

# A Study of Cross-Border E-Consumers' Cunning Behavior from the Perspective of Situational Action Theory

Kyumin Hwang<sup>a</sup>, Gee-Woo Bock<sup>b,\*</sup>, Han-Min Kim<sup>c</sup>

<sup>a</sup> Ph.D., Business School, Sungkyunkwan University, Korea

<sup>b</sup> Professor, Business School, Sungkyunkwan University, Korea

<sup>c</sup> Ph.D., Business School, Sungkyunkwan University, Korea

---

## ABSTRACT

Due to the differences between and distinct consumer perceptions of domestic and cross-border e-commerce (CBEC), e-consumer misconduct, which we call "cunning behavior," has emerged. This study examines cunning behavior in CBEC and compares e-consumer perceptions about environmental factors and their own personal traits using a vignette experiment and survey. The vignettes of this study were developed for three situations: illegal, deviant, and unethical behavior. Drawing on vignettes, we collected survey data and then examined the research model using the analysis of moment structure statistical tool. The results show that perceived benefit and past experience with CBEC are strong triggers for cunning behavior, while the ability to exercise self-control restrains this behavior. This study provides an understanding of why cunning behavior occurs in the CBEC context and describes different cunning behavior types.

*Keywords:* Cross-border e-commerce, Consumer negative behavior, Morality, Self-control, Situational action theory

---

## I . Introduction

Shoppers no longer need to visit their nearest store to make purchases, but can instead use the nearest digital device to place orders with a few clicks. Consequently, the "death of distance" has been described as one of the main characteristics of e-commerce (EC) (Gomez-Herrera et al., 2014; Yamin and

Sinkovics, 2006). EC enables people to search for products over a wider area (Gomez-Herrera et al., 2014). However, many researchers say that the "death of distance" is exaggerated, paraphrasing Marc Twain (Gomez-Herrera et al., 2014). In fact, distance is particularly relevant to global EC (Blum and Goldfarb, 2006; Gomez-Herrera et al., 2014; Lendle et al., 2016). In cross-border e-commerce (CBEC), distance can

---

\*Corresponding Author. E-mail: gwbock@gmail.com

become a significant barrier when trading tangible goods.

While consumers get more choices and convenience through CBEC (Paypal, 2016), it also has drawbacks such as delayed delivery, refusal of services, receiving incorrect items and difficulties in returning items (Paypal, 2016). Retailers also benefit from increased sales volume through CBEC, but disadvantages include a higher risk of non-payment, different regulations across borders, high delivery costs, and difficulty in providing remote customer service (European Commission, 2015; Paypal, 2016).

However, the critical point is that some consumers and retailers take undue advantage of CBEC, offsetting its benefits. Negative consumer behavior has grown as the volume of CBEC increased. Consumers acting counter to ethics, norms and/or laws to achieve an end can be defined as negative behavior in CBEC. Some examples include: registering for PayPal using false information to activate a foreign credit card that would otherwise be denied, requesting re-delivery by claiming the order was not received, cancelling the order after receiving free gifts, and hiding their IP address to gain access after being blocked.

Previous research on EC has focused protecting consumers in terms of securing personal information, location-based privacy, profiling, and reducing uncertainty (Dimoka et al., 2012; Jiang et al., 2013; McKnight et al., 2002; Pavlou et al., 2007). In addition, ways to evaluate EC and features that retailers need to carry out business successfully have also been studied (Huang and Benyoucef, 2013; Lee, 2001). However, retailers are increasingly experiencing unexpected costs due to consumer misconduct in CBEC, which has been underexplored. Past research on consumer misconduct was mostly based on offline service sectors, such as restaurants, markets, and hotels, using various terms such as “deviant consum-

er”, “jaycustomer”, “problem customer”, “dysfunctional customer”, or “unfair customer” (Berry and Seiders, 2008; Bitner et al., 1994; Harris and Reynolds, 2003; Lovelock, 1994; Moschis and Cox, 1989). CBEC consumer misconduct is related to differences in legal punishments between countries and complicated delivery procedures, which lead to opportunistic behavior. Therefore, consumer misconduct in CBEC should be investigated more thoroughly to improve our understanding of consumer misconduct in CBEC. In addition, practical countermeasures to prevent consumer misconduct in CBEC are needed.

To develop a comprehensive understanding of consumer misconduct, this study seeks to answer the following research questions. First, what is the definition of negative e-consumer behavior in CBEC? Second, what are the determinants of this behavior and how do those factors influence such behavior in the CBEC context? In this study, such conduct is referred to as “cunning behavior,” defined as consumer actions that go against ethics, norms, and/or laws to achieve an end based on his/her morality as a standard of conduct.

In this study, we delve into cunning behavior in CBEC based on personal morality, ability to exercise self-control, perceived benefit and perceived deterrence in the online environment. Wikström's Situational Action Theory (SAT) (Wikström, 2004) has been frequently used to predict an individual's criminal behavior (Antonaccio and Tittle, 2008; Brauer and Tittle, 2017; Gallupe and Baron, 2014) based on morality and the ability to exercise self-control. SAT uses the interaction of personal traits and environmental characteristics as the key to explaining negative behavior (Antonaccio and Tittle, 2008; Brauer and Tittle, 2017). In this study, lack of morality and low self-control are examined as personal traits (Al-Rafee and Cronan, 2006;

Antonaccio and Tittle, 2008; Brauer and Tittle, 2017; Moschis and Cox, 1989), and perceived benefit and perceived deterrence are examined as environmental characteristics.

