



ANALYZING CONSUMER INTENTION TO PAY FOR ONLINE CONTENT: A SYSTEMATIC APPROACH

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ABSTRACT

Using the Theory of Planned Behavior and Rogers's Innovation Diffusion Theory a systematic model is developed to predict consumer intention to pay for online content. Results of data analyzed through structural equation modeling suggest that consumer attitude and subjective norms are significant predictors of such intention whereas perceived behavioral control is not. Implications of the results are discussed.

Keywords: *Online Content, E-Commerce, Attitude, Intentions, Innovation*

1. INTRODUCTION

Widespread adoption of internet has resulted in a profusion of websites publishing and distributing online content. Online content is commonly understood as either information or other intellectual property offered for distribution by a website, either against payment or free of charge. Online Publishers Association defines paid online content as digital intellectual property purchased through a web browser by an individual. This excludes software purchases, adult oriented material, gambling activities, internet service access, get rich quick schemes, and business services, including electronic faxing and web based e-mail applications from its definition of online content [79]. For the purpose of this study, the definition of online content as suggested by Online Publishers Association has been adopted. Also, we adopt the assumption that using paid online content and paying for online content are semantically identical concepts.

Even though the number of users who paid for online content has gone from 12.4 million in 2001 [79] to almost two thirds of internet users by 2010 [68], internet users have generally speaking become accustomed to accessing online content free of charge from a significant number of websites [42]. The evolving online content distribution model was established on the implicit assumption that purveyors of intellectual property on Internet could afford to provide content free to users while earning revenue from advertisers on their websites [7]. While users spent around \$5.88 Billion on digital subscriptions in 2009 [58], less than successful fate of numerous websites that

followed this business model since year 2000 has exposed the weakness of this approach. Revenues generated by online content distributors through advertising proved less than adequate in compensating for the expenses incurred in online content creation and distribution. Consequently, online content publishers and distributors require a revenue model that can derive income from advertisers as well as consumers of online content [55].

Re-conceptualization of online content revenue model has centered on levying subscription on consumers of content in addition to charging advertisers. The subscription based model of online content distribution is not exactly similar to that of traditional paper based intellectual property distribution as the websites converting from free to subscription based tend to include paid content along with some free content. The free content serves as marketing tool for the website by attracting first time as well as light users; it contains features considered attractive to users that are limited both in quality and quantity. The paid section provides full range of services and generally offers either pay per visit or periodic subscription options. The proportion of users in the free section generally far exceeds that in the paid section, as confirmed by consumer surveys [35].

According to a survey conducted by Jupiter Media Matrix, consumers are generally disinclined to pay for online content. As per the results of this survey, 70 percent of online content consumers ruled out the practice of paying for online content becoming commonly acceptable, however, 42



percent expected to see price tags on future online content [35]. This result is replicated in 2009 by a Ipsos/PHD study. Such results are intriguing since these same online consumers would not contemplate not paying for tangible goods purchased online, in fact such an act would ordinarily be considered stealing.

The reluctance amongst consumers to pay for online content could be the result of consumers being accustomed to cost less consumption of online content in recent past and the perceptions of not paying for online content being socially acceptable. However, it is also possible that perception of Internet being a vast reservoir where content is available through myriad distributors, the ease of locating content of interest through search engines, the relatively high anonymity of online behavior, or even the perception of online content not being of adequate quality could influence online content consumers' norms of economic behavior online. Accordingly this study proposes that consumer expectations molded by past experience and behavior induced by perceived attributes of internet based transactions taken together are likely to influence online content consumers' response to publishers' efforts to introduce paid online content. This study thereby aims to investigate the factors responsible for predisposing consumers toward not paying for online content so that online content publishers may devise an effective response to it.

The advent of e-commerce led to a number of studies exploring consumer behavior within the Internet environment. Most of these studies focused on the adoption of online shopping [45]; [59] and consumer satisfaction [39]; [73]. However, since two thirds of internet users balk at paying for information or services accessed online [62] while unquestioningly paying for tangible goods acquired online, there is a need for focusing on consumers of online content specifically. Of the studies that have exclusively targeted online content, the study by [12] focused on the impact of perceived benefits and perceived risks on users' intention to pay for online content and found that importance of the use was a significant predictor of paying intentions even though website's brand image did little to enhance paying intentions amongst users. The study by [10] found that social factors and perceived results from utilizing fee based online content play an important role. They further advocate customized product in segmented market places. [22] looked at the issue of incorporating various revenue stream models by firms engaged in online businesses and their impact

