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Determinants of Consumer Behavior and Prospective Purchase Decisions in E-Commerce Environment: Evidence from Palestine

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Abstract: This paper intends to study consumers' behavior and attitudes towards e-business industry in the Palestinian territories, and investigates the most important factors influencing the adoption decision, and models E-consumer behavior process toward the mass customization in e-business industry depending in the theory of reasoned action and theory of planned behavior. The sole objective of the following paper, which has been conducted on the year 2022, is to give an in-depth overview of all literature associated with E-consumer behavior focusing on consumer behavior process toward e-business industry in the Palestinian territories. The focus then turns to investigate the theoretical and conceptual framework of consumer behavior, and identify all concepts, principles and theories that will serve as foundations for the later studies. A comprehensive literature review of consumer behavior and factors influencing the adoption decision of e-business organizations from the point view of individual customers are also presented.

This paper is divided into six major parts. The first and second parts outlines the environmental influences and interpersonal and intrapersonal determinants of E-consumer behavior, which includes investigating the role of culture, social classes, social and reference groups, personality, attitudes and the role of learning in shaping E-consumer behavior toward adoption. The third and fourth sections outlines the theory of reasoned action and theory planned behavior that will serve as foundations for this study. The fifth section provides a comprehensive literature review of consumer behavior and factors influencing the adoption decision of e-business organizations in Palestine. Finally, Structured Equation Model (SEM) technique has been utilized and the LISREL 8 program was used to test the impacts of Attitudes towards using technology (ATT), Reference Groups (RG), Personality (P) and Cultural Impacts (CI) on Perceived Usefulness (PU), Perceived Confidence (PC) and Behavioral Intention (BI)

Keywords: E-Business Organizations, E-Marketing, E-Consumer Behavior, Attitudes, Reference Groups, Personality, Cultural Impacts, Behavioral Intention

محددات سلوك المستهلك الشرائية في بيئة التجارة الإلكترونية: دراسة تطبيقية على بيئة الأعمال في فلسطين

عبد الرحمن حسن السلوادي
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المستخلص: تولي العديد من الدراسات في أدبيات التسويق بصفة عامة وأدبيات سلوك المستهلك بصفة خاصة اهتماماً بموضوع تبني التسوق عبر الإنترنت، ولذا من الأهمية بمكان بحث العوامل التي تؤثر على قيام المستهلك بتبني هذه الطريقة الجديدة من طرق التسوق، حيث من المفترض أن تلك العوامل تمثل إطاراً لتقييم هذه الطريقة الجديدة للتسوق بواسطة المتبنين، ولذا فإن الهدف الأساسي للبحث هو دراسة وتحليل العوامل المؤثرة على عملية تبني المستهلكين بشكل عام للتسوق عبر الإنترنت. وبشكل أكثر تحديداً، دراسة سلوك المستهلكين

الفلسطينيين ومواقفهم تجاه التسوق عبر الإنترنت وتحديد أهم العوامل التي تؤثر على قرار تبني منظمات الأعمال الإلكترونية الفلسطينية اعتمادًا على نظرية الفعل العقلاني ونظرية السلوك المخطط. إن هذه الدراسة التي تم إجراؤها في عام 2022 تجمع بين عدد كبير من العوامل المؤثرة على تبني المستهلكين للتسوق عبر الإنترنت والتي تم استخلاصها من الدراسات السابقة، بالإضافة إلى أنها تحاول تحديد درجة أهمية هذه العوامل ودرجة توافرها عند القيام بالتسوق من خلال الإنترنت. فهي تُعبّر عن الإطار النظري والمفاهيمي لسلوك المستهلك، وتحديد جميع المفاهيم والمبادئ والنظريات التي ستكون بمثابة أسس للدراسات اللاحقة. كما أنها تقديم مراجعة شاملة للأدبيات الخاصة بسلوك المستهلك والعوامل التي تؤثر على قرار تبني منظمات الأعمال الإلكترونية من وجهة نظر العملاء والمستهلكين. أظهرت الدراسة أن أهم العوامل التي تؤثر على قرار تبني منظمات الأعمال الإلكترونية في فلسطين هي مواقف المستهلكين من استخدام التكنولوجيا والجماعات المرجعية والثقافة المجتمعية وشخصية المستهلك.

الكلمات المفتاحية: سلوك المستهلك الإلكتروني، التسوق عبر الإنترنت، دوافع التبني، دوافع الرفض، الجماعات المرجعية، الثقافة المجتمعية

Introduction

Web development and internet applications have been the most crucial achievements in the field of communications technology and information in recent years. Until the 1960s, the economic models and thoughts on consumer behavior relied on the assumption of rationality. It was assumed that consumers were always rational in their purchases and therefore bought products which gave them maximum satisfaction (Le and Liaw 2017). The economic, sociological, psycho-analytic and learning models show that consumers exhibited a conservative behavioral pattern in buying products (Singh & Jang, 2020). The period of global economic crisis in 2008 resulted in consumer behavior tending towards a defensive one as they bought fewer products than they usually did (Le and Liaw 2017). The popularity of online marketing gave way to internet of things to play a bigger role in purchase decisions, as people began using the internet to order products and compare prices and features of products they were interested in. The modern customer has a wide range of products to choose from, further complicating the decision-making process and consumer behavior (Singh & Jang, 2020.

