The share of online purchases that consumers conduct in foreign countries, i.e., cross-border online shopping, is increasing. The literature suggests that general online shopping intentions are determined by consumers’ motivators (perceived benefits) and inhibitors (perceived risks) with respect to online shopping. However, little is known about the specific benefits and risks that determine consumers’ intentions for cross-border online shopping and the factors that moderate this relationship. The authors conceptualize a cross-border online shopping model that is suitable for investigating such cross-border online shopping behaviour, and they then test this model based on data from 220 online shoppers. The results show that cross-border online shopping is the rule rather than the exception. The findings indicate that consumers’ cross-border online shopping intentions are particularly affected by the specific benefits (e.g., a wide selection and exclusive brands/products) and less so by the risks (e.g., long delivery times, additional fees, and warranty claims) of foreign online shopping. This relationship is partly moderated by foreign traveling and consumer cosmopolitanism.

1. Introduction

In 2015, more than three billion people – around 43% of the world’s population – already had Internet access (eMarketer 2015). This widespread Internet usage means that consumers in various domestic markets are increasingly becoming potential targets for retailers’ online sales activities. As domestic Internet environments and online markets develop, consumers become increasingly familiar with how to adapt to and benefit from online shopping (Forrester 2014). In addition, as a global medium, the Internet raises awareness of foreign online shopping destinations. Brands and products that are unavailable in domestic online markets become increasingly visible, preferable, and deliverable (Cleveland et al. 2014). As such, consumers who are unsatisfied with retailers, brands or products in domestic online markets will cross national borders to shop online. Consequently, the number of cross-border online shoppers is growing worldwide (an increase from EUR 300 million to EUR 1 billion is estimated for 2020; InternetRetailer 2015). Therefore, this study addresses cross-border online shoppers, i.e., consumers who shop at foreign online stores that ship products from foreign countries (in contrast to a foreign online retailer that is physically located in the shopper’s host country; Sinkovics et al. 2013; Yamin and Sinkovics 2006). When consumers digitally cross national borders to conduct transactions, they evaluate the specif-
ic benefits and risks of such transactions. Therefore, we
analyse the aggregated effects of benefits (e. g., lower
prices and brand availability) and risks (e. g., shipping
costs and long delivery times) on consumers’ intentions
to search for and purchase items from foreign online
stores.

Scholars have often addressed so-called “outshopping”
(Sullivan and Kang 1997), i. e., customers’ purchases of
goods from outside their local shopping areas (Herrmann
and Beik 1968). On the one hand, national studies have
identified outshoppers (e. g., Hawes and Lumpkin 1984;
Jarratt 2000; LaForge et al. 1984) and the determinants
of outshopping behaviour, e. g., the quality, selection,
and prices of the goods offered (Kumar Velayudhan
2014). On the other hand, international studies have fo-
cused on the outshopping that occurs when consumers
travel abroad to make purchases, i. e., the cross-border
shopping phenomenon (Clark 1994). For example, Sharm
Ma et al. (2015) and Jian Wang et al. (2010) address con-
sumer motivation (economic and socio-psychological,
respectively), while other scholars have examined deter-
minants, demographics and/or retail characteristics in
the cross-border context (Guo and Wang 2009; Piron
2002).

Furthermore, scholars compare consumers who travel
abroad for the explicit purpose of shopping with those
who shop abroad when visiting a country on holiday
(e. g., Lau 2005; Sullivan et al. 2012). These scholars
show that specific factors affect foreign (vs. domestic)
shopping behaviours. For example, a foreign retailer’s
language might differ from that spoken in the consum-
er’s home country; taxes on goods might be different,
and exchange rates might need to be taken into account;
the consumer may experience disorientation in a differ-
et cultural environment; and the consumer’s attitude to-
wards foreign products, brands and retailers may play an
important role in his or her shopping intentions (Boeuf
and Senecal 2014). Therefore, compared with domestic
forms of outshopping, the international experience may
generate different consumer perceptions.

By contrast, very few scholars address cross-border onli-
ne shopping, whose attributes obviously differ from
those of domestic online shopping. Blum and Goldfarb
(2006) empirically indicate that, in the case of digital
goods, consumers prefer to visit the websites of physically
close (vs. distant) countries. Cheng et al. (2008) inves-
tigate e-tailer service quality, its antecedents and its con-
sequences for cross-border online purchasing risks. Con-
ceptually, Safari and Thilenius (2013) analyse consum-
ers’ specific uncertainties (e. g., the complexity of product
returns, their lack of information about the legal
system, language or customer rights) when purchasing
from foreign e-tailers, while Boeuf and Senecal (2014)
describe six factors that may affect cross-border online
shopping intentions. In sum, the literature indicates that
cross-border online shopping differs from domestic onli-
ne shopping because it involves an international compo-
nent and from physical international cross-border shop-
ing because it involves no travel.

As shown above, research on cross-border online shop-
ning is rare; thus, we seek to conceptualize and empiri-
cally analyse the antecedents of this behaviour. We ana-
lyse risks because scholars consider them important ante-
cedents of cross-border online shopping (e. g., Cheng et
al. 2008; Safari and Thilenius 2013), and we provide new
insights into the role that benefits play in motivating con-
sumers to cross borders when shopping online. Thus, we
first ask what motivates or inhibits consumers’ intentions
to search, i. e., to browse for information in a foreign on-
line store, and to purchase, i. e., to conduct a transaction
or to order a product from a foreign online store. To con-
sider the links to the outshopping literature mentioned
above, we also analyse what factors moderate the rela-
tionships between benefits and risks and consumers’
cross-border online shopping intentions. Moreover, in
our analyses, we consider whether consumers have or
have not shopped online across borders (experienced
cross-border online shoppers and inexperienced cross-
border online shoppers, respectively) because consum-
ers’ past experiences of cross-border online shopping
might affect their knowledge, skills, and future shopping
habits (Forsythe et al. 2006).