on firms' performance. The study by [38] investigated generating, organizing, designing and communicating content with intent to relating and interacting with the user of that content and reached the conclusion that online content publishers need to create value in their content by incorporating knowledge and structure that is unique and informative. These studies while focusing on certain key issues related to online content e-commerce, do not address the issue of user intention to pay for online content in a comprehensive manner. This study thereby fills the gap in online content e-commerce research by investigating the factors influencing online content consumers' intention to pay for online content using a comprehensive theoretical basis. A systematic model is developed by employing the frameworks of the Theory of Planned Behavior [1] and the Theory of Innovation Diffusion [47];[48]. This systematic but general model is used as a basis for predicting the formation of intention to pay for online content by an online consumer.

2. LITERATURE REVIEW AND HYPOTHESIS DEVELOPMENT

The Theory of Planned Behavior (TPB) [1], a major research framework for predicting behavioral intentions, provides the mechanism to predict intentions by evaluating people's attitude, subjective norm and perceived behavioral control. TPB is extended from the Theory of Reasoned Action (TRA) proposed by [21]. TRA asserts that attitude and subjective norms influence behavioral intention, which in turn influences overt behavior [21]. While TRA introduced a compelling and coherent structure in the field of attitude [54], it also specified a boundary condition of volitional behavior, that is, behavior which is largely under a person's control [21], [15]. In TPB, perceived behavioral control is added as a predictor of intentions and behaviors, extending TRA to behaviors which may lack volitional control and require resources, cooperation and skills [1]. A meta-analysis conducted by [58] evaluated TPB and TRA in predicting and explaining intentions and behavior and found that the two theories explain on average between 40% and 50% of the variance in intention, and between 19% and 38% of the variance in behavior. Accordingly, we suggest that the attitude toward paying for online content, subjective norms, and the perceived behavioral control will determine a consumers' intention to pay for online content. Also, we propose that attitude is determined by the characteristics of



innovation as suggested by [47];[48]and perceived behavioral control is determined by internet self efficacy and perceived web safety to complete the research model for this study. The main components of the model are discussed below.

3. ATTITUDE TOWARD BEHAVIOR

According to [1], people's attitude toward a behavior determines their intention to perform that behavior. Attitude toward a behavior is created by people's belief regarding the likelihood of the outcomes due to that behavior and the evaluation of those outcomes. In other words, if people believe that certain kind of behavior is likely to result in outcomes considered favorable, they are more likely to perform that behavior. In the literature on consumer adoption, a number of studies have successfully employed TPB to link attitude with intention to adopt products and provided consistent results that attitudes are positively related to the consumer adoption intention/behavior [31]; [33]; [59]; [17]). In their study of 345 consumers from UK and Greece, [33] found that the consumers' attitude toward environmentally friendly products influenced their intention to buy these products. [59] also found a positive relationship between attitudes and consumers' intention to adopt products created through technological innovation. In this study, the attitude toward paying for online content would be influenced by a person's evaluation of the possible outcomes resulting from this behavior in terms of acceptability. Accordingly, we propose that online content consumers' attitude toward paying for it will be positively related to their intention to pay for consuming online content. That is, if online content consumers believe that paying for online content will lead to positive outcomes, such as increase in knowledge or entertainment, they will be more inclined to pay for it.

This suggests that:

H1: Attitude toward paying for paid online content will be positively related to the intention to pay for online content.

4. DETERMINANTS OF ATTITUDE: THE INNOVATION CHARACTERISTICS

In this study, we regard paid online content as an innovation in the field of intellectual property creation and dissemination. This assertion is appropriate because online content is created using technologies that are distinct from those used in paper based content and also it is accessed and consumed through Internet and is therefore

significantly richer, varied and interactive than options available previously through non-internet media. For example, online job search providers today not only allows users to search jobs and post their resumes but also match an applicant's characteristics with those desired by prospective recruiters; online greeting card providers let users' exchange interactive greeting cards created with multimedia technologies; online magazines allow readers forums for instant feedback and discussion that were previously unavailable. Since online content offers consumers a new channel for accessing intellectual property that did not exist before the advent of internet, it can be considered an innovation in the context of intellectual property publication, distribution, and utilization consistent with the definition of innovation suggested by [72] that innovation is any idea, practice, or material artifact perceived to be new by the relevant unit of adoption.