This study contributes pioneering research on negative e-consumer behavior using a robust theory based on a new definition of consumer misconduct in CBEC as cunning behavior. In addition, we propose the idea of a “return of distance,” whereas EC used to be associated with the “death of distance.” This study also makes some practical contributions. This study demonstrates how CBEC retailers need to react to e-consumers’ cunning behavior in CBEC. CBEC retailers need to reinforce the deterrence in terms of certainty, severity, and celerity of punishment. It is important to have a corresponding procedure to handle cunning behavior, even when it is difficult to detect. Moreover, since morality can be taught and developed, improved digital ethics education is recommended for children. This is necessary because internet usage has increased for young age groups who represent future CBEC consumers.

## II. Literature Review

In this section, relevant literature on consumer misconduct and CBEC are reviewed to define cunning behavior and provide an in-depth understanding of the context of the study.

### 2.1. Definition of CBEC and Prior Research on EC and CBEC

In this study, CBEC is defined as the “sale of physical goods directly to consumers in other countries, being ordered online and delivered from a country where a foreign shop is based or from a central

logistics facility across country borders” (yStats, 2014). The advantages of CBEC, such as the availability of diverse products that are not easily found in the local market and the overall low price (Hunter and Wilson, 2016), have led to an increased market volume.

While concerns about the global reach of EC have suggested that physical distance is meaningless when searching for information or making international transactions (Cairncross and Cairncross, 1997), recent studies showed that the “death of distance” is an exaggerated description for EC (Gomez-Herrera et al., 2014). In fact, direct interaction is required due to information friction (Blum and Goldfarb, 2006) and distance costs, including language-related services, parcel delivery, and online payment systems (Gomez-Herrera et al., 2014). This is certainly due to the border effect caused by regional differences, such as the border itself, culture, and other types of geographically confined variables (Gomez-Herrera et al., 2014). In order for parcels to be delivered across borders, the border effect is activated for each CBEC process: placing an order, making a payment, shipping, tax, and other factors. Yet, CBEC literature has mainly focused on the consumer-to-consumer (C2C). The important considerations in C2C CBEC are uncertainty toward the seller and the product itself (Dimoka et al., 2012; Lendle et al., 2016). Unless the sellers are top rated or PowerSellers, the risk of encountering fraud is high. Additionally, customers have to take responsibility for predicting product performance.

Previous EC studies can be divided into two perspectives, namely the consumer’s point of view and retailer’s point of view. Consumers focus on trust in retailers, security of personal information, and consumer satisfaction (Fang et al., 2014; Gefen, 2000; Gefen and Straub, 2004; McKnight et al., 2002; Pavlou

and Fygenson, 2006). The purpose of these studies was to reduce uncertainty from EC and increase purchase intention. Consumer trust is based on their familiarity with the Internet vendor and its processes, and trust increases the intention to purchase (Gefen, 2000; Gefen and Straub, 2004; McKnight et al., 2002; Pavlou and Fygenson, 2006). One study showed that online repurchase intention depends on trusting the online vendor (Fang et al., 2014). From the perspective of retailers, some previous studies emphasized the need for a successful EC strategy. Huang and Benyoucef (2013) demonstrated some of the design features of EC, including layers of individuality in terms of personalization and activity profiles, a conversational layer for usability in terms of information sharing and social content presentation, and a community layer for system quality in terms of community support and relationship maintenance. In addition, the measures of success in EC have been explored (Lee, 2001). Lee (2001) suggested five steps of success, along with an analytical framework for evaluating EC. The five steps for successful EC when transforming from a traditional business setup are: re-defining competitive advantage, re-thinking business strategy, re-examining traditional business and revenue models, re-engineering the corporation and website, and re-inventing customer service (Lee, 2001). Based on our literature review, it is clear that EC research from a retailer's perspective has mostly focused on increasing purchase intention, and on various strategies or innovative guidance for successful EC.

However, studies on CBEC are lacking. One study investigated the drivers of and barriers to CBEC in the EU market (Gomez-Herrera et al., 2014) and concluded that general trade costs are greatly reduced compared to offline trade. Nevertheless, there are language-related trade costs and other new costs,

such as for parcel delivery and online payment systems, even though eBay shows that the distance effect is smaller on average due to a reduction in search costs (Lendle et al., 2016). Yamin and Sinkovics (2006) introduced a way to reduce psychic distance in online internationalization. Notably, previous studies also did not fully address the influence of Internet technology on cross-border trade or present the implications of the "death of distance." Thus, the current study goes beyond a specific region, such as within the EU, and a specific type of EC, such as C2C like eBay. We will specifically consider business-to-consumer (B2C) in CBEC. Making a purchase from a well-known international business will eliminate the uncertainties that C2C consumers might have in CBEC, such as seller uncertainty and/or product uncertainty. Accordingly, we can focus on research questions associated with e-consumers' misconduct toward CBEC retailers.

## 2.2. Definition of Cunning Behavior and Causes of Consumer Misconduct

Even though the Internet provides opportunities for unethical behavior (Freestone and Mitchell, 2004), research on consumer misconduct online has been limited. Previous research on consumer misconduct was restricted to offline consumers in the service sectors. To clearly define consumer misconduct in CBEC and understand its causes, this study explores different types of consumer misconduct through research in the offline service sector as well as criminal behavior online.

Previous studies on consumer misconduct have examined their behavior in face-to-face circumstances, such as hotels, restaurants, markets, or airlines. They describe consumer behaviors using different terms, definitions, and forms (see <Table 1>).