Moreover, we answer the call of Boeuf and Senecal
(2014), who indicate that cross-border consumer behav-
iour is likely driven by some additional or distinct deter-
minants that must be analysed and understood. There-
fore, we analyse the types of risks and benefits that affect
consumers’ online shopping behaviours across national
borders. Although the effects of risks on cross-border on-
line search and purchase behaviours have been empiri-
cally investigated, their combined role with benefits has
thus far not been considered. Thus, this study further de-
velops conceptual references and the few existing empiri-
cal insights into the role of risks. Second, thus far, re-
search has left ample room for studies on the moderators
of both relationships, which can considerably extend the
understanding of consumers’ cross-border online shop-
ing intentions. With regard to relevant moderators,
cross-border experiences or beliefs (e. g., through inter-
national travel or cultural openness) should particularly
affect cross-border online shopping behaviours. There-
fore, this work examines whether and how consumers’
foreign travelling and cosmopolitanism, i. e., a personal
tendency to orientate oneself beyond the boundaries of
the local community (Riefler and Diamantopoulos
2009), weakens or reinforces the relationship between
perceived benefits and risks and consumers’ cross-border
online shopping intentions.

Finally, we contribute to managers’ knowledge of the
specific benefits and risks that consumers perceive when
shopping across borders online. This knowledge is of
paramount importance – not only because of the growth
opportunities abroad but also because of the increasing
competition of foreign online retailers in the home mar-
ket. Despite a number of risks (e. g., costly returns), onli-
ne retailers are increasingly providing cross-border de-
liners to customers abroad. They need to understand

https://doi.org/10.15358/0344-1369-2016-4-214
Gemeinfrei durch IP "54.70.46.11"; am 08.04.2019, 19:35:34.
Das Erstellen und Weitergeben von Kopien dieses PDFs ist nicht zulässig.
not only the motivations but also the characteristics of the growing consumer groups that are shopping across borders online (Boeuf and Senecal 2014).

2. Theoretical foundations and hypotheses

2.1. Conceptual model

To address our research aims, theoretical considerations from two research streams – Expected Utility Theory (EUT) and Consumer Culture Theory (CCT) – are used. To understand the motivations and inhibitors of consumers’ cross-border online shopping, we draw upon EUT, which states that decision makers choose between risky or uncertain prospects by comparing the value of their expected utility (Fishburn 1968). In our context of cross-border online shopping, customers’ anticipation of gains primarily stems from expected benefits. Losses – or the sacrifice involved in obtaining the expected benefits – are mainly determined by the risks of cross-border online shopping. Because online shoppers are understood to be motivated to maximize their benefits and minimize their risks, the perceived benefits and risks of cross-border online shopping behaviours are expected to play important roles in explaining such behaviours (Forsythe et al. 2006).

The reasoning behind CCT is used to provide a better understanding of moderators’ roles in the relationships mentioned. CCT refers to a conglomeration of theoretical perspectives that address the dynamic relationships among consumer actions, marketplaces, and cultural meanings (Arnould and Thompson 2005). Cosmopolitanism has been recognized for its role in shaping consumer goals (Thompson and Tambyah 1999). Accordingly, we explain the relationship between cosmopolitanism and cross-border online shopping behaviours through Consumer Acculturation Theory (CAT), which refers to how consumers acquire skills and knowledge that affect consumer behaviour in a foreign context (Luedicke 2011). Due to the increasing global penetration of mass media, consumers are increasingly exposed to various consumption styles. In our context, a cosmopolitan consumer can be described as “an open-minded individual whose consumption orientation transcends any particular culture, locality or community and who appreciates diversity including trying products and services from a variety of countries” (Riefler and Diamantopoulos 2009, p. 415). Hence, we expect that cosmopolitanism is potentially a powerful moderator of the effects of perceived benefits and risks on consumers’ intentions to cross borders in their online shopping. Additionally, according to CCT, foreign travelling is a relevant factor because consumers’ experiences of foreign cultures may broaden their horizons with regard to international marketplaces (Cao et al. 2014). Foreign travelling enhances consumers’ experiences of country-specific products, brands and/or retailers (Kinley et al. 2012). Hence, the more a consumer travels abroad, the more likely his or her perceptions of the risks of shopping abroad will decrease; in addition, the benefits of shopping abroad (e.g., price differences and new products) will likely become more obvious. Therefore, we assume that foreign travelling might be another powerful moderator of the effects of perceived benefits and risks on the intention to shop abroad online. We argue that cosmopolitanism and foreign travelling are distinct (e.g., Cleveland et al. 2014; in contrast, Riefler et al. 2012) because Hannerz (1990) notes that foreign travellers may be regarded as mere spectators in a host country, while cosmopolites represent active participants in a foreign culture. Moreover, consumers may be cosmopolites without travelling to foreign countries, e.g., through global media (Craig and Douglas 2006).

Fig. 1 shows the conceptual model that summarizes our reasoning. We assume that the analysed relationships...
represent causal connections, i.e., they are valid for all shoppers (experienced cross-border shoppers and domestic-only online shoppers). Therefore, we test the moderating effect (differential validity) of experience by splitting the sample and performing a multi-group analysis (Andersson et al. 2014).

2.2. Hypotheses development

In general, online shoppers can be categorized as either visitors (shoppers who search for product information in online stores without purchasing items) or purchasers (shoppers who purchase items from online stores) (Forsythe et al. 2006). In the cross-border context, consumers might visit a foreign online store not only because they intend to purchase something but also because the information-gleaning process might be perceived as beneficial, e.g., by gaining product information or reading customer reviews (Childers et al. 2001). Shim et al. (2001) indicate that consumers’ intentions to search online contribute a substantial portion of the variance in online purchase intentions. However, the international context requires that this relationship be verified for cross-border online shopping because barriers to purchases in a foreign online store might differ from barriers to online purchases in a domestic online store. Therefore, we distinguish search behaviours from actual purchase behaviours. Based on the consumer decision-making process and in line with Shim et al. (2001), we propose that consumers who use foreign retailers’ online stores to gather information are likely to shop at those stores. Therefore, we propose the following initial hypothesis:

\[ H1: \text{Consumers' intentions to visit a foreign online store to search for information positively affect their intentions to make cross-border online purchases.} \]

In line with EUT and the literature on domestic online shopping, consumers’ perceptions of benefits and risks are considered important antecedents of their online shopping behaviours, i.e., their search and purchase behaviours (Bhattacharjee and Ghose 2004; Forsythe et al. 2006). Empirical findings indicate that online shoppers who perceive more benefits than risks from online shopping will purchase more online than those who perceive online shopping as less beneficial (Rohm and Swaminathan 2004). Conversely, consumers who associate more risks than benefits with online purchases will avoid online shopping (Forsythe et al. 2006). Similarly, consumers’ perceptions of benefits and risks should affect their intentions to visit online shops to gather product information, e.g., product alternatives that are unavailable in the home market or misunderstandings due to communication problems.