Today, shopping online through e-markets and e-catalog have been overwhelmingly successful around the globe, and online shopping is now a growing business. However, In the Arab world, online shopping is still in its early stages. (Ahmad, 2010) The volume of e-commerce in the Arab world is way below the average, due to the fact that limited Arab companies are using the internet to disseminate information about their activities. However, it can be said that the fertile ground has been built, as access to the Internet is available well, but online shopping is not yet considered at the level that can be considered satisfactory.

Acknowledging the importance of e-commerce customer retention, numerous studies have empirically examined the impacts of attitudes towards using technology (ATT), reference groups (RG), personality (P) and cultural Impacts (CI) on Perceived Usefulness (PU), Perceived Confidence (PC) and Behavioral Intention (BI) (Chen-ran, 2020, Karimi, Papamichail & Holland, 2015, Gupta & Shukla ,2019, Khan, Liang, & Shahzad, 2015). Empirical research on antecedents of consumer behavior and prospective

purchase decisions in E-Commerce environment in the Palestinian territories is still limited. Thus, the motivation of this research is to determine key antecedents that influence e-commerce Behavioral Intention (BI) in Palestine. In addition, it aims to determine whether user of attitudes towards using technology (ATT), reference groups (RG), personality (P) and cultural Impacts are direct antecedents of both Perceived Usefulness (PU), Perceived Confidence, and indirect antecedents of Behavioral Intention (BI) in e-commerce environment.

Problem Statement:

E-commerce refers to the purchase and sale of raw material, services or any form of product and service by which the digital medium is used by the customers and businesses. Online and e-business activities have developed rapidly in the last decade. With the obvious increase in the sales income, researchers showed more and more interests in this promising market. Previous studies in this field primarily focused on the demographic profiling of the online consumers as well as initial analysis in the factors that motivate their purchase behavior. However, it is far from fully explaining consumer's online shopping activities. As the COVID-19 emerged around the world, the change in buyer behavior has largely enhanced and encouraging businesses to gain the loyal customers in the digital marketplace. These sudden challenges have forced organizations to create new digital solutions and adapt themselves as new normal.

This research is intended to study consumers' behavior towards consumer behavior and prospective purchase decisions in E-Commerce environment the Palestinian territories, and investigates the most important factors influencing the adoption decision, and models the consumer behavior process toward e-business depending on the theory of reasoned action and the theory of planned behavior. In this context, the fundamental problem motivated this research is: **What are the determinants of consumer behavior and prospective purchase decisions in E-Commerce environment in Palestine?** In order tackle this broad question; number of questions will be posed in this research:

- Do Palestinians e-customers perceive attitudes towards using technology (ATT), reference groups (RG), personality (P) and cultural Impacts as key factors influencing perceived usefulness (PU) and perceived confidence?
- Do Palestinians e-customers perceive perceived usefulness (PU) and perceived confidence (PC) as key factors influencing behavioral intention (BI) and e-product adoption decision?

Literature Review

Theoretical Framework

Environmental Influences on Consumer Behavior

Before more is said about consumer behavior in E-Business industry and most particularly consumers' attitudes towards E-markets, it is appropriate to define the scope of the subject as it is treated in this paper. Therefore, the following definition by Chen-ran (2020) is included here to set boundaries. Consumer's behavior is defined as: "the acts of individuals directly involved in obtaining and using economic goods and services, including the decision processes that precede and determine these acts."

Changes in economic, social and political environments in the surrounded Arab countries and in Palestine suggest the need for a broader commitment by private and public sector E-organizations to study Palestinians' consumer behavior than ever before. The role of Palestinians' culture, social classes, social and reference groups, and the role of Palestinian's family in shaping consumer behavior toward adopting E-purchasing are investigated in this section.

The Nature of Culture

Palestinian culture is one of the most imperative intrinsic variables that distinguish Palestine from other countries. Culture has been always viewed as a major external variable that may impact attitudes. "In the simplest terms, culture serves an adaptive function; that is, it is a means of helping an individual adapt or cope with the world." (Butt & Aftab, 2018). A significant part of the importance of culture stems from the influence it has on people's perceptions, attitudes, and values. This leads to the realization that human decision making is greatly affected by the culture in which it operates.

Culture in this context according to Kotler & Keller (2018) means "the complex set of values, ideas, attitudes, and other meaningful symbols created by humans to shape behavior and the artifacts of that behavior that are transmitted from one generation to the next" Three things should be noted about this definition. First, culture doesn't refer to the instinctive human urges such as the need for food, drink, shelter or sexual desires. Second, this definition reflects a contemporary view of culture that emphasizes the learning and integrative functions of human culture. Third, this definition added Butt & Aftab (2018) stresses the communicative aspect of culture through time, that is, the process of transmitting of beliefs, values, habits and customs from one generation to another. Thus, culture can be viewed as the means and methods of coping with the environment that are common among Palestinians that are transferred from one generation to the next. This sharing and then passing on is the result of finding effective means of dealing with common problems and circumstances.

Palestinian values have undergone some significant changes, and the effect on consumer behavior toward mass customization in e-business industry has been substantial. Changes in three major

institutions; the Palestinian family, religious institutions, and education system have instigated these value changes. What illustrates the results of changing Palestinian values is that the impact of customers' technological awareness and e-knowledge in the success of e-business and e-management applications is significantly increasing.