&lt;Table 1&gt; Different Types and Scopes of Consumer Misconduct

	Illegal	Deviant	Unethical
Jaycustomer	Consumers deliberately act in a thoughtless or abusive manner, causing problems for the firm, employees, or other customers (Lovelock, 1994).		
	<ul style="list-style-type: none"> <li>▪ Thief</li> <li>▪ Vandal</li> <li>▪ Deadbeat</li> </ul>	<ul style="list-style-type: none"> <li>▪ Belligerent</li> <li>▪ Family feuder</li> <li>▪ Rule breaker</li> </ul>	
Problem customer	Unwilling to cooperate with the service provider, other customers, industry regulations, and/or laws (Bitner et al., 1994).		
	<ul style="list-style-type: none"> <li>▪ Verbal or physical abuse</li> </ul>	<ul style="list-style-type: none"> <li>▪ Drunkenness</li> <li>▪ Breaking company policies</li> </ul>	<ul style="list-style-type: none"> <li>▪ Uncooperative</li> </ul>
Dysfunctional customer / Deviant consumer	Customers intentionally or unintentionally, overtly or covertly, act in a manner that disrupts otherwise functional service encounters (Gefen and Straub, 2004) / When conduct differs from some norm or standard such as manners, rules and regulations, laws, and mores, where norms are a society's prescription criteria for its members' behavior (Moschis and Cox, 1989).		
		<ul style="list-style-type: none"> <li>▪ Customer resistance</li> <li>▪ Aggressiveness</li> <li>▪ Complaints</li> </ul>	
Unfair customer	Devoid of common decency, reasonableness, and respect for the rights of others, creating inequity and causing harm for a company, its employees, and other customers (Berry and Seiders, 2008).		
	<ul style="list-style-type: none"> <li>▪ Verbal abuse</li> </ul>	<ul style="list-style-type: none"> <li>▪ Blaming</li> <li>▪ Rule breaking</li> <li>▪ Returnaholics</li> </ul>	<ul style="list-style-type: none"> <li>▪ Opportunism</li> </ul>

The different terms for negative consumer behavior include various forms and we categorized them into illegal, deviant and unethical behavior. Illegal behavior is the narrowest scope of negative behavior, and it is conduct contrary to written law where the law refers to “formally established norms according to which individuals or groups are adjudged guilty or innocent of criminal offences” (Liebling et al., 2017). It also determines how liability should be applied and how it should be graded. Deviant behavior is conduct against the norm, and the norm refers to a rule that specifies actions that are required, permissible or forbidden independent of any legal or social institution (Dubreuil and Grégoire, 2013). Unethical behavior is the widest scope of the negative behavior, and it is conduct contrary to ethics, i.e., right or

wrong according to some accepted standard that is sanctioned by habits of a group of people (Lee, 1928).

Based on the review of these various types and scopes of consumer misconduct, this study employs its own definition for CBEC misconduct called “cunning behavior.” This study does not specifically categorize a particular act from CBEC but classifies different levels of rule breaking behavior in terms of unethical, deviant and illegal to see what factors trigger such behaviors. Therefore, cunning behavior refers to a buyer's acting against ethics, norms, and/or laws to achieve an end based on personal morality.

This study defines cunning behavior based on real cases from CBEC in addition to prior studies of consumer misconduct. The following three aspects of CBEC e-consumers' cunning behavior are thus

presented: 1) illegal, 2) deviant but legal, and 3) unethical but legal. Harris and Reynolds described illegal consumer behavior as not paying for services that they have already received (Harris and Reynolds, 2003). A specific example of illegal behavior in the CBEC context is that an e-consumer deliberately asks for another parcel by lying to the retailer that he/she has not received the product, when he/she had actually received it. Deviant but legal behavior includes rejection of the company's policy by a customer (Bitner et al., 1994) in a lawful way. This can be the usage of expired coupons or indiscriminate requests for services. In the case of deviant but legal behaviors, CBEC e-consumers use detour IP addresses to gain access to a certain website, despite foreign IP addresses being forbidden according to the retailer's policy. Unethical but legal behaviors include opportunistic actions for financial gain without breaking the law or retailer's policy (Berry and Seiders, 2008). For instance, a CBEC e-consumer makes a purchase, receives freebies, and then cancels or returns the original purchase while keeping the freebies. All these examples are based on actual cases, and this study examines e-consumer behavior by developing vignettes based on these examples.

According to research on consumer misconduct in offline service sectors, personal traits are strong influential factors. Personal traits such as demographic characteristics – such as age, sex, economic status, and education/occupation – as well as psychological characteristics – such as personality traits, levels of moral development, unfulfilled aspirations, propensity for thrill-seeking, psychological problems, and attitude toward big businesses – are related to negative conduct (Daunt and Harris, 2012; Fullerton and Punj, 1993). In addition, a consumer's frame of mind, such as high anxiety level, can be an antecedent state that leads to negative conduct (Daunt

and Harris, 2012; Fullerton and Punj, 1993). Daunt and Harris (2012) examined Machiavellianism, aggressiveness, sensation-seeking, consumer alienation, and self-esteem as personal traits of misbehavior in servicescapes such as bars, hotels, and restaurants. In cybercrime literature, aggression and sensation-seeking are used to examine adolescent consumption of violent films (Slater, 2003). Moreover, moral judgment and individual attributes, such as Machiavellianism, sex, age, cognitive beliefs, affective beliefs, and perceived importance, are used to explain digital piracy (Al-Rafee and Cronan, 2006). Moral judgment is how an individual reasons when facing an ethical dilemma; those with high Machiavellianism do not consider unethical behavior and are likely to engage in cybercrime (Al-Rafee and Cronan, 2006). Cognitive belief is an individual's opinion about a subject, and affective belief refers to feelings and emotions toward the subject (Al-Rafee and Cronan, 2006). These factors are influential because engagement with criminal behavior differs based on how important an individual perceives the issue to be. Moreover, personal morality and self-control are frequently used to predict criminal probabilities (Antonaccio and Tittle, 2008; Brauer and Tittle, 2017; Freestone and Mitchell, 2004). Personal morality can restrain individuals from committing misconduct and encourage cooperation with members of society, and was selected as a good predictor for negative behavior in a study by Antonaccio and Tittle (Antonaccio and Tittle, 2008). In addition, the ability to exercise self-control can explain differences in criminal involvement (Wikström and Treiber, 2007). Individuals with low self-control tend to show vulnerability "to the temptations of the moment" (Wikström and Treiber, 2007).