As discussed above, cross-border online shopping differs from domestic online shopping, e.g., with regard to legal regulations or cultural distinctions, and appears to be partly motivated by the perception that a foreign retailer’s offerings are superior to local offerings (Boeuf and Senecal 2014). Moreover, economic factors (e.g., saving money) are relevant motivators (Piron 2002). By contrast, consumers have less knowledge and less control over the purchase situation when shopping abroad online; i.e., consumers’ perceived levels of risk increase (Jian Wang et al. 2010). Additional risks become relevant, e.g., those related to taxes in the foreign country or import customs. In sum, we posit that perceived benefits are positive predictors of future intentions to visit and purchase items from foreign online stores but that perceived risks are expected to negatively affect future intentions to shop abroad online (Forsythe et al. 2006). We hypothesize the following:

\[ H2: \text{The perceived benefits of cross-border online shopping have a positive effect on foreign online shopping (searching/purchasing) intentions.} \]

\[ H3: \text{The perceived risks of cross-border online shopping have a negative effect on foreign online shopping (searching/purchasing) intentions.} \]

We use CCT to analyse two moderators. First, foreign or international travelling (Samiee et al. 2005) is assumed to be a relevant moderator of elaboration processes when consumers decide whether to visit foreign online stores. In particular, foreign travelling enhances consumers’ perceptions of foreign products and brands (Samiee et al. 2005). A greater knowledge of foreign brands, products and retailers reinforces the desire for such brands; therefore, such knowledge is likely to boost the relevance of the perceived benefits of foreign online shopping with regard to consumers’ intentions to visit foreign online stores. Cao et al. (2014) theorize and empirically validate that foreign travelling increases the sense of generalized trust, which likely reduces the importance that consumers attribute to risks related to foreign online shopping. While foreign travelling should be related to consumers’ intentions to shop online at foreign retail stores, we suggest that foreign travelling has a moderating effect rather than a direct effect on these intentions. In line with Baron and Kenny (1986), foreign travelling should alter the strength of the relationship between risks and motivations and cross-border online shopping intentions. However, no theoretical reasoning shows that foreign travelling directly affects online shopping behaviours.

Second, CAT suggests that cosmopolitan consumers attribute a higher value to novel consumption experiences and choose among the range of products that the world has to offer (Askgaard et al. 2005); i.e., they prefer foreign products more than non-cosmopolitan consumers do (Riefler and Diamantopoulos 2009). Moreover, cosmopolitan consumers show higher purchase tendencies towards foreign products than non-cosmopolitan consumers do (Riefler et al. 2012). Because cosmopolitan consumers strive for intercultural experiences and are more curious and usually more knowledgeable about foreign brands, they are more aware of the “true” relevance of the benefits and/or risks associated with foreign online shopping. Cosmopolitanism can thus be associated with a shift in the relevance of the benefits and risks associat-
ed to use foreign online stores and their influence on the
decision to use these stores for information-gathering or
purchasing purposes. As for the influence of foreign
travelling our theoretical reasoning suggests that cosmo-
politanism has a moderating effect rather than a direct ef-
fect on cross-border shopping intentions because cosmo-
politanism is a personal orientation that is not directly re-
lated to shopping behaviours. In summary, the following
hypotheses are proposed:

**H4:** Foreign travelling (a) increases the effect of per-
ceived benefits on foreign online shopping (search-
ing/purchasing) intentions and (b) decreases the ef-
fect of perceived risks on foreign online shopping
(searching/purchasing) intentions.

**H5:** Cosmopolitanism (a) increases the effect of per-
ceived benefits on foreign online shopping (search-
ing/purchasing) intentions and (b) decreases the ef-
fect of perceived risks on foreign online shopping
(searching/purchasing) intentions.

3. **Empirical study**

3.1. **Procedure and sample**

We adapted established multi-item scales to fit the con-
text of our study, particularly the perceived benefits and
risks of cross-border online shopping. Each construct
was measured using a seven-point Likert-type scale (1 =
strongly agree, 7 = strongly disagree). In specifying the
constructs in our model, we considered that the con-
struct’s relationship with its indicators might be forma-
tive or reflective (Finn and Wang 2014). In the follow-
Fig. 2 presents the procedure used in our study. We first investigated the
relevant online shopping, outshopping and cross-border
literature to understand potential motivators, inhibitors
and moderators of cross-border online shopping inten-
tions. Initially, we performed semi-structured interviews
with young consumers, who represent the target
group of potential cross-border online shoppers, i.e.,
German Internet users in the 18–39 age group (PwC
2016). Presented with a list of the most important risks
and benefits associated with shopping abroad, these con-
sumers evaluated their relevance and contributed addi-
tional risks and benefits.

We focus German consumers because they have an affinity
for online shopping, with more than half (56 %) of
German Internet users having already shopped at foreign
online stores (PwC 2016). As a result, we obtained 14
important risks and 16 important benefits of cross-border
online shopping (see **Tab. 2**). We then conducted an onli-
ne study (N = 133) to assess the reliability and compre-
hensibility of our formative and reflective scales, and we
were able to confirm all the measurements for the main
study.

For our main study, we generated data (N = 220) using
an online questionnaire because our research aimed to
analyse online shopping behaviours. The questionnaire
was distributed to potential respondents via e-mail and
social networks. As incentive to complete the question-
naire, we offered to donate money to a charitable organiza-
tion. Before answering the questionnaire, the respon-
dents were given some examples of foreign online stores
(e.g., www.Amazon.co.uk and www.toms.com), which
they were instructed to regard as online retailers, manu-
facturer sites or online marketplaces that sell online out-
side their country of residence.