Basic Characteristics of Culture:

Some people believe the essence of marketing focuses on culture and society because they perceive E-marketing as the delivery of a standard of living. (Chakraborty & Bhat, 2018) Certainly those who characterize marketing in this way must be very interested in consumer behavior. Only through studying the E-consumer's interests and decision-making processes can appropriate goods and services be delivered. (Salem, 2018). The notion that culture is one of the most important determinants of behavior has caused behaviors analysts to examine the fundamental characteristics of culture in order to discover more about its dynamics. According to Salem (2018), five distinct characteristics, or dimensions, can be mentioned and briefly described to better understand culture and its influence on E-consumer's behavior: culture is adaptive, culture is learned, culture is gratifying, culture is social phenomenon and culture is inculcated. Thus, there is considerable evidence within the Palestinian society of the decline of traditional mass consumption, and increase customers' technological awareness and e-knowledge. If a significant increase in the importance of technology is taking place, the net effect would likely to establish a more tendency toward achieving customers' satisfaction and loyalty in e-markets (Kotler & Keller, 2018).

Social classes

Social class can be defined as permanent and continuous homogeneous are relatively permanent and homogeneous division within a society where families and individuals share particular life style, income, social values, values, political interests and common behaviors (Block & Roering, 2019). Of course, it is much easier to provide such a definition than it is to operationalize it. There are no absolute boundaries separating social classes; consequently, there has been considerable disagreement as to where one social class ends and another begins. A hierarchy among status groups has developed because some are regarded as having more social prestige and are, therefore, superior to the others.

Social Groups

A social group acquires its values, meanings, ideas and beliefs through various aspects such as products, information and communication technologies. (Kotler & Keller 2018) Social groups have a massive impact on all human thought and action. Groups serve as the mechanism by which we learn the values, norms, and behavior patterns that are required by the society in which we live. Therefore, a meaningful analysis of e-consumer behavior must take into account the functioning of groups as a factor affecting e-consumption decisions. Furthermore, it is sometimes appropriate to focus on a group as a

consuming unit rather than simply on individuals as consumers. For instance, many e-industrial purchasing decisions are made by groups rather than by individuals. Similarly, it is frequently necessary to consider the family as the consuming unit. (Block & Roering, 2019)

Reference Groups

Reference groups refer to the direct or indirect influence of social environment and social surroundings on e-consumers' buying decision. Direct or primary influences include the impact of family, close friends and colleagues on an individual behavior. Indirect or secondary influences refer to the impact of social media, firms marketing and communication efforts and place of work or institutional impacts. (Chakraborty & Bhat, 2018) Although the impact of the group has long been recognized, confidence in the ability of reference groups theory to explain e-consumer attitudes and behavior has been shaken by the reporting of contradictory evidence. For instance, members of a particular group may have similar preferences for automobiles but not for clothing. Confidence in the basic force, however, has been renewed by the development of reference group theory. (Chakraborty & Bhat, 2018)

Functions of Reference Groups:

Reference groups perform a normative and comparative function. (Bauman & Bachmann, 2017) The normative function refers to a group having a consensus of opinion with which the individual agrees and in which the individual seeks to gain or maintain acceptance. That is, such reference groups serve as a source of individual norms, attitudes, and values. Religious sects are an obvious example of performance of the normative function. The comparative function refers to the means by which the individual uses a group to establish his or her frame of reference for value formation and decision-making. In this sense, the group itself serves as an actual standard. These reference groups may differ greatly in size, composition, structure, and purpose but their most important characteristic is the degree of influence they have over the e-consumer decision. (Bauman & Bachmann, 2017)

Interpersonal and Intrapersonal Determinants of E-consumer Behavior

Personality

Personality according to (Khan, Liang, & Shahzad, 2015) is a frequently used and reasonably familiar term. "Most people have at various times characterized someone as having a pleasant personality or, perhaps, an obnoxious personality. While this use of the word "personality" typically conveys meaning, it lacks the precision necessary for application in e-marketing strategy and planning. Actually, there is little agreement on what the components of personality are and how these components become organized into a meaningful whole. Thus, an examination of the major personality theories is essential to acquiring an appreciation of the potential contribution of this concept." (Khan, Liang, & Shahzad, 2015) Most

definitions of personality are general, and the term is frequently used in different ways. "The common element of all definitions of personality is the notion that personality is a consistent pattern of responses to environmental stimuli. This consistent pattern of responses permits the categorization of people in a number of ways, such as stuffy, methodical, or egotistical (Khan, Liang, & Shahzad, 2015).

Palestinians reaction to e-services such as financial need, banking products, or new financial stimulus is determined by his or her normal mode of coping with the environment. E-marketers' fascination with personality stems from the belief that consistent mode of behaving will enable them to understand e-consumer behavior. The assumption is that if e-marketers really understand Palestinians' personality, they will understand why they adopt an e-product the way he or she does, and then, perhaps, they can effectively influence the adoption behavior.

The Role of Learning

There are many definitions of learning, but one in particular is most appropriate to the subject of this research. Learning is defined as those changes in responses and response tendencies that result from the effects of experience. (Foster, 2018). This definition acknowledges that learned behavior must include changes in attitudes, emotions, evaluative criteria, and personality as well as the more easily observed variations in physical behavior that have taken place over time due to individual experience (Foster, 2018). Some of these changes are often difficult to detect within the Palestinian society. Evidence of learned behavior includes changes in attitudes, emotions, evaluative criteria and personality as well as the more easily observed variations in physical behavior that have taken place over time due to individual experience.