Besides personal traits, environmental settings are frequently used to determine consumer misconduct.

Social/group influence indicates that misbehavior is learned and enacted by small groups whose norms oppose those of larger society (Daunt and Harris, 2012; Fullerton and Punj, 1993). Daunt and Harris (2012) examined loyalty intentions, severity of misbehavior, perceived opportunity, and perceived risk as situation-specific variables. Perceived opportunity and risk of behavior are related to personal decisions regarding the conduct's attractiveness and protection against punishment (Daunt and Harris, 2012). Regarding situational factors, deterrence, delinquent peers, and costs/rewards of violence are also used to explain illegal behaviors. Deterrence has been used with morality and self-control in criminology to describe deviant behavior as an external barrier (Gallupe and Baron, 2014). Deterrence, such as perceptions of certainty, severity, and celerity of punishment, weakens involvement in criminal behavior (Gallupe and Baron, 2014). Effects of delinquent peers include the influence of the number of friends involved in criminal acts and/or those who had been arrested for offenses (Gallupe and Baron, 2014). The cost/reward of violence also encourages criminal behavior as an external influence through the calculation of pros and cons of such behavior (Brauer and Tittle, 2017). External settings, such as alienation from school, family, and peers, and subjective norms are used to examine peer influence (Al-Rafee and Cronan, 2006; Slater, 2003).

With increasing consumption through CBEC, the phenomenon of e-consumer negative behavior and the impact on retailers that provide international shipping remain unexplored. While the Internet represents a new environment for e-consumer misconduct (Freestone and Mitchell, 2004), information system research has not yet discovered the determinants of cunning behavior in CBEC. Therefore, comprehensive research on CBEC consumer cunning be-

havior is needed.

By integrating literature relevant to consumer misconduct and illegal behavior in the offline service sector along with online criminal behavior to explain cunning behavior in CBEC, both personal and environmental factors are needed to explain negative behavior. Personal factors as an antecedent state of cunning behavior will be examined to identify triggers or means of preventing the behavior. Also, environmental factors will be analyzed to determine if they reinforce or discourage consumers' cunning behavior. Situational Action Theory (SAT) by Wikström et al. (2012) analyzes criminal behavior using both personal and environmental factors. SAT defines personal morality and ability to exercise self-control as personal factors while opportunities and frictions encountered are viewed as environmental factors. SAT explains breaches of rules of conduct in a specific environment based on how those factors interact with one another, resulting in a certain behavior. We used SAT to explain cunning behavior in CBEC because the factors used in the theory are suitable based on a previous literature review and because it comprehensively describes the negative behavior process.

### III. Theoretical Background

SAT describes crime as a moral action and aims to explain why individuals follow or breach particular rules of conduct based on the interaction between personal characteristics and environmental factors (Wikström et al., 2012; Wikström and Treiber, 2007). It explains the reason why some people are more engaged with negative conduct than others and some places have a higher crime rate than others (Wikström, 2004). SAT has been adopted to demonstrate negative

consumer behaviors, and is used to explain cunning behavior in this study because SAT synthesizes many criminal theories such as deterrence theory, social learning theory, general theory of crime, and rational choice theory through the action process.

### 3.1. Situational Action Theory

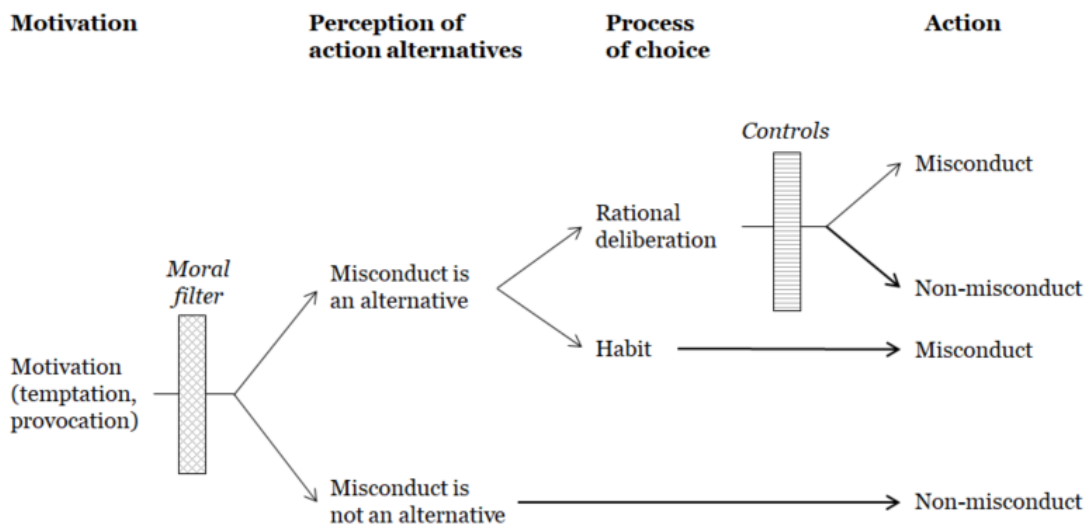
According to SAT, misconduct occurs when an individual considers the behavior as a possible alternative among other options (Wikström et al., 2012; see <Figure 1>).

According to SAT, when an individual is exposed to a motivation, personal morality and the moral norm of the setting act as moral filters when perceiving action alternatives. Once misconduct is perceived as one of the alternatives, the individual enters the choice process. Through rational deliberation, one makes a final decision. In this process, the individual goes through a deliberation by calculating the pros and cons of various action alternatives (Wikström

et al., 2012). One makes a choice between non-misconduct and misconduct by habit or moves to rational deliberation for further consideration. During rational deliberation, self-control acts as an internal controller.