The 220 respondents had previous experience with onli-
ne shopping in general (i.e., they had purchased some-
thing online at least once in the past 12 months, see
**Tab. 1**). In addition, 56.8 % of the respondents had pur-
chased items from foreign online stores; 32.3 % had not
yet done so; and, interestingly, 10.9 % were unsure if
they had shopped online in foreign stores. As mentioned
above, we subsequently test the hypotheses for the total
sample and for the groups of experienced and inexperi-
enced cross-border online shoppers (N = 125; 95). By us-
ing t-tests to compare the two groups, we found that ex-
perienced cross-border shoppers were younger (age:

<table>
<thead>
<tr>
<th>Objective</th>
<th>Data</th>
<th>Analysis</th>
</tr>
</thead>
<tbody>
<tr>
<td>To validate and extend items listed as perceived benefits and risks of cross-border online shopping instruments.</td>
<td>8 online shoppers with knowledge of cross-border online shopping</td>
<td>Qualitative interpretation</td>
</tr>
<tr>
<td>To test the validity and reliability of formative and reflective measurement scales.</td>
<td>133 respondents, online survey (49.6 % female, (M_{\text{age}} = 31.7))</td>
<td>EFA with SPSS, CFA with AMOS 21</td>
</tr>
<tr>
<td>Measurement</td>
<td>Main survey, an online study, with 220 respondents (54.1 % female, (M_{\text{age}} = 28.8) years)</td>
<td>SmartPLS 2.0 and SPSS, CFA with AMOS 21</td>
</tr>
<tr>
<td>Structural relationships - Baseline model - Moderation hypotheses</td>
<td>Main survey</td>
<td>Partial Least Squares with SmartPLS 2.0</td>
</tr>
<tr>
<td>To test for CMV bias</td>
<td>Measurement model, Baseline structural model</td>
<td>Correlation-based marker variable technique (Lindell and Whitney 2001), Marker variable as common method factor</td>
</tr>
</tbody>
</table>
Experienced cross-border online shoppers (N = 125)  
Inexperienced cross-border online shoppers (N = 95)  
t-value  
Sig.

<table>
<thead>
<tr>
<th></th>
<th>Experienced shoppers</th>
<th>Inexperienced shoppers</th>
<th>t-value</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Age (M/SD)</td>
<td>27.4 (8.7)</td>
<td>30.6 (11.8)</td>
<td>2.196</td>
<td>.029</td>
</tr>
<tr>
<td>Number of online purchases (M/SD)</td>
<td>36.8 (44.4)</td>
<td>16.8 (14.3)</td>
<td>4.733</td>
<td>.000</td>
</tr>
<tr>
<td>English language skills (M/SD)</td>
<td>2.1 (1.1)</td>
<td>2.6 (1.1)</td>
<td>3.281</td>
<td>.001</td>
</tr>
<tr>
<td>Income level (M/SD)</td>
<td>2.5 (1.6)</td>
<td>2.6 (1.5)</td>
<td>.646</td>
<td>.519</td>
</tr>
<tr>
<td>Gender (share of females in %)</td>
<td>51.2</td>
<td>57.9</td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>

Note: Total sample: N = 220. 1: in the past 12 months; 2: measured on a seven-point scale: 1 = fluently, 7 = don’t speak at all; 3: monthly income (measured on a six-point scale, 1 = less than EUR 500, 6 = EUR 4,000 or more).

Tab. 1: Differences between experienced and inexperienced cross-border online shoppers

M_{experienced} = 27.4, SD = 8.7; M_{no experience} = 30.6, SD = 11.8; p < .05), shopped more frequently online (number of online purchases: M_{experienced} = 36.8, SD = 44.4; M_{no experience} = 16.8, SD = 14.3; p < .01), and had better English language skills (M_{experienced} = 2.1, SD = 1.1; M_{no experience} = 2.6, SD = 1.1; p < .01). With regard to the income level, we found no significant difference between the groups (M_{experienced} = 2.5, SD = 1.6; M_{no experience} = 2.6, SD = 1.5; p = .519). The share of females was higher in the group of inexperienced cross-border online shoppers (57.9%; 51.2%).

3.2. Measurements and Methods

To measure the perceived benefits and risks of cross-border online shopping, we used formative items to fit the context of our study (see Tab. 2; adapted from Bhatnagar and Ghose 2004; Chen et al. 2002; Forsythe et al. 2006). Sixteen items covered financial benefits; benefits related to product selection, exclusivity, and the service and comfort associated with cross-border shopping; enjoyment; and convenience. Fourteen items covered the perceived risks of cross-border online shopping, e.g., financial/payment-related risks, shopping risks, transaction risks, legal risks, and communication-related risks.

The item means (M) allowed for a preliminary interpretation of benefit and risk perceptions. Interestingly, economic benefits, e.g., shopping abroad is less expensive (M = 4.36, SD = 1.460), are perceived as less pronounced than, e.g., the wide selection of products that foreign online stores offer (M = 2.48, SD = 1.266). Overall, perceived risks score higher than perceived benefits. In particular, the uncertainty of long delivery times (M = 2.31, SD = 1.344), additional fees (M = 2.39, SD = 1.484), and warranty claims (M = 2.45, SD = 1.434) are perceived as relevant risks of cross-border online shopping. Less risk is perceived with regard to placing an order (M = 3.65, SD = 1.796) or the store’s inability to deliver to the customer’s home address (M = 3.76, SD = 1.880).

We validated these scales following the procedure suggested by Diamantopoulos and Winklhofer (2001). Collinearity was satisfactorily controlled by variance inflation factors (VIFs) and condition indices (no VIF exceeded 3.59, and none of the indicators revealed severe multicollinearity problems; Hair et al. 2014). To test for external validity, we assessed nomological validity by including additional items in our study, which captured the general aspects of online shopping behaviour (e.g., online spending behaviour vs. offline spending behaviour) (Churchill 1995). According to our hypotheses, the benefits (risks) of cross-border online shopping should have a positive (negative) relationship with these constructs. We estimated bivariate correlations between the constructs and these items. All correlations were positive and significant for perceived benefits (.2 to .34, p < .05) and negative and significant for perceived risks (-.19 to -.2, p < .05). Because the results support our hypotheses, we infer nomological validity with respect to the formative variables.