Regarding innovation adoption behavior, consumption of free online content cannot be considered true adoption of online content since consumers of free online content are not faced with sacrificing their consumption elsewhere. However, paid online content requires consumers to make a decision to either consume online content by sacrificing their other consumption, or not consume online content and thereby reject it. According to [14], the concept of consumer acceptance should be expressed in terms of perceived value derived by them from a product. Value for consumers is the difference between the utility inferred from the perception of quality and the sacrifice associated with the price to be paid for it [73], [40]. Users might use online content while it is free even without deriving any utility from it as it costs them nothing; however paid online content will be used only if they perceive utility from that content at least comparable to the monetary sacrifice involved. Hence consumption of paid online content is a truer test of innovation adoption behavior by online content consumers. Mere use of free online content cannot be considered genuine adoption of this innovation by the consumers.

[47];[48] theory of innovation diffusion, one of the most influential innovation adoption frameworks, identified certain key characteristics of innovation. Three of those characteristics, relative advantage, complexity and compatibility, have demonstrated significant influence on the adoption of innovation products [23]; [19]; [11]; [18]; [27]; Duke, 1990; [28]. A meta analysis of innovation characteristics and innovation adoption by [65] found relative advantage, complexity and



compatibility to be more consistently related to adoption behavior compared to other characteristics of innovation proposed by Rogers' theory. Accordingly, in this study we suggest that relative advantage, complexity and compatibility aspects of online content are likely to influence the intentions of online content consumers toward paying for online content mediated by their attitude toward this behavior.

5. RELATIVE ADVANTAGE

Relative advantage refers to the degree to which an innovation provides benefits that exceed those of its precursor [47];[48]. One of the most tested attributes of innovation, relative advantage demonstrates a consistent positive relationship with the adoption of innovation [62]; [23]; [59]. In this study, relative advantage is defined as the extent to which online content available through payment offers advantages of variety, richness and quality against that of free online content and content available through non-internet medium. It is therefore proposed that advantages perceived to be accruing from paid online content will lead to superior evaluation of the behavior of paying for online content by its consumers and consequently develop positive attitude toward this behavior.

This suggests that:

H1a: Relative advantage accruing from paid online content is positively related to attitude toward using paying for online content.

6. COMPLEXITY

Complexity is defined as the extent to which an innovation is perceived to be relatively difficult to understand and use [49]. [59] found that the complexity of using VCR Plus compared to using a regular VCR was negatively related to consumers' attitude toward using this new product. According to [43] in case of complex products such as computers, addition of novel attributes can actually reduce product evaluations. Hence complexity can adversely influence the attitude of users toward a behavior. In this study, complexity is defined as the degree to which paying for and consuming online content is perceived to be difficult to learn or accomplish. Consumers need to comprehend directions posted on the website and traverse through a series of actions that must be performed in a certain order besides providing required information in the prescribed format so as to successfully access online content. Using online content could also pose challenges to consumers

lacking training or experience in internet use. Complexity is thus likely to be a significant factor in the formation of attitude toward paying for online content. Consumers feeling daunted by the complexity aspect of paid online content are unlikely to form a positive attitude toward paying for online content.

This suggests that:

H1b: Complexity of online content access and usage will be negatively related to attitude toward paying for online content.

7. COMPATIBILITY

Compatibility refers to the degree to which an innovation fits with the potential adopter's existing values and previous experience [47];[48]. The more an innovation is compatible with a potential adopter's existing values and past experience, the more positively the potential adopter will evaluate the innovation and more likely adopt the innovation. [27] found that the success of new product research and development depends on its compatibility with consumers' living pattern and self-image. [23] argued that the demand outcome of a new product launch is dependent on the new product's compatibility with buyers' values and experiences.

In this study, consumers will form positive attitude toward the behavior of paying for online content if this behavior fits well with their values and previous experience. Consumers with less than favorable opinion of online content are not likely to be enthusiastic about paying for it and neither would consumers who consider paying for online content a less than productive utilization of their financial resources. The previous experience dimension of compatibility is likely to be significant due to cost less consumption of online content to which consumers have grown used to during the recent past.

This suggests that:

H1c: Compatibility with paid online content will be positively related to attitude toward paying for online content.

8. SUBJECTIVE NORMS

Subjective norms are determined by the normative beliefs about specific referents' attitudes toward performing a certain behavior and the subject's motivation to comply with the specific referents. [21] define subjective norms as people's general belief as to how most other people important to them feel they ought to behave. The existing literature in consumer behavior provides



evidence of positive relationship between subjective norms and consumers' intention to adopt products [59]; [16]; [17]. In a study of consumer intention to buy environmentally friendly products, subjective norms were found to be a significant determinant of intention [33].