We cannot study e-consumer behavior e-business organizations without relating the role of learning to the adoption process. Although little research has been done on the evolution of a mature and fully functioning e-products and e-services customer, several observations can be made about the adoption process according to Khan, Liang, & Shahzad (2015).. E-purchasing or mass consumption in e-industry may be viewed as crucial and imperative decision that may substantially influence family and individuals' life style including their financial and material well being. Also, acceptable e-product adoption procedures often do not involve explicit, well-defined goals or standards of performance; personal and financial satisfactions are usually measures of success.

Attitudes

The concept of attitude considers one of the most prevalent and imperative concepts in e-consumer behavior toward e-business industry, (Karimi, Papamichail & Holland, 2015) indeed, in the social sciences generally. Interest in attitudes emanates from the belief that knowledge of attitudes permits accurate prediction of e-consumer behavior. Also, in e-business sector, knowledge of attitudes permits accurate prediction of the intention to adopt an e-business organization.

(Singh & Jang, 2020) defined attitude as an individual's positive and negative feelings about performing the target behavior. The classical definition according to Block and Roering, (2019) is that "an attitude is a mental and neural state of readiness to respond which is organized through experience and which exerts a directive and/or dynamic influence on behavior." Fishbein and Ajzen (2019). It soon became popular to adopt the classical psychological model developed by Karimi, Papamichail & Holland (2015). which theorizes that attitudes are made up of three basic components: Cognitive, Affective, Behavioral. In terms of consumer behavior, these components refer to the manner in which a consumer perceives information about a product, service, advertisement, or retail outlet. This component includes beliefs a consumer has about the support services a retailer offers as well as beliefs about the relative merits of the product. (Kotler & Keller 2018)

Palestinians attitudes toward adopting an e-business organization, as a primary e-service provider or e-product seller is an influential factor influencing both the intention to adopt and actual adoption. The attitudes Palestinian develop toward the intention to use the e-financial system for example is made up of religious motives such as the tendency to adhere with the Islamic sharia, and non-religious motives such confidence, efficiency, reputation convenience, image, service fees and profitability all are significant factors influencing attitudes and then the adoption decision. Demographics factors are also influential elements affecting attitudes. Palestinians' age, sex, educational level and income are some important elements that determine their attitude toward adoption of an e-business organization.

Theory of Reasoned Action

Theory of reasoned action TRA is considered one of the most comprehensive theories –beside the theory of planned behavior- that study and model humans' behaviors and attitudes (Fishbein & Ajzen 2019) Empirical studies about consumer's decision making and other social psychology literature have endorsed the TRA model Karimi, Papamichail & Holland (2015). based on this theory, consequence of alternatives is considered by consumers before engaging in a particular activity and they select to do what is best associated with the best outcomes.

In this context, Fishben & Ajzen 2019 holds that behavior intention is stems from two major factors: attitude towards behavior (A); and subjective norms (SN) (or perceived social pressure associated with the behavior). The theory basically posits that for behavior, attitudes are developed from beliefs and can be used to predict behavioral intentions and behavior. Behaviors are driven by behavioral intentions, which themselves are the product of attitudes toward behavior and subjective norms with respect to the behavior. The relative importance of attitudinal and normative considerations can vary widely from person to person.

Ajzen & Fishben (2019) have empirically applied the theory of reasoned action and came to conclude that behavioral intentions to perform a particular behavior was a solid indicator of the behavior

itself. Other studies on consumer behavior have also endorsed the TRA theory including (Le & Liaw, 2017, Chen-ran, 2020, Karimi, Papamichail & Holland, 2015, Gupta & Shukla ,2019, Khan, Liang, & Shahzad, 2015)

The concept of Attitude (ATT) was discussed deeply in the TRA theory and considered one of the most prevalent and imperative concepts in e-consumer behavior toward e-organizations, indeed, in the social sciences generally (Karimi, Papamichail & Holland, 2015). Interest in attitudes emanates from the belief that knowledge of attitudes permits accurate prediction of consumer behavior. Also, in e-commerce sector, knowledge of attitudes permits accurate prediction of the intention to adopt an e-product. TRA developed by Ajzen & Fishben (2019) assumes that the more favorable a person's attitudes is towards some objects, the more likely he/she will be to perform any given positive behavior with respect to that object, and the less likely he/she will be to perform any negative behavior with respect to the object. (Kotler & Keller, 2018)

Palestinians attitudes toward adopting e-products, as a primary alternative is an influential factor influencing both the intention to adopt and actual adoption. The attitudes Palestinian develop toward the intention to use the e-commodities is made up of many motives such as quality, cost, e-organization reputation, profitability, services fee, efficiency and convenience. Demographics factors are also influential elements in the TRA theory that affect attitudes. Palestinians' age, sex, educational level and income are some important elements that determine their attitude toward adoption.

The concept of Subjective Norms (SN) was also discussed deeply in the TRA theory. (Kotler & Keller, 2018) It refers to the direct or indirect influence of social environment and social surroundings on consumers' buying decision. Direct or primary influences include the impact of family, close friends and colleagues on an individual behavior. Indirect or secondary influences refer to the impact of social media, firms marketing and communication efforts and place of work or institutional impacts. Although the impact of the group has long been recognized, confidence in the ability of reference groups theory to explain consumer attitudes and behavior has been shaken by the reporting of contradictory evidence. For instance, members of a particular group may have similar preferences for automobiles but not for clothing. Confidence in the basic force, however, has been renewed by the development of reference group theory.