Because we tested our hypotheses on the entire sample and on the two customer groups (experienced and inexperienced cross-border online shoppers), we now report the mean value differences (mean values of the formative PLS construct value, which is z-standardized, i.e., lower levels indicate greater relevance). We found significant differences with regard to the benefit and risk perceptions of cross-border online shopping (perceived benefits: M_{experienced} = -.34, SD = .97; M_{no experience} = .45, SD = .85, p < .01; perceived risk: M_{experienced} = .16, SD = 1.12; M_{no experience} = -.22, SD = .77, p < .01), which indicates that experienced consumers experience greater benefits and lower risks. In addition, significant differences are found for foreign travelling (M_{experienced} = -.16, SD = .92; M_{no experience} = .21, SD = 1.05, p < .01), which indicates that experienced cross-border online shoppers are consumers who show higher cross-border mobility and more foreign travelling.

Established reflective scales were used to measure cross-border online search and purchase intentions as well as cosmopolitanism and foreign travelling (see Tab. 3). To capture foreign online purchase intentions and foreign online search intentions, we adapted Pavlou’s (2003) three-item scales to the context of our study. Cosmopolitanism was measured using the five-item scale of Cleveland et al. (2014), and foreign travelling was measured using the five-item scale of Cleveland and Laroche (2007). We used exploratory factor analyses to assure these scales’ unidimensionality and evaluated the measurement model’s internal consistency. The average variance extracted (AVE > .65 for all reflective scales), Cronbach’s alpha (> .87) and composite reliability (CR > .91) were satisfactory, reflecting high levels of scale consistency (Hair et al. 2014).
Balabanis and Diamantopoulos (2008) suggest that additional factors may affect cross-border consumer behaviour. Therefore, we controlled for the effect of demographics (i.e., age and gender), monthly income, online shopping affinity (the ratio of online shopping to total shopping), and English language skills. We controlled for English language skills because, in our sample, most cross-border online purchases (65%) were made in English.

We applied Fornell and Larcker’s (1981) criterion to assess the discriminant validity of all reflective scales. Discriminant validity was seemingly not a problem in this study, as no construct shared more variance with any other construct than with its own indicators (see Tab. 4).

Several approaches were used to control common method bias. We first used Harman’s single-factor test (Podsakoff 1986). Producing a factor that explains only 22.3% of the variance, this test showed that common method bias should not be a problem with respect to the present data. Second, a marker variable was used (Lindell and Whitney 2001). Therefore, we included a theoretically unrelated construct in our model. The resulting partial correlations (|rmax| = .092) suggested that common method variance did not distort our findings. Additionally, we included the marker variable in a structural model that included all substantive variables as a common method factor. The modified model showed a consistent pattern of results, with only marginal changes in the proportion of variance in the dependent variables (Model 2 (marker...
variable included); intention to make cross-border online purchase: $R^2 = .68; Q^2 = .58$; intention to perform cross-border online search: $R^2 = .41; Q^2 = .33$), and no changes in the significance levels compared with the model that did not include the marker variable. Therefore, the results suggest that common method variance might not occur in our structural model.

AMOS 21 and SmartPLS 2.0 were used for validity testing. The hypotheses were tested based on partial least squares structural equation modelling (PLS-SEM); because PLS-SEM facilitates formative and reflective constructs (Jarvis et al. 2003), it is suitable for studies with small sample sizes (below 250; Reineartz et al. 2009) and is appropriate for predictions and theory development (Hair et al. 2011). To assess the significance of the parameter estimates, we applied bootstrapping procedures (5,000 samples) because PLS makes no distributional assumption. The objective is prediction versus fit (Fornell and Cha 1994); therefore, assessing an overall goodness-of-fit for the models is impossible. However, the $R^2$ values for foreign purchase intentions and foreign information intentions as well as the Stone-Geisser Criterion ($Q^2$ values), which assesses the model’s predictive relevance, indicate an adequate model specification for all the calculated models (see Tab. 5 and Tab. 6; Hair et al. 2012).

3.3. Results

Main effects

We tested the main effects in the total sample first. Our data support the positive influence of consumers’ intentions to use a foreign online store for information searches on their intentions to make cross-border online purchases ($\beta = .60, p = .001$). Hence, H1 is supported. We find support for H2. The perceived benefits of cross-border online shopping have a positive influence on the intention to perform cross-border online searches.
Path of the structural model

<table>
<thead>
<tr>
<th>Path coefficients (t-values)</th>
<th>Path coefficients (t-values)</th>
<th>Path coefficients (t-values)</th>
<th>Group comparison (Models 1A vs. 1B) t-value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Intention to perform cross-border online searches</td>
<td>Intention to make cross-border online purchases</td>
<td>H1</td>
<td>.60 (6.80)***</td>
</tr>
<tr>
<td>Perceived benefits → Intention to perform cross-border online searches</td>
<td></td>
<td>H2</td>
<td>.49 (6.00)***</td>
</tr>
<tr>
<td>Perceived benefits → Intention to make cross-border online purchases</td>
<td></td>
<td></td>
<td>.22 (3.00)**</td>
</tr>
<tr>
<td>Perceived risks → Intention to perform cross-border online searches</td>
<td></td>
<td>H3</td>
<td>-.17 (.93)</td>
</tr>
<tr>
<td>Perceived risks → Intention to make cross-border online purchases</td>
<td></td>
<td></td>
<td>-.08 (.45)</td>
</tr>
<tr>
<td>Age → Intention to perform cross-border online searches</td>
<td></td>
<td>Controls</td>
<td>.05 (.08)</td>
</tr>
<tr>
<td>Age → Intention to make cross-border online purchases</td>
<td></td>
<td></td>
<td>.08 (.53)</td>
</tr>
<tr>
<td>Gender → Intention to perform cross-border online searches</td>
<td></td>
<td></td>
<td>-.01 (.80)</td>
</tr>
<tr>
<td>Gender → Intention to make cross-border online purchases</td>
<td></td>
<td></td>
<td>-.12 (1.23)</td>
</tr>
<tr>
<td>Income → Intention to perform cross-border online searches</td>
<td></td>
<td></td>
<td>.02 (.50)</td>
</tr>
<tr>
<td>Income → Intention to make cross-border online purchases</td>
<td></td>
<td></td>
<td>-.00 (.03)</td>
</tr>
<tr>
<td>Online affinity → Intention to perform cross-border online searches</td>
<td></td>
<td></td>
<td>.04 (1.01)</td>
</tr>
<tr>
<td>Online affinity → Intention to make cross-border online purchases</td>
<td></td>
<td></td>
<td>-.09 (.87)</td>
</tr>
<tr>
<td>English language → Intention to perform cross-border online searches</td>
<td></td>
<td></td>
<td>.17 (2.96)**</td>
</tr>
<tr>
<td>English language → Intention to make cross-border online purchases</td>
<td></td>
<td></td>
<td>-.01 (94)</td>
</tr>
<tr>
<td>R²</td>
<td>Intention to perform cross-border online searches</td>
<td></td>
<td>.66</td>
</tr>
<tr>
<td>R²</td>
<td>Intention to make cross-border online purchases</td>
<td></td>
<td>.37</td>
</tr>
<tr>
<td>Q²</td>
<td>Intention to perform cross-border online searches</td>
<td></td>
<td>.28</td>
</tr>
<tr>
<td>Q²</td>
<td>Intention to make cross-border online purchases</td>
<td></td>
<td>.59</td>
</tr>
</tbody>
</table>