In this study, normative beliefs refer to the attitude of referent groups such as family or friends toward the behavior of paying for online content. Motivation to comply refers to the extent to which consumers of online content will behave in accordance with their perceptions of referent group's beliefs. Accordingly, we suggest that if consumers believe that their referent group considers paying for online content to be acceptable and they are willing to comply with the referent group, they will be more likely to pay for online content.

This suggests that:

H2: Subjective norms will be positively related to the intention to pay for online content.

9. PERCEIVED BEHAVIORAL CONTROL

Perceived behavioral control, according to [1], refers to the extent to which one's intention to perform a certain behavior depends on the amount of control one perceives to have over accomplishing that behavior. If consumers feel confident about their ability to pay for and use online content in terms of resources and ability, they may have stronger intention of paying for online content. [1] argue that perceived behavioral control acts as motivator of strong effort at carrying out the intention even if the perceptions of control may not be fully realistic. In a study of shoplifting intentions in British stores, perceived behavioral control was strongly correlated with intentions [64]. The studies mentioned above involved intentions to accomplish tasks considered not entirely within the volitional control of subjects; however perceptions of being able to perform that action were the determinants of the intention to actually attempt it.

This suggests that:

H3: Perceived behavior control will be positively related to the intention to pay for online content.

10. DETERMINANTS OF PERCEIVED BEHAVIORAL CONTROL

Internet Self Efficacy

[9], and [26] suggest that self-efficacy with respect to using computers is related to the

adoption of a variety of computer behaviors. However, computer usage competence by itself is unlikely to be adequate in determining adoption of paid online content as it is more facilitative than imperative in this case. A consumer possessing deep insights regarding nuances of online content search such as deploying search engines or portals to locate best possible online content is more likely to pay for it as he or she may have less perceptions of post-payment dissonance than a consumer who is not comparably certain about locating online content. [45] posit that Internet self efficacy is a function of Internet experience and thus experienced online consumers are more likely to possess certitude about judging the expected usefulness and quality of paid online content and thus may be more decisive in paying for online content than consumers lacking that experience.

This suggests that:

H3a: Internet Self efficacy will be positively related to perceived behavioral control.

Perceived Web Security

Perceived web security has been defined as the extent to which one believes that web is a secure medium for transmitting sensitive information [52]. Perceived web security is relevant for determining consumers' online purchase intentions as such transactions have the potential of putting them at the risk of compromising confidential financial and personal information to malicious interception. Transition from traditional brick and mortar retailing to innovative non-store environment may contain a perceived level of risk [20]. Perception of such risk is a significant determinant of consumer intention to shop online since the perceived pain and anxiety associated with the negative outcomes is real to the individual [51] and will only be reinforced by unfavorable outcomes [6]; [50]. Consumers with perceptions of web being a safe enough medium to conduct transactions involving financial and identity aspects are more likely to pay for online content than those who entertain misgivings about safety of internet based transactions.

This suggests that:

H3b: Perceived Web security will be positively related to perceived behavioral control.

See Figure 1 for Model.

In sum, in our proposed model, influence of internet based transactions is represented by internet self-efficacy, perceived web security and



complexity components of the model. Influence of previous experience and social acceptance aspects is represented by compatibility and subjective norms components of the model while quality and usefulness comparison aspects of paid content are represented by the relative advantage component of the model.

11. METHODOLOGY

Measures

Five-point Likert-type scales were used to measure all the variables in this study. Attitude, subjective norms, perceived behavioral control, and intention to pay for online content were measured directly. Items to measure these four constructs are based on scales developed by [2] and [1];[3]. Items were modified in accordance with the context of this study. Relative advantage, complexity and compatibility measures are based on scales developed by [41]. These scales have been used in several studies [25]; [59]; [63] with reliabilities above 0.7. Items were modified in accordance with the context of this study. Measures for internet self-efficacy are based on scale developed by [45]. Measures for perceived web security are based on scale developed by [52]. Items were modified in accordance with the context of this study. (See Table 1).

Sample

The sample consisted of undergraduate business students in a north-eastern US university. The students were mostly juniors or seniors and were well acquainted with the concept of online content and most possessed substantial experience in utilizing it. The demographics consisted of 66% Caucasian, 23% Asian, 4% African-American and rest classified as others. Gender wise the division was 60% male and 40% female. The subjects were verbally briefed about the study's purpose of researching online consumer behavior and its focus on paid online content. They were also explicitly briefed about what was not considered as online content within the purview of this study and were encouraged to clarify any doubts before taking the survey.

