be older, female, or less educated people. Issues also were raised about the language used in the services, and clients were unclear about the terminology and technological language used in computers and the Internet. These factors constitute functional (usage) barriers to embracing EP. This finding is in contrast to Weir et al. (2006), who found that understanding of terminology and instructional language used in websites in England did not have a significant impact on clients' rating of website usability. However, in Weir's study, the respondents were English speakers. In Saudi Arabia, where the dominant language is Arabic, some of the material available via computer is in English; therefore language barriers may be an impediment to use of on-line services, and computers generally. According to Alqadhi (2008), only 12 % of Saudi people use the English interface system in their PCs. Further, some clients were not willing to become more PC-proficient or become familiar with the Internet. The findings support He and Mykytyn's (2007) claim that computer knowledge or lack of such knowledge is among the factors that influence clients to adopt or not to adopt online payment systems. Since many non-users do not have the skills needed for online shopping, it may require more than attitudinal changes to bring them closer to taking up EP. At the same time, the finding that most of the non-users interviewed had at least some computer and Internet experience, and a small percentage had more than three years' experience, indicates that overcoming computer illiteracy is not in itself enough to encourage use of EP. There are other reasons why computer-competent clients do not adopt EP, and the study sheds light on these.

Security and privacy concerns and the perceived risk of Internet channels were thought by managers to be major obstacles to commencing to use EP, and clients agreed, which is consistent with the proposed risk barrier in Ram and Sheth's (1989) framework. The majority did not fully trust Internet transactions and perceived a degree of risk associated with e-purchasing. This finding is in line with previous studies, which found that security and privacy issues were a major concern for an increasing number of consumers (Kim et al. 2009; Ku and Fan, 2009; Khare and Khare 2010). Many users and non-users have indicated that the risks involved in accessing their credit card information were perceived to be too high.

Security concerns and the uncertain environment of EP usage increase perceived risk and decrease trust. Such concerns appear to be, at least in part, a response to constant negative publicity about theft, unauthorised access to private financial information, phishing attacks and other fraudulent activities (Sarel and Marmorstein 2006). Similarly, Mykytyn (2007) found a clear relationship between such perceptions of risk and reluctance to adopt new transaction tools. This situation raises the question as to what travel agencies and tourist companies are doing to alleviate such concerns. In fact, it was clear from interviewees' comments about their efforts to meet client needs that a number of security measures are in place to protect clients' information and assure them of the safety of their transactions.

Some managers suggested that ingrained purchasing habits in relation to travel products and services might deter more conservative clients from performing transactions online, as they have no interest in seeking out new channels. Older people were expected to be less interested in e-shopping, partly because they had developed strong purchasing habits and were resistant to change. Client interviews provided some evidence to support such a view; one of the main functional barriers to adoption reported was perceived absence of need, because consumers' transactions were infrequent or simple, and they were satisfied with their

existing channels, for instance, visiting agencies in person and using telephone. Such views might be attributable to inertia to change as suggested by Srivatsa and Srinivasan (2008), who found a similar situation. These beliefs should be addressed by agencies' subsequent marketing activities.

A final area in which there was agreement between managers and clients regarding reasons for not using e-shopping, concerned infrastructure. Managers associated such problems particularly with the early stages of EP in Saudi Arabia, and suggested they were gradually being addressed; for example, with the availability of high-speed Internet connection service from three operators. According to clients, however, the unavailability of high-speed Internet connections in some areas, and the long waiting time to obtain a line meant that infrastructural deficiencies still represent a real obstacle for some potential EP users. Such difficulties reduce the value of the EP offering, as they prevent users from gaining the full benefit of the service.

The level of agreement between managers and clients regarding the role of the aforementioned factors as obstacles to EP implementation suggests that managers were reasonably aware of the main challenges they faced in trying to promote their EM services to Saudi clients. However, a number of other issues were raised by clients, in addition to those discussed above, suggesting that the apparent resistance to EM may be a more complex issue than companies realise.

One issue raised by clients, but apparently underestimated by managers, was the insufficient information available to them about e-shopping as a newly developed channel. They did not feel the companies had adequately informed them about such services. This factor, labelled marketing barriers, can be regarded as a functional barrier additional to those proposed by Ram and Sheth (1989). Such findings are not unique to this study or to the Saudi context. Mavri and Ioannou (2006), for example, found a deficiency of information about Internet transactions to be a major reason for its non-acceptance in Greece. Companies recognise that some clients lack an understanding of and competence with computers, but may fail to realise to what extent even people who are comfortable with computers still need information and support regarding EP services. Companies can do far more to bring clients' attention to EP channels and to provide more detailed knowledge needed to attract these clients. Marketing campaigns and awareness sessions may be valuable for this purpose, although having skilful staff readily available at travel agencies, tourist companies and contact centres would undoubtedly be important.

Companies also perhaps underestimated clients' psychological attachment to face-to-face services. The perceived lack of a human touch and absence of face-to-face contact is an important barrier which has to be overcome, since many clients see the e-purchasing proposition as a potential replacement for face-to-face transactions. Concerns have also been expressed about the absence of physical contact. This, too, is an experience reported by prior researchers in other contexts. Durkin and O'Donnell (2005), for example, found that relatively large numbers of clients in the UK and Ireland who use Internet transactions still have a high dependency on face-to-face interaction. Walker and Johnston (2004) emphasise that interaction has a potentially significant impact on perceptions of complexity, while Casaló et al. (2007) found it alleviates perceptions of risk. In essence, companies must show clients that e-purchasing is a complement to face-to-face interaction and not a replacement for it, while at the same time striving to give the EP service a "human face". This may be particularly important in a country like Saudi Arabia, where traditionally personal contact and relationships are very important in doing business.

In addition, some cultural factors that were seen to affect Internet penetration among Saudis,

notably, concerns about the difficulty of controlling Internet content and the consequent risk of importing undesirable images, ideas and values. Some interviewees perceived the Internet to be manipulative and to bring disorder, distraction and confusion to the home and family. Female, older, less educated and less Internet-experienced clients were more inclined to express such views. Srivastava (2007) found a similar situation when he examined the adoption of electronic transactions in India. He discovered that factors such as culture and religion inhibit clients' intention and have effects on consumers' mind-set towards EP.

The Saudi government is aware of such concerns, and Internet content is filtered in an attempt to safeguard cultural values. Over time, as Internet accessibility expands and citizens become more informed about the Internet and the benefits it offers, these fears may be allayed somewhat. However, it is likely that there will always be some who resist Internet usage on religious and cultural grounds.

6. Conclusion

The research findings contribute to explaining customer resistance to e-purchasing, and elaborate on previous findings by identifying obstacles to EP implementation in the tourism sector in the Saudi context. Managers and clients agreed on a number of functional barriers, including educational and linguistic barriers to usage, technical and economic factors which impact on the perceived value of the product, and potential risk. In addition, clients raised the issues of marketing deficiencies, the preference for performing transactions with a human face, and concerns about importing undesirable values via the Internet. Companies and agencies will need to break down these barriers in order to develop and expand EP services successfully. At the same time, tourism companies and travel agencies are realistically prioritising targets who are more likely to be receptive to EP: the younger, the more educated, and those predisposed by familiarity with computers and the Internet to be favourable to new uses of this technology.

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