Numerous empirical studies have examined SAT to describe criminal behavior (Antonaccio and Tittle, 2008; Brauer and Tittle, 2017; Gallupe and Baron, 2014). While the importance of low morality and lack of self-control are generally acknowledged in predicting negative behavior, no study has explained this relationship in the context of online consumer behavior. In this study, we will examine the effects of cunning behavior in CBEC by adopting the action process from SAT.

Motivation refers to goal-directed attention (Liebling et al., 2017) that arises when unexpected external interference causes a person to experience unusual feelings (Wikström et al., 2012). SAT indicates temptations and provocations as motivations. Motivation takes place if an individual perceives that an action will satisfy a desire (Wikström et al., 2012).



<Figure 1> The Action Process from SAT (Wikström et al., 2012)



Daunt and Harris (2012) used perceived opportunity as a motivator to describe consumer misconduct, and it was defined as the personal estimation of misbehavior attractiveness. Also, the perceived benefit was used to explain intention to shoplift (Bouffard et al., 2008), future theft intention (Matsueda et al., 2006), past theft experience (McCarthy and Hagan, 2005), and intention to commit violence (Tittle and Botchkovar, 2005). Perceived benefits also involve can financial gain and/or self-worth (Daunt and Harris, 2012). In this study, two distinct categories are considered for perceived benefit: psychic and material. Psychic benefits are perceived acquisition of non-tangible or emotional gains such as excitement, enjoyment and/or coolness (Baker and Piquero, 2010). Material benefits are perceived acquisition of tangible gains such as goods and services or money (Baker and Piquero, 2010).

Deterrence is an external controller, which is a perceived level of enforcement in a setting that affects individuals in the process of deliberation (Wikström et al., 2012). Deterrence is defined as ‘feeling worried about or fear of consequences when considering violation of a moral rule or committing an act of crime’ (Wikström et al., 2012). According to SAT, deterrence is activated only when an individual considers committing misconduct. The deterrence links perceived threat of punishment to abiding by the moral rule where punishment is defined as ‘the deliberate infliction by a third person of negative consequences, such as rebuke, pain, financial loss or deprivation of freedom’ (Wikström et al., 2012). Deterrence focuses on three dimensions: certainty, severity, and celerity. Certainty is found to be superior among the three (Hirtenlehner and Reinecke, 2018), and it refers to the probability that a punishment will occur after misconduct (Pauwels et al., 2011). Severity refers to the unpleasant consequences resulting from

misconduct (Pauwels et al., 2011). Lastly, celerity is the speed of punishment following the misconduct (Pauwels et al., 2011), where the delay in punishment should diminish the deterrence effect (Nagin et al., 2015). In this study, we combine all three dimensions of deterrence and examine their effect on CBEC cunning behavior.

When an individual’s morality and moral norms of the setting encourage a certain rule of conduct, such as cunning behavior, he/she is likely to consider the response as an action alternative whether or not it is adhering to or breaking a moral rule (Wikström et al., 2012). Personal morality acts as an internal moral filter, and the moral norm of the setting acts as an external moral filter. Even though there was variation in measuring personal morality in previous studies, moral commitment consistently inhibited criminal behavior (Antonaccio and Tittle, 2008; Pauwels, 2018). The relevance of this is that an individual with a high level of morality will not even consider the negative behavior as an action alternative (Gallupe and Baron, 2014). The moral norm of the setting induces selective perception of action alternatives in response to a motivation (Wikström et al., 2012). In CBEC, consumers come to visit foreign websites or search for CBEC to fulfill their desire to purchase goods at low cost and/or goods that are not available in a domestic market (Hunter and Wilson, 2016). When those e-consumers are exposed to CBEC information called “helpful tips” that provide descriptions about cunning behavior, e-consumers are more likely to consider cunning behavior as a possible action alternative.

The ability to exercise self-control is described as an internal controller for personal propensity (Wikström et al., 2012). While personal morality is considered as a basic factor of an individual’s propensity, the ability to exercise self-control is critical

when external factors encourage the individual to break a moral rule that they hold (Wikström et al., 2012). This can be influenced by alcohol, drug, and high levels of stress or emotion (Wikström et al., 2012). Gottfredson and Hirschi (1990) described that a lack of self-control results in both criminal behavior against laws and analogous acts, which are moral rule-breaking behaviors not defined by laws (Wikström and Treiber, 2007).

By analyzing previous studies on consumer misbehavior in offline service sectors and online misbehavior such as digital piracy, this study extracts data on the causes of certain negative behavior in terms of personal and environmental factors. Furthermore, by adopting SAT with those factors, we empirically examine CBEC cunning behavior.

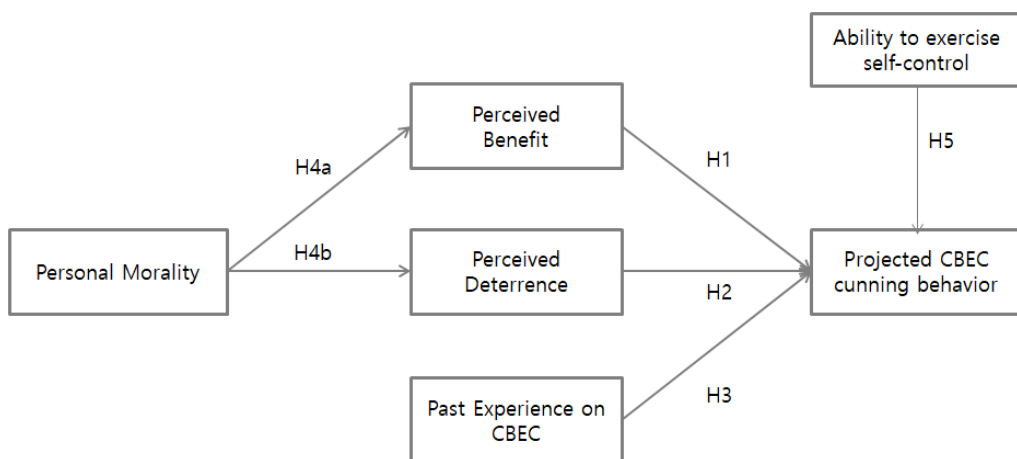
#### IV. Research Model and Hypotheses

Based on the literature review and theoretical background of SAT, a research model was developed

to predict how personal traits and environmental factors interact.

