Dissertation Abstract

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Dissertation Title	**Study on Consumer Motivations behind Online Shopping in Japan**

Internet helps us connect as a channel of communication, information sharing, entertainment, and also as a vehicle for commercial buy and sell transactions. This mechanism of using internet for buy and sell transactions is called by various names such as e-Commerce, Online Shopping, Internet Shopping etc. Adoption of internet for shopping has witnessed a strong growth in last two decades. Growth in Online Shopping could be attributed to the reasons like increase in the internet penetration rate across the globe and various benefits realized by the internet users in choosing online channel for shopping.

In general, it is believed that the main motivation for the customers to choose online channels for shopping is to get price benefits and convenience. But many past studies have suggested that there are some other customer motivations behind choosing online channels for shopping. In addition to price benefits and convenience, some past researches emphasize the importance of factors such as social influence, ease of use etc. as the customer motivations behind online shopping. Even-though there have been many research studies in the past focused on understanding the user motivations behind online shopping but still this basic question is not adequately answered.

Before e-commerce came into existence, retailing was mainly conducted through physical stores, which could only accommodate a limited number of Stock Keeping Units (SKUs). However, through e-commerce, retailers could even offer the products for which customer demand has got reduced over a period of time. These products which have lower demand, collectively forms a considerable amount of sales for the online retailers and this phenomenon is called Long Tail Effect (LT). This results in a broader selection and product offerings for the online shoppers as they can even purchase the products through online shop which are usually not easily available at the physical stores. Long tail effect is considered a strength of e-commerce compared to the traditional physical retail stores.

Online shopping is conducted remotely through internet in the absence of face to face interaction and carries various inherent risks associated with internet network such as data theft, virus attacks, online fraud etc., which makes trust a very important requirement for the users to conduct online shopping.

For analyzing the technology acceptance among organizations and individual consumers, the Extended Unified Theory of Acceptance and Use of Technology (UTAUT2) framework, is considered the latest framework. The UTAUT2 framework has 7 constructs: Performance Expectancy, Effort Expectancy, Social Influence, Facilitating Conditions, Hedonic Motivation, Price Value, and Habit. There have been many research studies in the past exploring the importance of Trust behind the selection of online channels for shopping but this is still not an explicit construct in the UTAUT2 framework.

Also, it could be observed that there are certain products for which online channels are becoming a natural choice for the consumer while there are certain other products for which consumer would still prefer to visit the physical store and touch & feel the product before making a purchase decision. It

could be assumed that degree of online shopping adoption is different across the industries and moreover different across various product categories within an industry. Selection of online channel for shopping could be attributed to a number of factors; some of them could be business driven, some external market situation driven, some customer condition driven and some driven by the inherent characteristics of the products.

This research is aimed at understanding whether Long Tail Effect and Trust are also the customer motivations behind online shopping use besides the 7 constructs of UTAUT2 framework and also explore the differences between user motivations for two selected products, air ticket and book in Japan. These two products are selected because these products are expected to have different inherent product characteristics. Book represents a physical product while air ticket represents a service product. In recent years, both of these are popular products being purchased through online channels.

For this research study, Extended Unified Theory of Acceptance and Use of Technology (UTAUT2) framework is used, which is considered to be the latest framework to analyze the technology acceptance among organizations and consumers. UTAUT2 framework has 7 constructs: performance expectancy, effort expectancy, social influence, facilitating conditions, hedonic motivation, price value, and habit. In this research, two additional constructs trust and long tail effect are also tested and proposed.

Literature review was conducted through bibliometric analysis of research papers published from year 2000 in the Online Shopping area. Also, the various predecessor theories of UTAUT2 framework were studied.

For conducting this research, a questionnaire was created related to 7 constructs of UTAUT2 framework, 2 additional constructs Trust & Long Tail Effect, and the user demographics. Questionnaire was based on 5 point Likert Scale from 1 (Strongly Disagree) to 5 (Strongly Agree). Total 630 people were directly approached for the questionnaire, out of which 392 were the first level of respondents and 87 were through the references of first level of respondents. Response rate of first level of respondents was 62%. Survey was conducted over the 5 months period, starting from December 2015 to April 2016. For the analysis, structural equation modeling (SEM) was conducted using SPSS 23 and AMOS 23. Factor analysis was conducted to examine convergent validity, discriminant validity, and reliability of the constructs. Model fit indices were analyzed to ensure that the structural model could be used for the research.

For air ticket, all the 7 constructs of UTAUT2 along-with additionally proposed constructs Trust and Long Tail Effect had a positive regression weight however only price value, habit, performance expectancy, and trust were found to have a significant positive effect on the intention to use. Long Tail Effect was found to have marginally significant positive effect on the intention to use.

For books, all the 7 constructs of UTAUT2 along-with additionally proposed constructs Trust and Long Tail Effect had a positive regression weight however only habit, performance expectancy, trust, and long tail effect were found to have a significant positive effect on the intention to use. Price Value was found to have marginally significant positive effect on the intention to use.

For e-books, all the 7 constructs of UTAUT2 along-with additionally proposed constructs Trust and Long Tail Effect had a positive regression weight however only performance expectancy, trust, price

value, and habit were found to have a significant positive effect on the intention to use. Long Tail Effect was not found to be a significant construct as there are only a very few books available in the e-book form as of now.

For paper books, all the 7 constructs of UTAUT2 along-with additionally proposed constructs Trust and Long Tail Effect had a positive regression weight however only habit, long tail effect, performance expectancy, and trust were found to have a significant positive effect on the intention to use. Price Value was not found to be a significant construct as the Japan Book Publishers Association (JBPA) restricts retailers to sell the books at a fixed price irrespective of the channel of sales.

Moderation analysis of age, gender, online experience, and nationality was also conducted in this research.

Long tail effect was a significant predictor for paper based book because brick and mortar stores need to limit the stock keeping units because of limited space available in their physical stores, while online stores can offer extensive number of book through their online stores. On the other hand, it was found that long tail effect was not a significant construct for e-book. The reason behind this may be, although the e-book are witnessing a strong growth but still the number of books available in the e-book form is very limited.

Trust which has been a popular research topic in the field of e-commerce, was found to be significant predictor for both intention to use, and use behavior for both the product categories. Factors such as absence of common cyber laws, anxiety due to absence of face to face interaction with seller, and online frauds makes trust, an important predictor of online shopping. Online sellers need to win the

trust of their consumers by taking all the necessary steps to ensure security of online transactions, protect customer information, and be quick and responsive in customer communication.

From this research it is logical to draw an inference that user motivations behind online shopping are different for different product categories and also their sub-categories. They are also dependent on the external market situations, industry standards, and the inherent characteristics of the products. Also, there is an impact of age, gender, online experience, and nationality on the various user motivations.