Note: Significance of t-values (Bootstrapping procedure: Model 1, N = 220; Model 1A, N = 125; Model 1B, N = 95; 5,000 samples); * p < .05; ** p < .01; *** p < .001.

Tab. 5: Results of PLS SEM – Model 1

(β = .49, p ≤ .001) and the intention to make cross-border online purchases (β = .22, p ≤ .01). However, H3 is not supported. The perceived risks of foreign online shopping do not significantly affect the intention to use foreign online stores either for searches (β = -.17, p > .05) or for shopping purposes (β = -.08, p > .05).

The main effects were also tested between the groups of experienced and inexperienced cross-border online shoppers. With regard to the influence of cross-border search intentions on cross-border online purchases, significant effects were found (for consumers with and without foreign online shopping experience, β = .58, p ≤ .001 and β = .66, respectively; p ≤ .001). On the one hand, for customers with foreign online shopping experience, we found that benefits positively affected the intention to perform cross-border online searches (β = .50, p ≤ .001) and the intention to make cross-border online purchases (β = .26, p ≤ .01). On the other hand, for customers without foreign online shopping experience, we found that...
benefits affected the intention to perform cross-border online searches (\(\beta = .48, p \leq .001\)) but not the intention to make cross-border online purchases (\(\beta = .08, p > .05\)). Hence, with regard to cross-border online searches, \(H2\) is supported in both groups, while, with regard to cross-border online purchases, the hypothesis is only supported in the experienced group. We find no support for the role of risks in the groups’ intentions to perform cross-border online searches (for consumers with and without foreign online shopping experience, \(\beta = -.23\) and \(\beta = -.19\), respectively; \(p > .05\)) and their intentions to make cross-border online purchases (\(\beta = -.05\) and \(\beta = -.14\), respectively; \(p > .05\)). Thus, \(H3\) is not supported in either sample. Moreover, we used t-tests (applying the standard errors from bootstrapping) to test for the significance of differences between Model 1A and Model 1B. However, the differences between the paths of both models are not significant.

**Moderating Effects**

To analyse the moderating effects of foreign travelling and cosmopolitanism on the intention to perform cross-border online searches and the intention to make cross-border online purchases, we calculated interaction terms. These terms were calculated by multiplying the construct values for the perceived benefits and risks of foreign online shopping. Interaction terms were calculated in a separate, non-moderated path model, with the indicator values of the reflective measurement models of cosmopolitanism and foreign travelling (all values were standardized before calculating the product terms; Chin et al. 2003). We included these interaction terms in our PLS-SEM, and the corresponding results are presented in Tab. 6.

For the total sample, the main effects remain mostly stable for \(H1\) to \(H3\). Only the perceived risks of cross-border online shopping achieve significance in Model 2 (\(\beta = -.18, p \leq .05\)), thus underlining the relationship between behavioural traits (foreign travelling), and perceived risks.

In both groups, the results are stable; i.e., perceived benefits affect search and purchase intentions (with the remaining exception of the insignificant benefit-purchase link for inexperienced consumers), while perceived risks do not.

With regard to \(H4\), in Model 2, we found mixed support for a significant positive moderating effect of foreign travelling on the benefit-purchase intention link (\(\beta = .11, p \leq .05\), \(H4a\)) and on the risk-search intention link (\(\beta = -.14, p \leq .05\), \(H4b\)). Therefore, more foreign travelling amplified the effects of the perceived benefits of shopping abroad online on purchase intentions and – surprisingly – increased the negative effects of the perceived risks of cross-border online shopping on search intentions. This result will be discussed further below. In sum, the moderating effects of foreign travelling were inconsistent.

With regard to \(H5\), we found partial support for the proposed moderating effects (Model 2). \(H5a\) was supported. Cosmopolitanism increased the effects of perceived benefits on cross-border online search intentions (\(\beta = .09, p \leq .05\)) but reduced cross-border online purchase intentions (\(\beta = -.10, p \leq .05\)). Because this negative effect held for the sample of experienced cross-border online shoppers (Model 2A), it will be discussed further below. \(H5b\) was not supported. Cosmopolitanism did not influence the effects of perceived risks on the intention to perform cross-border online information searches or the intention to make cross-border online purchases (Model 2). The results remained stable in Models 2A and 2B.

We again analysed the differences between the two customer experience groups with regard to cross-border online shopping. The path coefficients of Models 2A and 2B did not differ (\(p > .05\)). Only the moderating effect of foreign travelling on the risk-search intention link was slightly more important (\(t = 1.918\)) for experienced cross-border online shoppers. In summary, the inter-group comparison seemingly underlines the stability of the results.

Among the controls, English language skills affected the intention to perform cross-border searches (\(\beta = .16, p \leq .01\)), and gender occasionally affected the intention to make cross-border online purchases (\(\beta = -.13, p \leq .01\); woman were less likely to shop abroad). A bilingual website may be enough to satisfy experienced cross-border shoppers, while a multilingual website may convince inexperienced shoppers and those who are not English speakers.