##### 4.1. Research Model

Prior research demonstrated that personal traits and environmental factors have a major effect on consumer misconduct (Antonaccio and Tittle, 2008; Brauer and Tittle, 2017; Daunt and Harris, 2012; Fullerton and Punj; 1993; Gallupe and Baron, 2014). Personal traits include morality (Brauer and Tittle, 2017) and self-control (Antonaccio and Tittle, 2008) and environmental factors include perceived benefit (Brauer and Tittle, 2017) and perceived deterrence (Gallupe and Baron, 2014). By distinguishing environmental and personal factors, we developed a research model based on SAT perspectives. Corresponding to the action process from SAT, perceived benefit and perceived deterrence directly relate to cunning behavior, and both perceptions will be affected by personal morality. Past experience of CBEC is analyzed to determine whether cunning



Control: Gender, Age, Religion, Education, Income

<Figure 2> Research Model

behavior is related to habitual behavior. The ability to exercise self-control will be related to cunning behavior as an internal controller from personal traits and it will only be operating when considering cunning behavior as a final action. In addition, control variables such as gender, age, religion, education, and income are applied, referencing prior studies (Antonaccio and Tittle, 2008; Brauer and Tittle, 2017; Daunt and Harris, 2012; Fullerton and Punj, 1993).

#### 4.2. Research hypotheses

In the choice process of SAT, which is positioned before decision making, an individual goes through rational deliberation to evaluate pros and cons of their behavior. Through the process, an e-consumer identifies action alternatives and targets the alternatives that they feel are best. From the deliberation, we will first examine how perceived benefit is related to cunning behavior in CBEC. Some major reasons to make a CBEC purchase are the overall low cost and ability to access quality products that are not easily obtained in local markets [27]. In addition to the fundamental benefits of CBEC, cunning behavior might bring something more. Perceived benefits from cunning behavior are of two types: material and psychic. Material benefits are the major drivers of CBEC, such as owning physical goods and the opportunity to increase monetary gain [3]. Psychic benefits are the perceived acquisition of emotional gains such as excitement or coolness. Because e-consumers who behave negatively only focus on the immediate benefits [7], perceived benefits will prompt consumers to behave in a cunning manner in CBEC.

*H1: Perceived benefits will be positively related to CBEC cunning behavior.*

Before making a choice, an e-consumer has to identify and weigh the deterrence. Perceived deterrence acts as an outer controller in the process of choice in SAT. Perceived deterrence reduces negative behavior because of the fear of consequences. In this study, perceived deterrence is composed of certainty, severity, and celerity. Perceived deterrence certainty refers to the probability that a punishment will occur after cunning behavior [41, 42], severity refers to the unpleasant consequences resulting from misconduct, and celerity refers to the speed of the punishment following misconduct [42]. In this study, perceived deterrence denotes all three dimensions, and will be related to decreased cunning behavior. When an e-consumer perceives high deterrence of cunning behavior, he/she will be less likely to engage in cunning behavior in CBEC.

*H2: Perceived deterrence (certainty, severity, and celerity) will be negatively related to CBEC cunning behavior.*

Past experience in CBEC reflects habitual behavior, which means e-consumers basically react to environmental cues. Habit allows environmental factor to become a trigger to intentionally respond with a specific behavior developed by repeated exposure to similar circumstances [40]. When an e-consumer has experience with CBEC and is exposed to an environmental cue of CBEC cunning behavior, the likelihood of the e-consumer to engage with cunning behavior will increase.

*H3: Past experience of CBEC will be positively related to CBEC cunning behavior.*

According to SAT, personal morality acts as a moral filter when an e-consumer perceives action alternatives. The moral filter guides selection of the

appropriate reaction in response to a circumstance. With high morality, an individual is going to screen out behavior that breaches rules of conduct. Therefore, during the process of perceiving action alternatives, an e-consumer with high morality will have a negative relationship with perceived benefits when facing cunning behavior in CBEC.

*H4a: Personal morality will be negatively related to perceived benefits when facing CBEC cunning behavior.*

As H4a, moral engagement is effective when an e-consumer perceives action alternatives. During this moral filtering process, with high morality, an e-consumer will be less likely to perceive the deterrence of the punishment of cunning behavior. High morality will filter the perception of cunning behavior of CBEC and the e-consumer won't be able to perceive the punishment of the following behavior.

*H4b: Personal morality will be negatively related to perceived deterrence when facing CBEC cunning behavior.*

Apart from personal morality, the ability to exercise self-control is effective when opposing something while supporting something else [51]. To activate self-control, an e-consumer first has to perceive action alternatives. Only then will there be room to employ self-control. In other words, self-control allows resistance to cunning behavior while an e-consumer is considering such behavior. With a high ability to exercise self-control, an e-consumer is less likely to be involved with cunning behavior in CBEC.