12. DATA ANALYSIS AND RESULTS

Structural equation modeling (SEM) was adopted for the purpose of analyzing data in this study using Amos software. SEM estimates a series of separate, but interdependent, multiple regression equations simultaneously by specifying the structural model [24]. Hypotheses are

simultaneously assessed in the context of the entire model rather than through independent regression analyses of each distinctive hypothesis. A variety of fit diagnostic statistics are generated by the Amos software to assess how well the model actually defines the data.

The coefficient alphas for each construct were above the acceptable threshold of 0.70 set by Nunnally (1978) except for complexity (0.61) and web security (0.68). The measurement model fit the data well. (See Table 2).

Chi-square (df 332) (sample size 213) is 881.8. The chi-square test assessed the goodness of fit between the reproduced and observed correlation matrices. [68] suggest that the chi-square to degree of freedom ratio (chi-square/df) is reasonable for values of five or less. [24] suggest that ratios less than three indicate an acceptable fit between the hypothetical model and the sample data. The ratio of 2.65 therefore represents an acceptable fit. Several other measures of fit are used apart from chi-square test which is sensitive to sample size [5]. CFI and GFI represent other goodness of fit criteria not sensitive to sample size [5]. These indices represent an improvement in fit of the hypothesized model over the null model, in which all observed variables are specified as uncorrelated. These indices have expected values of 1.00 when the hypothesized model is true in the population. According to [34], the acceptable thresholds for these fit indices are greater than 0.90 which was obtained by the values observed in our model, (CFI is 0.92, GFI is 0.90). The Root mean square error of approximation (RMSEA) is an estimate of the discrepancy between the original and reproduced covariance matrices in the population [68]. Browne and [8] suggest that an RMSEA of .05 or less indicates a close fit. RMSEAs between .05 and .07 represent a good fit, .07 to .10 provide an acceptable fit and RMSEAs greater than 1.0 are a poor fit. In this study RMSEA was 0.07 which indicates a fair fit of the model on the data (See Table 3).

The path coefficients for the theoretical structural model provide support for five of the hypotheses. Of these five, four hypotheses were supported at the 0.01 level and one was supported at the 0.05 level. Hypothesis 1 between attitude and intention to pay for online content was supported at the 0.01 level. Hypothesis 1b between complexity and attitude was supported at the 0.05 level, and the sign was negative as expected. Hypothesis 1c between compatibility and attitude was supported at the 0.01 level. Hypothesis 2



between subjective norms and intention to pay for online content was supported at the 0.01 level. Hypothesis 3a between internet self-efficacy and perceived behavioral control was supported at the 0.01 level. The coefficients for each path are given in figure 2. The findings of this study did substantiate some of its initial assumptions while support was found lacking for others.

See Figure 2 for findings.

This study found that attitude and subjective norms were positively related to the intention to pay for online content whereas perceived behavioral control was not significantly related to the intention to pay for online content. Relative advantage was not significantly related to attitude. While internet self-efficacy was significantly positively related to perceived behavioral control, perceived web security was not.

13. DISCUSSION

This study's focus was on online consumers' behavior in light of market research findings that most consumers are averse to paying for online content. Even though this study used college students as subjects, its findings should be considered significant since the population segment with average age of 23 years comprises 21% of total US population but constitutes 27% of total internet users and is considered a trendsetter in technology use (Horrigan, 2003). Online content is an innovation and its characteristics along with the characteristics of the transaction medium, the internet, were hypothesized to influence the intention of consumers to pay for online content. The frameworks of two major theories, the Theory of Planned Behavior and Rogers's Innovation Diffusion Theory, were applied to create a model for operationalizing the factors influencing online consumers' intention to pay for online content.

Attitude was found to influence the intention to pay for online content significantly. Online content has been compared to experiential goods [22] and according to Reddy, [46], experiential goods are those for which consumption is an end in itself. The outcomes expected of online content are likely to be the satisfaction and enjoyment attained through sensory mediums that create an experience. Thus, consumers expecting a positive experience resulting from online content consumption will likely have the intention to pay for it.

Of the determinants of attitude, relative

advantage was found to be not significant. Thus users consider online content obtained against payment to be no superior in quality and usefulness to content obtained free of cost or content obtained through other media. The existing benefit perceptions of online content are unable to match its expected cost. This result has significant implications for online content publishers. Unless consumers expect to derive unique benefit from online content equivalent to its cost, they are unlikely to become paying customers. Online content publishers need to assess this aspect of consumer perception in terms of both their existing marketing policies and proposed revenue generating strategies. They may reconsider the extent of free content currently provided to consumers in order to create a more compelling need for paid content. A revenue strategy designed to individually charge units of online content as against charging one price for all content may also provide consumers a reason to pay for online content.