**4. Discussion and implications**

This study contributes to research on the growing phenomenon of cross-border online search and purchase behaviours. Based on a literature review and an analysis of the specific risks and benefits of cross-border online shopping, our results support the different roles that risks and benefits play in cross-border online shopping behaviours for marketing research. Moreover, we contribute to the international marketing research because little is known about the varying risks and benefits that affect foreign online purchases based on consumers’ travel experiences or cosmopolitanism, which may help foreign online firms attract target groups in foreign countries or help domestic online firms curb consumers’ foreign online shopping. We show that cross-border online search and purchase behaviours are primarily affected by consumers’ benefits, and, in contrast to previous studies, that consumers’ perceived risks become less important when benefits are incorporated into the model. In sum, this preliminary study extends the few conceptual and empirical studies on foreign online purchase behaviours. However, our study only evaluates the responses of 220 consumers from Germany; we thus cautiously provide some implications for research and recommendations for managers.
### Path of the structural model

<table>
<thead>
<tr>
<th>Path coefficients (t-values)</th>
<th>Path coefficients (t-values)</th>
<th>Path coefficients (t-values)</th>
<th>Group comparison (Models 2A vs. 2B) t-value</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>H1</strong> Intention to perform cross-border online searches → Intention to make cross-border online purchases</td>
<td>.60 (11.10)<em><strong>, .58 (6.85)</strong></em>, .70 (7.13)***</td>
<td>.896</td>
<td></td>
</tr>
<tr>
<td>Perceived benefits → Intention to perform cross-border online searches</td>
<td>.49 (7.94)<em><strong>, .49 (5.44)</strong></em>, .52 (5.99)***</td>
<td>.238</td>
<td></td>
</tr>
<tr>
<td>Perceived benefits * Foreign travelling → Intention to perform cross-border online purchases</td>
<td>-.10 (1.58)</td>
<td>-.11 (1.06)</td>
<td>.426</td>
</tr>
<tr>
<td>Perceived risks → Intention to perform cross-border online purchases</td>
<td>-.18 (2.20)*</td>
<td>-.17 (1.47)</td>
<td>.198</td>
</tr>
<tr>
<td>Perceived risks → Intention to make cross-border online purchases</td>
<td>-.08 (1.35)</td>
<td>-.14 (1.53)</td>
<td>.614</td>
</tr>
<tr>
<td>Perceived benefits * Cosmopolitanism → Intention to perform cross-border online purchases</td>
<td>.09 (1.70)*</td>
<td>.18 (1.94)*</td>
<td>.972</td>
</tr>
<tr>
<td>Perceived risks * Cosmopolitanism → Intention to perform cross-border online purchases</td>
<td>-.10 (1.99)*</td>
<td>-.09 (90)</td>
<td>.244</td>
</tr>
<tr>
<td>Age → Intention to perform cross-border online searches</td>
<td>.04 (.61)</td>
<td>.13 (1.20)</td>
<td>.980</td>
</tr>
<tr>
<td>Age → Intention to make cross-border online purchases</td>
<td>.08 (1.57)</td>
<td>.12 (1.28)</td>
<td>.149</td>
</tr>
<tr>
<td>Gender → Intention to perform cross-border online purchases</td>
<td>.00 (.04)</td>
<td>.01 (.13)</td>
<td>.537</td>
</tr>
<tr>
<td>Gender → Intention to make cross-border online purchases</td>
<td>-.13 (2.76)**</td>
<td>-.19 (2.47)*</td>
<td>1.056</td>
</tr>
<tr>
<td>Income → Intention to perform cross-border online searches</td>
<td>.02</td>
<td>.07 (.54)</td>
<td>.129</td>
</tr>
<tr>
<td>Income → Intention to make cross-border online purchases</td>
<td>.00</td>
<td>.00 (.01)</td>
<td>0</td>
</tr>
<tr>
<td>Online affinity → Intention to perform cross-border online searches</td>
<td>.02</td>
<td>-.05 (.57)</td>
<td>1.002</td>
</tr>
<tr>
<td>Online affinity → Intention to make cross-border online purchases</td>
<td>-.09</td>
<td>-.05 (.74)</td>
<td>.101</td>
</tr>
<tr>
<td>English language → Intention to perform cross-border online purchases</td>
<td>.16 (3.17)**</td>
<td>.05 (.64)</td>
<td>.120</td>
</tr>
<tr>
<td>English language → Intention to make cross-border online purchases</td>
<td>-.01 (.34)</td>
<td>-.04 (.60)</td>
<td>0</td>
</tr>
</tbody>
</table>

### Controls

<table>
<thead>
<tr>
<th>Path coefficients (t-values)</th>
<th>Path coefficients (t-values)</th>
<th>Path coefficients (t-values)</th>
<th>Group comparison (Models 2A vs. 2B) t-value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Income → Intention to make cross-border online purchases</td>
<td>-.00</td>
<td>-.00 (.05)</td>
<td>0</td>
</tr>
<tr>
<td>Online affinity → Intention to perform cross-border online searches</td>
<td>.02</td>
<td>.07 (1.03)</td>
<td>1.002</td>
</tr>
<tr>
<td>Online affinity → Intention to make cross-border online purchases</td>
<td>-.09</td>
<td>-.04 (.65)</td>
<td>.101</td>
</tr>
<tr>
<td>English language → Intention to perform cross-border online purchases</td>
<td>.16 (3.17)**</td>
<td>.05 (.64)</td>
<td>.120</td>
</tr>
<tr>
<td>English language → Intention to make cross-border online purchases</td>
<td>-.01 (.34)</td>
<td>-.04 (.60)</td>
<td>0</td>
</tr>
</tbody>
</table>

### R²

| Intention to perform cross-border online purchases | .39 | .43 | .42 |
| Intention to make cross-border online purchases | .68 | .64 | .64 |

### Q²

| Intention to perform cross-border online purchases | .29 | .30 | .27 |
| Intention to make cross-border online purchases | .62 | .52 | .54 |

**Note:** Significance of t-values (Bootstrapping procedure: Model 2, N = 220; Model 2A, N = 125; Model 2B, N = 95; 5,000 samples); * p < .05; ** p < .01; *** p < .001.