*H5: High ability to exercise self-control will be negatively related to CBEC cunning behavior.*

## V. Data collection and analysis

To empirically test the research hypotheses, we developed a scenario and vignettes and then evaluated respondents' perceptions. Measurement items were adopted from previous studies, as shown in Appendix 1. Single items were used for each dimension of deterrence. Although single items are not ideal, the specificity of the measure related to the dependent variable makes it appropriate (Gallupe and Baron, 2014).

### 5.1. Vignette Development

Vignettes include a storyline based on a real personal experience with real pictures, detailed descriptions of the cunning behavior process, emojis with diverse font sizes and output of the behavior. As discussed earlier, there are three different scopes of cunning behavior – illegal, deviant but legal, and unethical but legal. Based on these three scopes, three vignettes were developed. The illegal vignette is about a false re-delivery request. The deviant but legal vignette is about using a detour IP address to access a website that blocks IPs from out of country, and the unethical but legal vignette is about receiving freebies without paying a penny. How the vignettes were manipulated, and full descriptions of each vignette are included in Appendices 2 and 6.

### 5.2. Survey Administration

The subjects for the survey were general Internet users in Korea. The online survey link was posted on four virtual communities in Naver, which is the number one search engine and has the largest market share in Korea. For the measurement items, survey items were selected from prior literature, and back

translation was done by three experts in this field of research who are fluent in both Korean and English. After several adjustments, a pilot test was conducted with 60 graduate and PhD students in a university in Korea. Minor adjustments were made before the actual survey. In the main survey, personal morality and the ability to exercise self-control were measured along with demographic items before the manipulated virtual postings were presented. After the respondents read the randomly provided vignette, they were asked to answer items about perceived benefit, perceived deterrence, contemplation, and projected cunning behavior in CBEC.

An online survey was conducted from January to April 2019. A total of 1,556 responses were collected. Among them, six were excluded because they refused to provide personal information, and 172 were excluded for failing to answer a trick question. Through a manipulation check, a further 828 responses were excluded. At the end of the survey, respondents were asked at the very end of the survey to choose whether the behavior in the vignette could be regarded as illegal, deviant, or unethical behavior

where multiple choices were available. <Table 2> summarizes the demographics of 550 respondents in terms of gender, age, religion, education, and income.

Among the respondents, the number of females (71.81%) was more than twice that of males (28.18%). The proportion of respondents 20 years old or younger was 32.72% and 30 years old or younger was 47.63%. The percentage of respondents with no religion was 60.18%, and with a bachelor's degree was 68.18%. Religion was measured because it has a negative association with misconduct, as acceptance of religion signifies strong moral belief (Antonaccio and Tittle, 2008; Brauer and Tittle, 2017. According to the European Commission's Consumer Conditions Scoreboard (European Commission, 2015), increases in income and education level correlate with increased usage of CBEC. Therefore, this study also includes income and education level. Income is classified according to standard income tax brackets.

<Table 2> Demographics of Respondents

		Number of subjects	Percentage			Number of subjects	Percentage
Gender	Male	155	28.18	Education	High school or below	128	23.27
	Female	395	71.81		Undergraduate	375	68.18
Age	20s or below	180	32.72		Graduate or above	47	8.54
	30s	262	47.63	Income	Below 12 million KRW	117	21.27
	40s	77	14.00		12-46 million KRW	329	59.81
	Above 50	31	5.63		46-88 million KRW	99	18.00
			88 million KRW or above		5	0.91	
Religion	Buddhist	62	11.27	Total		550	100
	Catholic or Christian	157	28.54				
	No religion	331	60.18				

## VI. Results

### 6.1. Measurement Model

To test the measurement model, convergent validity analysis was conducted (Morris and Higgins, 2010). Confirmatory factor analysis was performed to judge the extent to which each measured item was related to what it was supposed to be. The analysis was evaluated by the reliability of each item, composite reliability, and Cronbach's alpha. Since projected cunning behavior and past experience with CBEC are all binary variables, only morality, self-control, perceived benefit and perceived deterrence were included in confirmatory factor analysis. Convergent and discriminant validity were conducted to establish validity with multi-item measures. The model fit of the measurement and structural model were confirmed to analyze the research model. All figures are shown in Appendices 3, 4, and 5.

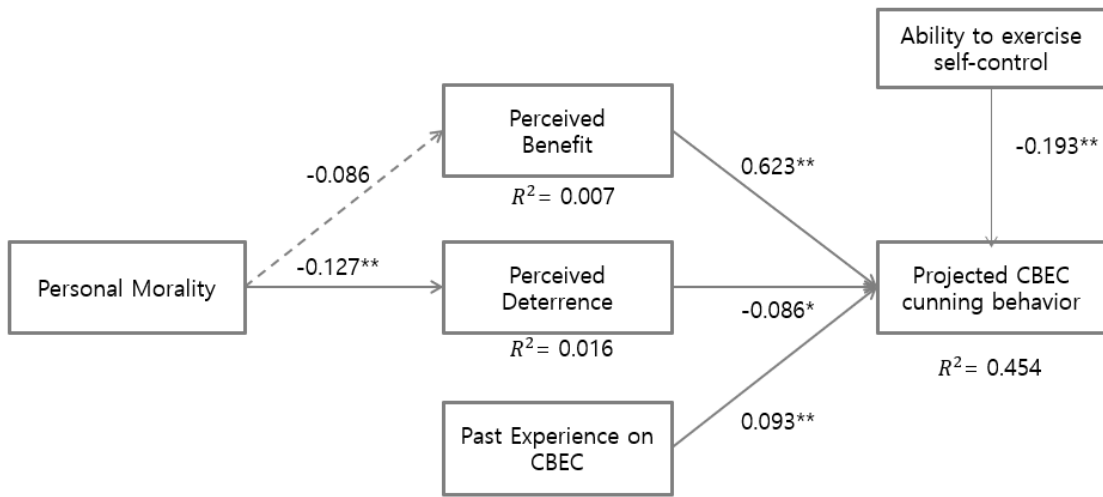
### 6.2. Testing the Research Hypotheses

For model analysis, we employed the Analysis of Moment Structure (AMOS) tool. Based on SAT and prior research, we developed a research model with six hypotheses by manipulating vignettes into three scopes of cunning behavior. <Figure 3> displays the analysis results. The analysis was first conducted using the whole sample, and then using the three scopes of cunning behavior: illegal, deviant but legal, and unethical but legal.

