An Exploratory Study of Factors Affecting Consumer International Online Shopping Behavior

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INTRODUCTION

International online shopping is no longer mostly engaged in by people looking for items that are hard to obtain in their domestic markets. It is now a mainstream alternative to domestic online and bricks and mortar shopping. People are talking about it and doing it in increasing numbers. For instance, about 43% of the goods Australians bought online were ordered from overseas websites. The media, mainstream vendors and regulators are all taking more notice of its potential as an emerging trend.

The Internet-based electronic commerce environment enables consumers to search for information and purchase products or services through direct interaction with online stores overseas. The evolution of International virtual shopping on the World Wide Web gives rise to new and complex consumer behavior issues. Consumer domestic shopping behavior no longer holds true, as cross-border exchanges over the Internet are now prevalent. Such exchanges raise serious questions for merchants who do business with consumers from different countries. At present, there is no research that applies to international online shopping consumer behavior. In the literature on electronic commerce, there has been active research on consumers' shopping experience and their evaluation based on perceptions about the online shopping web sites. However, few studies provide empirical validation of the relationship among factors affecting consumers' international online shopping behavior.

There have been academic studies investigating and profiling the Internet shopper (Donthu & Garcia, 1999) and Webcast Adopter (Lin, 2006). For example, it has been established that Internet shoppers are more convenience seekers, innovative, impulsive, variety seekers, less risk averse, and also less brand and price conscious than non Internet shoppers are. Internet shoppers have a more positive attitude toward advertising and direct marketing than non-shoppers do. As online retailing was born with a global and borderless nature, it is also important to profile the International online shopper from a global marketing or advertising point of view.

The main research objectives of our study are as follows:

1. Provide empirical validation of consumer behaviors in the international online shopping context,
2. Explore how International online shoppers differ from non-shoppers (people who have not made purchases from online stores overseas),
3. Identify and discuss the factors that influence international internet purchases and profile the characteristics of those who purchase and those who do not purchase from online stores overseas

in three main categories: experiential/perceptual factors, motivational factors, and attitudinal trust characteristics,

4.   Examine consumer demographic profiles that help define who exactly are the target market shopping online from overseas.

By pursuing these objectives we make several contributions to the e-retailing literature that add both new knowledge and extend existing knowledge (Oliver, Rust, & Varki, 1997). We do this by developing and testing a new model of online shopping behavior in international context not currently found in the literature. The structure of the paper is as follows. We begin by reviewing literature in online shopping behavior in relation to shopping online from overseas. We present a set of characteristics to profile international online shoppers. In the next section we lay out the research method adopted, followed by an analysis of the findings of the study. Finally we provide a discussion of the findings, managerial implications, limitations of the study and indications for future research.

BACKGROUND TO INTERNATIONAL ONLINE SHOPPING BEHAVIOR

Consumers shopping at their homes now have more alternatives online, and they can purchase products and services from overseas retailers with different origins. A rapid growth of the use of the Internet and the different market communication channels has brought retailers opportunities to expand their markets with global consumers. However, the global e-commerce is far from reaching its full potential as predicted (Hadjikhani, 2011); some consumers purchase from foreign online retailers and others, usually in a large number, simply do not. For example, about 45% of American consumers but only 2% of Swedish consumers have purchased from foreign online retailers (Norden, 2010).

In the traditional online literature, ability, motivation, and trust are important concepts in explaining consumers' online behavior. Lack of any of these three might also explain why customers purchase or do not purchase from online retailers overseas. However, most studies about online shopping have long neglected customers' international online behavior and mainly devoted their attention to domestic online shopping behavior. A few studies have contributed to the field from a qualitative approach. Although qualitative research has the advantage of opening new research fields and framing future quantitative research, quantitative research has the advantage of generalizing empirical findings. Past quantitative empirical research focused on the online shopping literature, but they were not applied for understanding customer international online behavior.

This study fills the gap and adapts the Ability, Motivation, and Trust framework in understanding consumers online shopping in international context. First, ability and motivation from consumers' cognitive systems can strongly affect their intent to buy (Oliver, Roland, & Varki, 1997). Ability may be reflected as the degree of consumer confidence since presumably more-experienced online buyers have less uncertainty about transacting online and, therefore, be more capable of and confident in doing the shopping task in an efficient matter. Second, positive or negative evaluations of trust in internet merchants from consumers' affective system have been shown to influence their attitudes toward shopping on a site as well as their purchase intentions (Jarvenpaa, Tractinsky, & Vitale, 2000).

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