Of the remaining two determinants of attitude, complexity was found to be significantly negatively related to attitude as expected. Thus, the more intricate and circuitous the process of accessing and utilizing paid online content, the more consumers are unlikely to be enthusiastic about paying for it. Also, complexity factor may apply not just to user interface issues but also to additional skills such as downloading and playing media required for deriving benefit from the content. Online content publishers thus need to keep user interface simple and intuitive as also offer detailed instructions on how to easily access online content. The third determinant of attitude, compatibility, was found to be significantly positively related to attitude. Compatibility, which measures agreement between personal values and behaviors is considered a significant issue for behaviors involving cultural or normative connotations [47];[48]. Compatibility is influenced by the established practices, values, traditions and expectations of users [67]. Compatibility assumes salience in this study because online content perceived as conflicting with norms and values acceptable to the user, such as online greeting cards deemed offensive to one's social or religious beliefs or publications contradicting one's social and political views, will create a negative attitude toward the behavior of paying for it. The implication for online content publishers and distributors is to carefully assess the message their content is sending out to potential consumers and appropriately tailor it to maximize their consumer



base.

Subjective norms were significantly positively related to the intention to pay for online content. Accordingly, paying for online content is perceived by consumers as behavior that should be consistent with referents' opinion about it. It indicates that consumers will pay for online content if such behavior conforms to referents' perceived positive disposition toward it and vice versa. According to [37] the most important consequences of behavior are often the reactions of others, hence users are likely to pay attention to referents' attitude in order to judge the acceptability of paying for online content even if they themselves hold positive feelings about it. This result has implication for online content publishers and distributors in terms of creating public awareness regarding intellectual and financial investments inherent in creating and disseminating online content which needs consumers' financial support.

Perceived behavioral control is considered an important predictor of intentions in situations with low or diminished user discretion to act [1]. In case of online content, the users' intention to pay for it are likely to be contingent on their perceptions of possessing ability to locate desired content, be able to pay for it and utilize it. It necessitates a belief in one's own requisite capabilities as well as in the wholesomeness of internet's security environment. However, in this study perceived behavioral control was found to be not significantly related to intention to pay for online content, although the relationship between internet self-efficacy and perceived behavioral control was positively significant. Accordingly, users' belief in their ability to locate best possible quality online content at most favorable terms is likely to influence the perceptions of behavioral control even though perceived behavioral control is not likely to influence behavioral intentions. Also, perceived web security was not found to be significantly related to perceived behavioral control thereby negating this study's proposed relationship between belief in internet's safety aspects and perceptions of perceived behavioral control. The implication for publishers and distributors of online content is that consumers' perceived control over the process of locating and accessing online content is not a significant predictor of their intention to pay for it. Thus, even novice Internet users, or less technically savvy consumers are as likely or unlikely to pay for online content as those with greater Internet related expertise. This finding has positive connotations for content publishers as it implies that a consumer's perceived ability to

negotiate the internet and find content of choice will not be a significant factor in his or her decision to pay for online content, thereby not limiting the online content market only to technically savvy population.

A survey by WAN/IFRA, World Association of Newspapers and News Publishers in 2010 suggests that at least newspaper companies are finally finding ways to charge for high value, highly differentiated content, and offering more commoditized content for free. While consumers are still generally unwilling to pay for online content, newspaper companies are finding that about 10 percent of their most loyal customers to pay for online content. Another initiative, Journalism Online (2011) (www.mypressplus.com) has a mission to change the consumer expectation of free content to a mindset of valuable, paid for content.

14. CONCLUSION

Publishers and distributors of online content need to devise a feasible revenue model for ensuring their continued survival as viable entities, however pervasive reluctance amongst consumers of online content to pay for it has led to a situation where objectives of the two entities are opposed to each other. The consumers of online content need to be made aware of the fact that paying for online content is as natural and requisite as paying for any other commodity which has its creators' efforts and capital invested into it. Creation of online content is an arduous and expensive task and its continued availability and quality can be ensured only if users pay for what they consume. Publishers of content would benefit by tailoring content to user tastes and requirements as presently users do not believe that paid online content provides unique benefits compared to free content or content obtained through other media

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Table 1. Scale item and factor loadings by construct