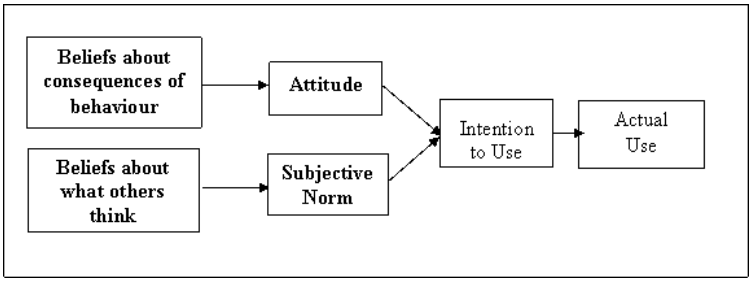

Figure (1): The Theory of Reasoned Action

Theory of Planned Behavior

Theory of Planned Behavior (TPB) was a result of continues efforts done by Ajzen (2019). This theory measures how consumers' actions are guided and driven. It proposes that human behaviors are predictable based on a limited number of variables. The TPB theory identified three major independent variables that predict the consumers' intention and shape the consumer actual behavior: Attitudes (ATT), Subjective Norms (SN) and Perceived Behavioral Control (PBC). Same as the TRA theory, in TPB theory a consequence of alternatives is considered by consumers before engaging in a particular activity and they select to do what is best associated with the best outcomes "In implementation research, interventions are designed to change the behavior of individuals. The target behavior should be defined carefully in terms of its Target, Action and Time. In a transport context this is the target is the commuter, action is the trip, context is the type of trip and time is the time taken to travel" (Kotler & Keller, 2018).

The theory of planned behavior subjects that human behavior are intentional and as a result, intention is a strong indicator of behavior. Although there is not a perfect relationship between behavioral intention and actual behavior, intention can be used a proxy measure of behavior. This observation is one of the most important contributions of the TPB model compared to previous models of the attitude-behavior relationship. Therefore, the variables in this model can be used to determine the effectiveness of the implementation interventions even if there is not a readily measure of actual behavior.

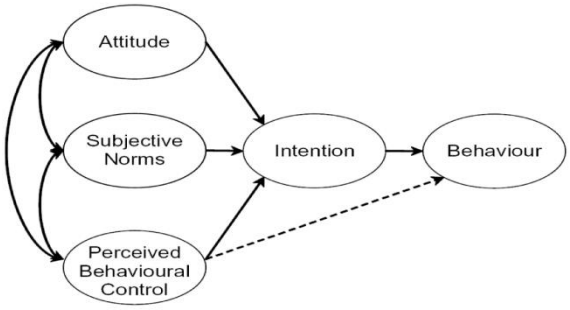

Figure (2): The Theory of Planned Behavior

The Research Model

The model proposed for this thesis stemming from the theory of reasoned actions and the theory of planned behavior models. The suggested research model indicates how behaviors could be elaborated in terms of limited number of variables. Through a series of intervening constructs it traces the causes of behavior back to the person's beliefs. Every step in this sequence from attitudes towards using technology (ATT), reference groups (RG), personality (P) and cultural Impacts (CI), Perceived Usefulness (PU), Perceived Confidence, Behavioral Intention to actual adoption of e-commerce provides explanations, reasons and causes for a specific behavior. The comprehensive research model diagram is shown in figure (3).

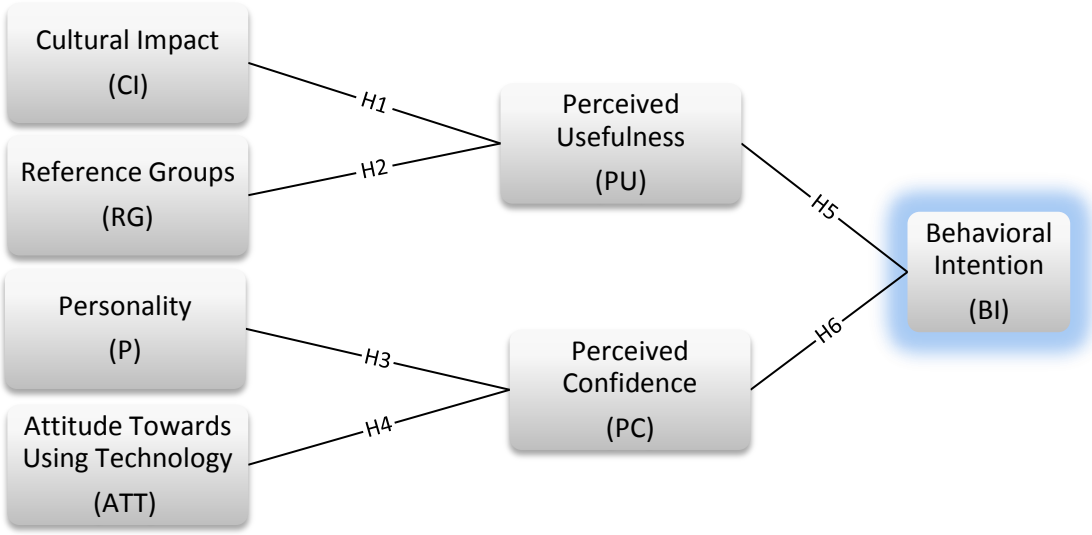

Figure (3): Research Model

The research model presented above shows the structural path of all proposed hypothesis. The above research model hypothesizes that the actual adoption of e-products in Palestine is an immediate outcome of customer's intention to adopt which is also a direct outcome of Palestinians' Perceived Usefulness (PU) and Perceived Confidence. The research model also propose that each of these independent variables is an immediate outcome of other independent and external variables that play a vital role in shaping Palestinian's behavior toward adoption of e-commerce activities. The research model shows that both Perceived Usefulness (PU) and Perceived Confidence attitude are dependent of four main variables; attitudes towards using technology (ATT), reference groups (RG), personality (P) and cultural Impacts (CI).

