

Who are Cross-Border Online Shoppers?

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Introduction: Cross-border online purchase has been significantly increased throughout the world thanks to the development of transportation and technology. Understanding cross-border online shopping behavior in South Korea is particularly important due to its dramatic growth. Since 2010, cross-border online shopping has been increased by 40% every year (Korean Consumer Agency, 2014). This study is to enhance the understanding of cross-border online shopping behavior in South Korea. Based on the Theory of Reasoned Action (TRA), specifically, this study examined the relationships among consumer beliefs, attitude, subjective norms, and purchase intention for cross-border online shopping.

Theoretical framework: A conceptual model was developed by applying the Theory of Reasoned Action (TRA) in which attitude and subjective norms affect purchase intention (Fishbein, 1979). In this study, global orientation, ethnocentrism, and global brand beliefs were selected as the three primary beliefs as the antecedent of attitude toward cross-border online shopping. Global orientation generally refers to a shared consciousness. In other words, individuals with global orientation tend to feel that they live in a global world as a global citizen (Guo, 2013). Consumers having high levels of ethnocentrism may avoid cross-border online shopping because ethnocentrism was indicated as a key factor for the preference of local products (Guo, 2013). Global brand beliefs are that consumers believe global brands are better and powerful than other brands (Dimofte, Johansson, & Bagozzi, 2010). Attitude refers to consumers' positive or negative evaluation of cross-border online shopping. Especially, this study extended TRA model by distinguishing two types of subjective norms: offline subjective norms (e.g., family or friends' opinions) and online subjective norms (e.g., product or service reviews and comments posted on social networking sites), in order to reflect this point online consumers much rely on online information before making a purchase.

Based on the logic, the following hypotheses were proposed: H₁) global orientation (+), H₂) ethnocentrism (-), H₃) global brand beliefs (+) would affect attitude toward cross-border online shopping. H₄) attitude toward cross-border online shopping (+), H₅) off-line subjective norm (+), and H₆) on-line subjective norm (+) would affect purchase intention for cross-border shopping.

Method: Upon IRB approval from one researcher's university, the empirical data were collected via online survey from the residents in South Korea. 153 respondents were included for data analyses. The ages of the respondents ranged from 19 to 60 ($M = 31.46$, $SD = 8.28$). 71.1% of the respondents were female, 30.4% were students, and 46% self-evaluated middle socioeconomic

class. 64.1% of the respondents had cross-border online shopping experience. 81.7% selected the USA as the preferred country for cross-border online shopping. The cross-border shopper spent the average of \$150 per order, with average 10 times buying frequency during recent one-year period. Among the respondents, 23.7% had lived abroad and 53.4% had family members or relatives living in other countries. Before main analysis, each construct was identified by exploratory principal component analysis and Cronbach's alphas were calculated to check the degree of internal consistency. The reliability of each factor was obtained at the level of adequacy ($\alpha > .75$).

Results: The hypotheses were tested using multiple regression analysis, and all hypotheses were supported (see Figure 1). Global orientation ($\beta = .265, p < .01$) and global brand beliefs ($\beta = .352, p < .001$) positively affected attitude toward cross-border online shopping, but ethnocentrism ($\beta = -.234, p < .01$) negatively affected attitude toward cross-border online shopping. Attitude toward cross-border online shopping ($\beta = .601, p < .001$), off-line subjective norm ($\beta = .173, p < .05$), on-line subjective norm ($\beta = .170, p < .05$) positively affected purchase intention for cross-border shopping.

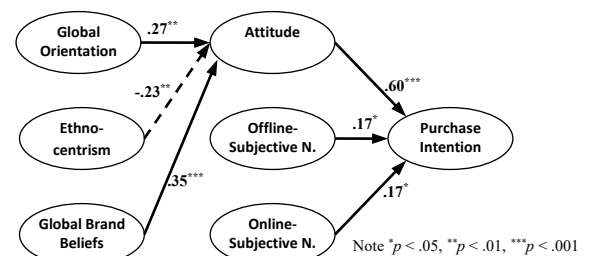


Figure 1. Research Model

Conclusion: This results of this research demonstrated that building a positive attitude toward cross-border online shopping, which was influenced by global orientation, ethnocentrism, and global brand beliefs, was the powerful antecedent of purchase intention for cross-border shopping. Interestingly, online and offline subjective norms slightly affected purchase intention. The findings suggest that actual or potential managers operating cross-border online shopping malls need to target the segment groups having high global orientation, low ethnocentrism, and high beliefs about global brands. The managers need to design the ways to improve attitudes toward cross-border shopping in order to increase sales by enticing foreign consumers the managers. In addition, this study successfully supported TRA. Although this study provides insight into cross-border shopping behavior, this study has room for improvement. Further research is needed to investigate various motivations affecting cross-border shopping.

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