Construct	Item	Factor loading	Item Wording
Relative Advantage	RA1	.77	By paying for online content I will get access to more content.
	RA2	.74	By paying for online content I will get access to better quality content.
	RA3	.82	By using paid online content I will be able to access content I need more quickly.
	RA4	.84	By using paid online content I will be able to access content I need more easily.
	RA5	.68	By Using paid online content I will be able to access more of the content I am interested in.
Compatibility	CM1	.81	Using paid online content is compatible with all aspects of my online activities.
	CM2	.91	I think that using paid online content fits well with the way I like to access content on web.
	CM3	.88	I think that using paid online content fits well with my life style.
Complexity	CE1	.86	Paying for online content will be easy.
	CE2	.84	Understanding instructions to navigate around all parts of paid online content will be easy.
Subjective Norm	SN1	.88	Most people who are important to me would think that I should pay for online content.
	SN2	.87	The people who influence my decisions would think that I should use paid online content.
	SN3	.88	Generally speaking, I want to do what people who are important to me think I should do.
	SN4	.87	Generally speaking, I want to do what people who influence my decisions think I should do.
Perceived Behavioral Control	PB1	.88	I have the resources, knowledge and ability to obtain paid online content.
	PB2	.81	I will be able to pay for online content.
	PB3	.91	I will be able to access paid online content.
	PB4	.70	I understand what paid online content consists of.
Attitude	AT1	.87	I like the idea of using paid online content.
	AT2	.89	I think paying for online content is a good idea.
	AT3	.76	I think using paid online content is a bad idea.
Intention	IN1	.74	I intend to find out more about paid online content.
	IN2	.86	I intend to pay for online content within next three months.
	IN3	.70	I do not intend to pay for online content at all.
Internet Self-efficacy	IE1	.59	I could easily use the web to find information on a product / service.
	IE2	.88	I will get to a specific web site with a browser.
	IE3	.88	I would be able to use web on my own to locate content based web sites.
Web Security	WS1	.90	I feel secure sending personal / financial information about me to a website.
	WS2	.58	I feel unsafe providing personal / financial information about me to a website.
	WS3	.85	Web is a safe environment to provide personal financial information to a seller of online content.



Table 2. Descriptive statistics, correlations, and reliabilities

	N.	Mean	Std. Dev.	1	2	3	4	5	6	7	8	9
Relative Advantage	213	3.39	0.687	(.793)								
Compatibility	213	2.45	0.852	.251**	(.83)							
Complexity	213	2.9	0.9	- .285**	- .313**	(.61)						
Internet Self-efficacy	213	4.12	0.841	.213**	- .217**	- .146**	(.708)					
Web Security	213	2.92	0.945	0.044	0.11	-.150*	0.058	(.675)				
Attitude	213	2.44	0.965	.201**	.520**	- .323**	- .213**	.186**	(.794)			
Subjective Norm	213	2.33	0.823	0.044	.377**	-.173*	-.163*	.222**	.418**	(.779)		
Perceived Behavioral Control	213	3.72	0.927	.388**	.170*	- .471**	.452**	0.058	.180**	0.019	(.84)	
Intention	213	2.42	0.885	.137*	.516**	- .232**	- .234**	0.093	.607**	.392**	0.07	(.65)

** significant at 0.01 level (two-tailed)

* significant at 0.05 level (two-tailed)

Reliabilities are presented in the parentheses.

Table 3. Overall fits of the research model

Fit index	Recommended Value	Source of Recommended Value	Observed Value
Chi-square/degrees of freedom	≤ 3.0	Hair, Anderson, Tatham and Black (1998)	2.65
Comparative Fit Index (CFI)	≥ 0.90	Kelloway (1998)	0.92
Goodness-of-fit Index (GFI)	≥ 0.90	Diamantopoulos and Sigauw (2000), Kelloway (1998)	0.90
Root Mean Squared Error of Approximation (RMSEA)	≤ 0.08	Browne and Cudek (1993)	0.07