The following hypothesis can be derived from the above mentioned model:

Table (1): Research Hypothesis

#	Hypothesis	Relationship
H1	*H1a: An increase in perceived cultural impact (CI) will have a direct positive impact on Perceived Usefulness (PU)*	CI → PU
H1	*H1b: An increase in perceived cultural impact (CI) will have a direct positive impact on Perceived Confidence (PC)*	CI → PC
H2	*H2a: An increase in perceived reference groups (RG) will have a direct positive impact on Perceived Usefulness (PU)*	RG → PU
H2	*H2b: An increase in perceived reference groups (RG) will have a direct positive impact on Perceived Confidence (PC)*	RG → PC
H3	*H3a: An increase in perceived personality (P) will have a direct positive impact on Perceived Usefulness (PU)*	P → PU
H3	*H3b: An increase in perceived personality (P) will have a direct positive impact on Perceived Confidence (PC)*	P → PC

#	Hypothesis	Relationship
H4	*H4a: An increase in perceived attitudes towards using technology (ATT) will have a direct positive impact on Perceived Usefulness (PU)*	ATT → PU
H4	*H4b: An increase in perceived attitudes towards using technology (ATT) will have a direct positive impact on Perceived Confidence (PC)*	ATT → PC
H5	*H5: A favorable Perceived Usefulness (PU) toward e-commerce has a significant influence over prospective customer's intention to adopt e-business products and services in Palestine*	PU → BI
H6	*H6: A favorable Perceived Confidence (PC) toward e-commerce has a significant influence over prospective customer's intention to adopt e-business products and services in Palestine*	PC → BI

Research Methods

Research Instrument:

A self-administrated structured questionnaire was adapted in order to collect data for the measurements of the theoretical framework and model's constructs: (ATT), (RG), (P), (CI), (PU),(PC), Behavioral Intention (BI). The variables used to operationalize each construct depend on literature review and previous studies. The selected respondents were invited to respond to each item considering various aspects of selection criteria. The questionnaire consisted of three major sections. The first section covers the demographic profile of the respondents such as gender, age, profession, level of education and income. The second section included general questions pertaining to Palestinians customers usage of E-Business. Finally, the third part aimed to seek Palestinians E- Business customer opinions to measure the study constructs in table (2).

Table (2): Questionnaire Constructs, Items & Sources

Construct	Items	Source
Attitude Towards Using Technology (ATT)	3	PAVLOU & FYGENSON (2016)
Cultural Impact (CI)	4	Ajzen & Fishbein (2019)
Reference Groups (RG)	5	Ajzen & Fishbein (2019)
Personality (P)	4	Ajzen & Fishbein (2019)
Perceived Usefulness (EI)	5	PAVLOU & FYGENSON (2016)
Perceived Confidence (PC)	3	PAVLOU & FYGENSON (2016)
Behavioral Intention (BI)	1	PAVLOU & FYGENSON (2016)

A five-point Likert scale ranging from strongly agree to strongly disagree has been used to assess each item. Personal contact technique has been utilized in which respondents contacted personally in order to explain the questionnaire and highlight its objectives and purposes.

Sampling procedures

Once the researcher has clearly specified the problem and developed an appropriate research design and data collection instruments, the next step in the research process is to select those elements from which the information will be collected. (Sekaran, 2010). In this research, the unit of analysis is all Palestinian customers who experience conducting e-purchasing operations, or using business-to-customer e-commerce services. A sample of 400 respondents has been selected for this research using simple random sampling technique. Out of 400 questionnaires distributed using the (drop off- pick up) method, 330 were picked up with a response rate of 82.5%. 21 questionnaires were invalid resulting in 309 usable questionnaires.

The following table (3) shows the industry classification of e-business sectors usage by Palestinian respondents. It indicates that amongst the six investigated categories of business sectors, the most popular sector for Palestinian e-customers are: (based on the table after adjusting)

Table (3): Consumer Use of E-commerce Websites

Consumer Use of B2C E-Commerce Websites		Frequency	Percentage
E-Banking Services	Yes	250	81%
	No	59	19%
Booking of Airline Tickets	Yes	199	64%
	No	110	36%
Educational Resources	Yes	214	69%
	No	95	31%
Trading of Stocks	Yes	280	91%
	No	29	9%
Purchases of Books/Music/CDs/PCs	Yes	273	88%
	No	36	12%
Participation in E-Auctions	Yes	10	3%
	No	299	97%

