An Empirical Study of Continuing Usage in E-Payments: Based on Expectation-Confirmation Theory

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Abstract
I. Introduction

E-commerce provides an opportunity to buy and sell products, information, and services on the Internet. In addition, e-payments play an important role so the lack of an effective system could hinder the success of overall e-commerce development (Goldfinger and Perrin, 2001; Mehta and Sivadas, 1995; Khosrow-Pour, 2003). The exponential growth of the Internet has triggered a need for novel e-payment systems that are more appropriate for the web than traditional payment systems (Panurarach, 1996). One of the major problems is associated with micro-payments, which was resolved by the introduction of e-cash systems like "Digicash," "Millicent," and "PayBox," etc. Apart from e-cash systems, a variety of other payment methods have evolved like pre-paid cards, bill payments via telephone, smart cards, and mobile payments. According to Heng (2004), out of 50 different cyber payment methods, the majority has failed to gain acceptance, and traditional payments are still widely used by customers. Most online transactions are thus conducted via credit/debit cards, while other payment forms are rarely used and have failed to gain acceptance. Consequently, the future of e-payment systems is hampered by many problems, most commonly noted as a lack of being “fit-for-purpose” as the reason that growth has been inhibited (Abrazhevich, 2004).

With the growth of e-commerce, the importance of transferring money online has become an important issue to potential consumers. These e-payment systems are commonly classified as direct online credit/debit payments, mediated credit/debit payments, stored-value money and electronic bill payments (Fazlollahi, 2002, Bitpipe, 2006).

Traditional e-payment systems are noted to have many limitations that keep consumers from adopting them. Previous research suggests that some of these factors relate to lack of trust, security, usability, perceived advantage, perceived risk, and high transaction costs. These factors are deemed to be important to provide customers with the confidence to switch to an online payment system. Moreover, customers will stop engaging in online activities if these prerequisites are not facilitated in the payment systems, thus causing merchants to lose potential online sales (Abrazhevich, 2004).

One of the major concerns in regard to e-payments is noted to be lack of security. This is because money and information are exchanged online without any direct engagement with the recipient. The main concern for this aspect is credit card fraud (Leong et al., 2003). Although various security measures and mechanisms have been attempted to solve e-payments security problems, there is still unsolved security problems remain (Chou et al., 2004; Dai and Grundy, 2007; Kousaridas et al., 2008). Perceived risk is another important factor that affects customer confidence in e-payments. The risk of losing personal information and of credit card details falling into the hands of hackers is still major areas of anxiety for potential users. In addition, according to Hoffman et al. (1999), 95% of web users have refused to provide their personal information to websites and 40% have claimed that they would be afraid that their personal information will be fabricated by someone. Trust in e-commerce transactions is another important element for online applications (Abrazhevich, 2004). Perceived ad-