**THE IMPACT OF CHINESE CULTURE ON E-COMMERCE IN CHINA**

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**ABSTRACT**

In China, the number of Internet users reached 210 million in 2007. One of the reasons for the rapid growth of Internet users in China is the widespread use of cellular phones in the country. In spite of the growing popularity of the Internet and cellular phones in China, most Chinese consumers still do not shop online. Hence, online shopping in China is still less popular than in most western countries such as the Unites States and Canada.

Previous research has indicated that Internet buying behavior is influenced, to a large extent, by cultural differences (Lynch and Beck 2001; Lim, Leung, Sia, and Lee 2004). Using Hofstede model (1980) on cultural values, Chinese cultural dimensions may have influenced online shopping behavior in China. This paper examines the impact of cultural dimensions on the development of e-commerce in China. Specifically, this study examines how the cultural factors influence Chinese consumers’ perceptions and buying behaviour towards online shopping.