The following table (4) shows the descriptive statistics of the respondents' demographic characteristics including: Gender, Age, Income, and Educational Level. First, gender distribution of the sample where of a total of 309 respondents, there are 139 females, constituting a share of 45% and 170 males with a share of 55%. The table also shows the age distribution of the sample where of a total of 309 respondents there are 141 individuals within the interval 30 years old or below, constituting a share of 45.6% (the highest segment) and 39 individuals within the interval 40 & above, constituting a share of 12.6% (the lowest segment). The table shows 120 with a bachelor degree, constituting a share of 38.8% (the highest segment), and 199 individuals within level of income interval of 2000 to 4000 New Shekel, constituting a share of 64.4% (the highest segment). The occupation distribution of the sample where of a

total of 309 respondents there are 173 Government employees, constituting a share of 55.9% (the highest segment)

Table (4): Descriptive Statistics of Respondent Profiles

Measure	Item	Frequency	Percentage
Age	30 years old or below	141	46%
	31-40	129	41%
	Greater than 40	39	13%
Gender	Male	170	55%
	Female	139	45%
Educational Level	High school or below	108	35%
	bachelor	120	39%
	Master and above	81	26%
Monthly Income	Below 2000	21	7%
	2000 - 4000	199	64%
	More than 4001	89	29%
Current Job	Government Employee	173	56%
	Non-Government Employee	136	44%

Data Analysis

To analyze the collocated data, the Structured Equation Model (SEM) technique has been utilized and the LISREL 8 program was used. Since the Structured Equation Model (SEM) method applies multivariate analysis, the (SEM) approach for data analysis is viewed as increasingly fitting to test the multi level research model shown in Figure (3)

In this research , two approaches were utilized to ensure research model refinements in accordance with the modification indices required by the LISREL 8 statistical program. First, a systematic method was performed to minimize low-correlation paths and associated variables. Second, covariance error paths were included between the variables, and the inter-relationship paths were revised. Subsequently, the model paths that match the theoretical expectations and Goodness of Fit (GOF) were selected as the final (SEM) model

Confirmatory Factor Analysis (CFA) was utilized to measures of validity and reliability. For all constructs, factor loadings exceeded 0.5, indicating that all items are strong measures of their associated constructs. Average variance and composite reliabilities for all constructs were measured utilizing the formula developed by Lacker & Fornell (1981). Table (5) shows that the Average Variances were all above the required value of 0.5 showing acceptable convergent validities. Furthermore, the Composite Reliabilities extracted for each construct were above 0.7 indicating acceptable internal reliability and

consistency of the respective measures. Therefore, model measurement demonstrated satisfactory convergent reliability and validity

Table (5): Measure of Composite Reliability

Construct	Composite Reliability	Average Variance
Attitude Towards Using Technology (ATT)	0.86	0.72
Cultural Impact (CI)	0.90	0.89
Reference Groups (RG)	0.93	0.95
Personality (P)	0.80	0.77
Perceived Usefulness (PU)	0.92	0.82
Perceived Confidence (PC)	0.88	0.91
Behavioral Intention (BI)	0.85	0.71

i))Εi) = 1- λyi² , Average Variance =∑λyi² /(∑λyi² + Var(Εi)) where Var(ΕComposite reliability = (∑λyi)²/((∑λyi)² + Var(

Structural Model's Hypothesis Testing

The main objective of this section is examining the significance of all hypothesized paths in the structural model. Least Squares Multiple Regression Equation were utilized to test the research model hypotheses using LISRAL 8 statistical program. First, the impacts of Attitudes towards using technology (ATT), Reference Groups (RG), Personality (P) and Cultural Impacts (CI) on Perceived Usefulness (PU) were tested. The analysis results are summarized and shown in table (6). The table indicates that (CI) and (RG) have significant, positive impact on (PU), and as a result, H1A, H2A were supported. The results also indicates that the (P) and (ATT) have a significant influential impact on (PU), which means that changes in (P) and (ATT) *does* affect (PU), and therefore, H3A and H4A were also supported. The results of the first equation below shows that the R-square is (0.63), meaning that (63%) of the variances in (PU) is explained by (CI), (RG), (P) and (ATT) dimensions.

Second: the impacts of (ATT), (RG), (P) and (CI) on Perceived Confidence (PC) were tested. The results indicate that (ATT) construct significant, positive impact on (PC), and as a result, H4B were supported. Moreover, (RG) also has a significant impact on (PC). Thus, H2B was supported, which means that changes in (RG) *does* affect (PC).Whereas the (P) and (CI) are found insignificantly influential on (PC), and therefore, rejecting H1B, H3B respectively. The results of the second equation below shows that the R-square is (0.42) meaning that (42%) of the variances in (PC) is explained by (ATT) and (RG) dimensions.

To test the impact of (PU) and (PC) on Behavioral Intention (BI), a third structural equation was tested. The results below indicate that (PU) construct significant, positive impact on (BI), and as a result, H5 were supported. However, (PC) has insignificant impact on (BI). Thus, H6 was not supported, which

means that changes in (PC) *does not* affect (BI). The results of the third equation below shows that the R-square is (0.54) meaning that (54%) of the variances in (BI) is merely explained by (PU) dimension.

