

## **Abstract**

The rise of Internet as a global business avenue has opened new opportunities and challenges in marketing to e-consumers. Understanding the consumers' buying behaviour in the interactive market environment of the Internet is crucial for any successful business-to-consumer E-commerce venture. However, there is a clear lack of research that could explain the factors that affect the consumers' intention to shop on the Web. This research is an original attempt at understanding the factors that affect consumers' shopping intention on the Web.

Causal models explaining consumers' acceptance of the Web for shopping are developed and empirically tested on the data collected from Internet users in India. LISREL is used to analyze the data. This interdisciplinary research integrates theories from consumer behaviour on risk taking, shopping motives (including propensity to participate in auctions), diffusion of innovation and theories on acceptance of information technology. The effects of perceived risk, perceived convenience and perceived control of Web shopping and personal innovativeness in IT are examined on behavioural intention to shop on the Web. Overall effects of utilitarian and hedonic shopping values derived by consumers and of the value derived by consumers in participating in online auctions and bidding on intention to shop on the Web are investigated. New scales for perceived risk of shopping on the Web and auction value have been developed. Scales for perceived convenience and perceived control of shopping are developed by modifying perceived usefulness scale. Shopping value scales are also modified from existing scales.

Perceived convenience and perceived risk have been found to affect shopping intention on the Web in positive and negative directions respectively. Multidimensional nature of perceived risk, financial and product risks, on the Web is revealed from the research. Personal innovativeness in IT affects perceptions of usefulness and intention positively while perceptions of risk negatively. Hedonic shopping value has no effect on convenience while users who shop with an auction motive are more likely to shop on the Web. The findings also indicate that interactivity of the Internet, captured by means of auction value, increases perceived convenience and control of shopping on the Web, decreases perceived risk of shopping on the Web and overall has positive impact on intention to shop on the Web. These results are first empirical evidence on the nature of causal variables that affect consumers' decision to shop on the Web.

Based upon the findings, managerial recommendations for developing an effective online business model consistent with corporate objectives are presented. Strategies to reduce the different dimensions of risk perceptions have been suggested. This research shows that dynamic pricing models facilitated by the Internet would have important impact on different consumer segments in the online population in terms of their Web shopping behaviour. The research shows that in Indian market, employing different payment mechanisms at the Web site could give impetus to online consumer shopping. From the research results, several implications for managing different product categories in a multiple channel environment, which includes the Internet, have been drawn. Findings highlight the need to integrate the Internet in the overall business strategy of a firm. Academic implications of these findings for the Web marketing have been presented for pursuing further research in online marketing, pricing, distribution and business intelligence area.