Tab. 6: Results of PLS SEM – Model 2 (Moderated Model)
Research implications. Our findings provide novel insights into the role of the perceived benefits of cross-border online shopping. Perceived benefits positively affect both the intention to perform cross-border online search and the intention to make cross-border online purchases. Previous research has focused on the perceived risks of cross-border online shopping, and scholars have called for analyses of the specific motivations behind such behaviour (Boeuf and Senecal 2014). Our results suggest that consumers value the specific benefits that foreign online shops offer, e.g., a wide selection of products or exclusive brands. By contrast, with regard to perceived risks, we find only a negative significant effect on cross-border online search intentions but none on cross-border online purchasing intentions. This finding indicates consumers are not significantly influenced by the perceived risks with regard to future cross-border online shopping intentions, suggesting that, the utility of cross-border online shopping is worth the associated risks.

Our analyses provide insights into the moderating effects of foreign travelling and cosmopolitanism on the intentions to perform cross-border online searches or to make cross-border online purchases. Both significant moderators extend the existing research – which has not yet examined moderators at all – as well as our understanding of consumers’ cross-border online shopping. However, the results are not stable. The findings support a significant positive moderating effect of foreign travelling on the link between perceived benefits and cross-border online purchase intentions which suggests that foreign travelling underlines the relevance of the perceived benefits of foreign retailers’ offerings. Foreign travelling thus seemingly broadens perspectives and extends horizons due to the reinforcing benefits of cross-border online shopping. Cosmopolitanism influences the effects of perceived benefits (though not those of perceived risks) on the intention to perform cross-border online searches and the intention to make cross-border online purchases. For inexperienced cross-border online shoppers, cosmopolitanism increases the link between perceived benefits and the intention to perform online searches. Because cosmopolitanism is associated with a considerable interest in and curiosity about other cultures and international exchanges, it seemingly fosters explorative behaviours that result in cross-border online search intentions. While cosmopolitanism increases the cross-border online search behaviours of inexperienced shoppers, it has no effect on this group’s intention to make cross-border online purchases. However, our results also reveal that the intention to perform cross-border online searches is a relevant predictor of the intention to make cross-border online purchases. Hence, the more often cosmopolitan consumers visit foreign online stores to gather information, the more likely they will be to make cross-border online purchases. By contrast, for the group of experienced cross-border online shoppers, cosmopolitanism weakens the effects of perceived benefits on the intention to make cross-border online purchases (even making it negative).

This result is quite surprising and suggests that cosmopolitanism might be linked with a certain knowledge that depreciates the effects of perceived benefits on the intention to make cross-border purchases. We call for further research that will perhaps clarify the relationship between perceived benefits and the intentions to search and purchase abroad online.

Managerial implications. As previously mentioned, managers may be very interested in knowledge about the effects of the benefits and risks of cross-border shopping that consumers perceive, as they are increasingly shopping across borders due to technological advancements and online global marketplaces. Our study contributes to this knowledge by showing that investigating the motivators (benefits) is more important than investigating the inhibitors (risks) of consumers’ intentions to shop abroad online. Analysing the perceived benefits and risks of cross-border online shopping will be a helpful tool for future research in the area of international online shopping and a foundation that can help retail managers understand the kinds of trade-offs that consumers face when considering whether to shop abroad online. A relevant finding for retail practices is that low prices are not the main benefit of shopping abroad online; instead, the main benefits include the broad selection and exclusivity of foreign brands and products. Moreover, our findings help managers understand what drives consumers’ intentions to shop abroad online and how the segments of cross-border online shoppers and solely domestic online shoppers differ.

Further implications for managers can be derived from the influence of moderating factors, i.e., foreign travelling and consumer cosmopolitanism. Foreign travellers may be regarded as a relevant segment of cross-border online shoppers. They might become hooked during their stays in foreign countries and then have the opportunity to continue shopping abroad online after they return home. Through targeted marketing efforts, e.g., promotions in hotels or airports, local online retailers will be able to build an international customer base. According to our results, cosmopolitanism increases the probability that inexperienced cross-border online shoppers will visit foreign online stores to search for product-related information. Online retailers will have to find ways to turn these visitors into purchasers, e.g., by reducing the risks of making purchases in a foreign online store. With regard to our sample, most respondents (56.8%) had already shopped online across borders, indicating that cross-border online shopping is the norm rather than the exception. Global competition will likely reinforce the pressure on local (online) retailers and offer opportunities for global retailers to develop their online stores to address the needs of cross-border online shoppers (Boeuf and Senecal 2014).
5. Limitations and further research

Further research is needed to improve our understanding of the motivators and inhibitors of consumers’ foreign online shopping behaviours because this initial study is not without limitations. We highlight two limitations in particular.

Although we devoted attention to data collection, broadening the database would mitigate some of the limitations and allow for additional conclusions. We focused on a convenience sample of relatively young respondents. Perceived benefits and risks as well as cross-border online shopping intentions may differ in a sample of older consumers. Analysing representative and comparable samples across countries would provide further insights. In particular, the investigation and differentiation of varying country characteristics (e.g., differences across countries, their location in a free-trade area) provide additional research opportunities. An analysis of the motivations and inhibitors of cross-border online shopping across different countries and cultures would also be advantageous. Future research could differentiate between online marketplaces (e.g., eBay or Rakuten) and independent online stores. The former allow foreign retailers to sell in the domestic market, which makes it more difficult for customers to determine whether they are purchasing from an online retailer in their home market or abroad. In addition, it might be interesting to explore whether cross-border online shoppers prefer global retailer brands (e.g., Amazon) or visits to and brand purchases from local retailers that have no international online store spin-offs (e.g., www.ccs.com).

Regarding our measures, we did not differentiate between the effects of various types of perceived benefits and risks. Our study analysed their combined impact on cross-border shopping; we were thus unable to identify the specific impact of each of these diverse benefits or risks (Forsythe and Shi 2003). In our sample, on the one hand, the respondents who denied shopping abroad online might have actually done so without their knowledge; on the other hand, self-proclaimed cross-border shoppers might have shopped at a domestic retailer. However, we controlled for this possibility by asking the respondents to name the online store and the domain of their most recent and most frequent purchases abroad. In addition, the varying technical realizations and layout structures of foreign online stores might affect ease of use and, in turn, the online shopping experience, which could be investigated in further studies. Future research might examine transactional data that include information on where shoppers reside, thus helping identify actual cross-border online purchasers. Future analyses of further moderators is also promising. Theoretical considerations might be of interest if consumer ethnocentrism opposes the analysed relationship.

References


**Keywords**