To test the influence of (ATT), (RG), (P) and (CI) on (BI), A fourth structural regression equation was generated. The results indicate that (ATT) and (RG) construct significant, positive impact on (BI). The β Coefficient are (0.31) and (0.63) respectively and t-value are (2.43) and (4.06) respectively. The results of the fourth equation below shows that the R-square is (0.36), meaning that (36%) of the variances in (BI) is merely explained by (ATT) and (RG) dimensions. Whereas the (P) and (CI) were found NOT significantly influential on (BI)

Table (6) Results of the Ordinary Least Squares Regression Analysis

Hypothesis	Independent Variable	Dependent Variable	*β* Coefficients and t-values	Hypothesis Test Result
H1a	CI	PU	0.18 (2.50)	Supported
H1b	CI	PC	0.085 (0.80)	Not Supported
H2a	RG	PU	0.19(2.56)**	Supported
H2b	RG	PC	0.31(3.31)***	Supported
H3a	P	PU	0.41 (2.86) ***	Supported
H3b	P	PC	- 0.12 (-0.86)	Not Supported
H4a	ATT	PU	- 0.36 (-1.68) *	Supported
H4b	ATT	PC	0.89 (3.71) ***	Supported
H5	PU	BI	2.04(4.48)***	Supported
H6	PC	BI	- 0.18 (-0.91)	Not Supported

* One-tailed probabilities: P < .05.

** One-tailed probabilities: P < .01.

*** One-tailed probabilities: P < .005.

Discussion of Findings and Implications

The study's findings have answered the two study research questions and achieved its objectives. It represents one further step into testing the reality of the proposed theoretical research model in the context of the developing country of Palestine. The study's contribution to academia is in terms of confirming that Attitude toward using technology (ATT), reference groups (RG), cultural impacts (CI) and personality (P) are key factors for perceived usefulness (PU) which will lead to behavior intention (BI) for online customers in Palestine. Also, Attitude toward using technology (ATT), reference groups (RG), are key factors for confidence (PC) in e-commerce websites. This research demonstrated the importance of design elements as they impact website satisfaction, trust, and e-loyalty for the Palestinians online purchasing culture in a B2C e-commerce environment. The model as presented and tested demonstrates

cultural diversity and is a reasonable starting point for future investigations. Also, while both trust and satisfaction are important precursors to success for online vendors, it appears these constructs vary across cultures regardless of the level of country development.

The study indicates that that the (RG) and (ATT) have the greatest significant influential impact on (PU) and (PC), which means that changes in (RG) and (ATT) does affect the Behavioral Intention (BI) to adopt e-products. These results are in line with Butt, M. M., & Aftab, M. (2018) who found that the attitudes toward adopting an e-business impact on e-commerce customer satisfaction directly. However, the study found that cultural factors do not impact e-commerce service trust, which contradicts with Karimi, S., Papamichail, K. N., & Holland, C. P. (2015) who argued that website content quality is an antecedent of an online customer's trust. Palestinians attitudes toward adopting an e-business organization, as a primary e-service provider or e-product seller is an influential factor influencing both the intention to adopt and actual adoption. The attitudes Palestinian develop toward the intention to use the e-financial system for example is made up of religious motives such as the tendency to adhere with the Islamic sharia, and non-religious motives such confidence, efficiency, reputation convenience, image, service fees and profitability all are significant factors influencing attitudes and then the adoption decision. Demographics factors are also influential elements affecting attitudes. Palestinians' age, sex, educational level and income are some important elements that determine their attitude toward adoption of an e-business organization.

The family as a primary Reference Group (RG) institution has been receiving increasing attention from a broad spectrum of researchers and policymakers. Some of them question whether the family is in transition, in trouble, or even able to survive, while others convey an optimistic assessment of its future. However the changes in values and the traditional familial responsibilities, stability, composition, and roles are approached, it is, evident that government, business, and the academic community have become more committed to studying the approximately 57 million living units defined as families.

In focusing on the family as it relates to e-consumer behavior, at least few points worth noting. Firstly, family may be seen or characterized as the agent who impacts the behavior of its individual-members. This involves an awareness of the effect that various beliefs, life- styles, socioeconomic status, and patterns of interaction among members have on an individual member's e-market behavior. The family is therefore, seen as a reference group. The second perspective views the family as a unit with clear identifiable characteristics. The uniqueness of the consumption patterns of the family entity is often a product of the intimacy of shared concerns and priorities, and these results in behavioral patterns worthy of special study.

Conclusions, Limitations, and Future Research Directions

This research is intended to study consumers' behavior towards consumer behavior and prospective purchase decisions in E-Commerce environment the Palestinian territories, and investigates the most important factors influencing the adoption decision, and models the consumer behavior process toward e-business depending on the theory of reasoned action and the theory of planned behavior. In this context, the fundamental problem motivated this research is to find out the determinants of consumer behavior and prospective purchase decisions in E-Commerce environment in Palestine.

Because no study of this kind which examines this study's constructs and their relationships has existed in Palestine before, this study's insights will improve our understanding of the relationships between these constructs both globally and within Palestine. Also, comparing the relationships between e-satisfaction, e-trust, and e-loyalty in Palestinian culture with international cultures will add more knowledge to the literature of e-commerce from an academic perspective.

For simplification reasons, factors such as Palestinians' customer values, Palestinians purchasing culture, and government support and/or legislation for the protection of online customers, and customer support before and after the online purchase have been excluded from this study. Therefore, further studies may be carried out to investigate the effect of these factors on satisfaction, trust, and loyalty in Palestine. Also, future research to investigate the impact of the above suggested factors on trust, satisfaction, and loyalty across cultures in the Middle East offers opportunities for enhancing the online shopping in the Middle East region in general.

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