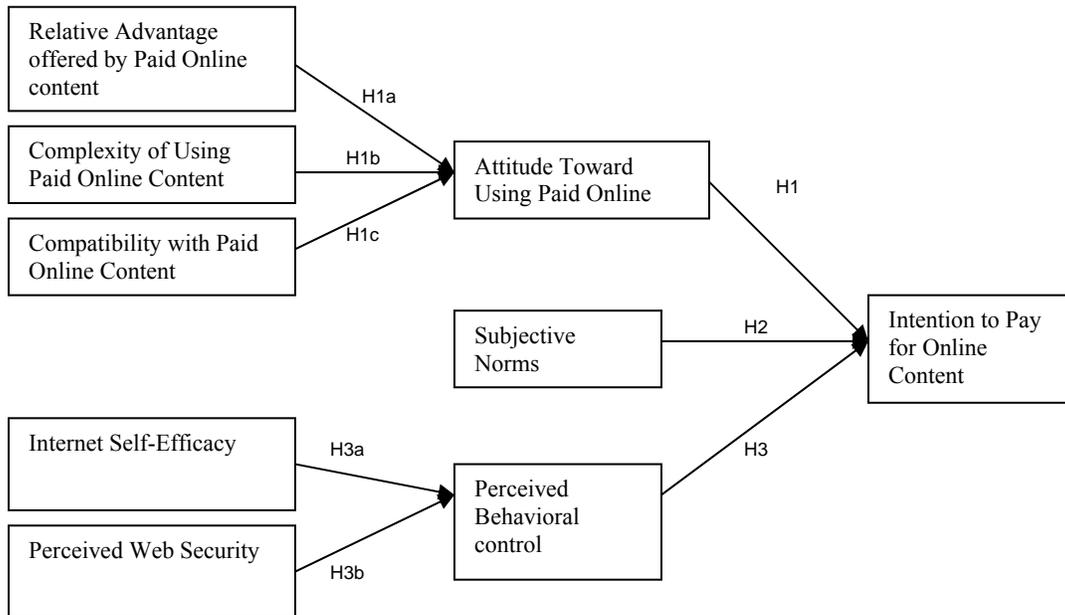


Figure 1. Proposed Model

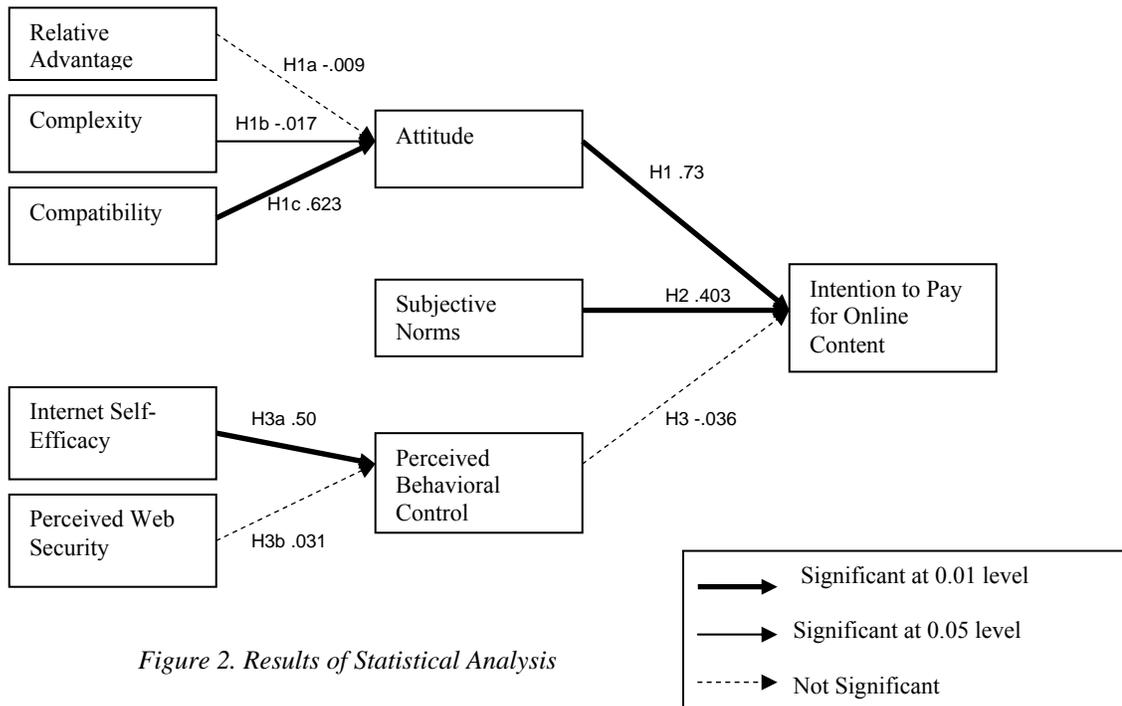


Figure 2. Results of Statistical Analysis

The purpose of the research was to study the consumer behavior in online shopping of electronics especially in Pakistan. The main research question in thesis is how consumers behave while shopping online. Primary data was collected through the questionnaire survey and by emails from personal contacts in two major cities of Pakistan. Keywords: Consumer behavior, online shopping in Pakistan, E-commerce. 3. Table of contents. Index of Figures . 5 Index of Tables .