<Figure 3> shows the results from analyzing 550 samples. As we stated in H1, perceived benefit positively affects cunning behavior. When e-consumers perceive material and psychic benefits they will engage in cunning behavior. As in H2, perceived deterrence has a negative impact on cunning behavior.

Once they perceive deterrence, they will be less likely to engage in cunning behavior in CBEC. We found that past experience of CBEC and cunning behavior had a positive relationship, and they aligned with H3. E-consumers who had previous experience with CBEC will engage in cunning behavior when they are exposed to cunning behavior through CBEC. H4a stated that personal morality has a negative relationship with the perception of benefit of cunning behavior. However, the results show that personal morality is not significantly related to perceived benefit, whereas it has a negative effect on perceived deterrence. This result is contrary to H4b in this study. We hypothesized that e-consumers with high morality would not consider cunning behavior, while personal morality and perception of deterrence would have a significant negative relationship. Therefore, low morality makes an e-consumer perceive deterrence for cunning behavior. Along with H5, the ability to exercise self-control has a negative effect on cunning behavior. As previously explained, cunning behavior was divided into three different scopes. Therefore, we examined whether there were any differences according to scope. <Table 3> shows the results of our analysis of cunning behavior scopes in CBEC.

The ability to exercise self-control, perceived benefit, perceived deterrence, and past experience with CBEC directly influenced cunning behavior in the sample as a whole. In both the illegal and the deviant but legal samples, the results of direct effects on cunning behavior were consistent with the whole sample except for perceived deterrence. Personal morality had a significant effect on perceived deterrence in both the whole and the deviant but legal samples, whereas it influenced only perceived benefit in the illegal sample. In the unethical but legal sample, only perceived benefit significantly affected cunning behavior.



Notes: \*P-value<0.05, \*\*P-value<0.01

Control: None

<Figure 3> Results of the Whole Sample

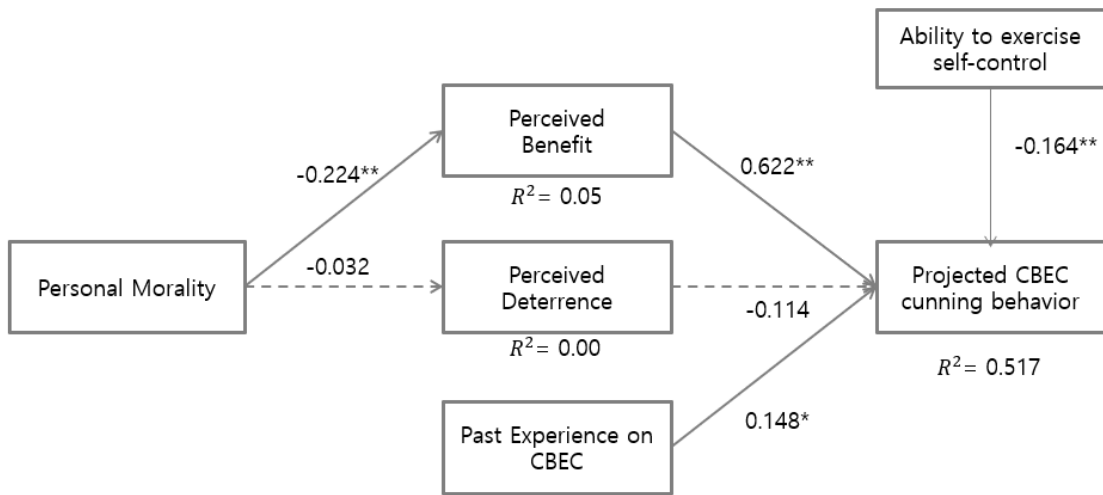
<Table 3> Results of Hypothesis Testing

Variables \ Scope	Whole Sample	Illegal Sample	Deviant but Legal Sample	Unethical but Legal Sample
	<i>B</i>	$\beta$	$\beta$	$\beta$
Projected CBEC Cunning Behavior				
-Ability to Exercise Self-control	-0.193**	-0.164**	-0.233**	-0.070
-Perceived Benefit	0.623**	0.622**	0.541**	0.667**
-Perceived Deterrence	-0.086*	-0.114	-0.071	-0.081
-Past Experience of CBEC	0.093**	0.148*	0.148**	-0.037
-Gender	0.051	0.115	0.031	0.053
-Age	-0.020	-0.01	-0.023	-0.008
-Religion	-0.005	0.006	0.026	-0.086
-Education	0.014	-0.08	0.102	0.033
-Income	0.035	0.079	0.033	-0.009
Perceived Benefit				
-Personal Morality	-0.086	-0.224**	-0.008	-0.019
Perceived Deterrence				
-Personal Morality	-0.127**	0.032	-0.223**	-0.018

Notes: \**p* < 0.05, \*\**p* < 0.01

For illegal behavior (shown in <Figure 4>), perceived benefit significantly encourages cunning behavior. However, perceived deterrence has no sig-

nificant effect on cunning behavior. Therefore, we reject H2 in the illegal behavior scope of cunning behavior. A possible reason for this is that e-consum-



Notes: \*P-value<0.05, \*\*P-value<0.01

Control: None

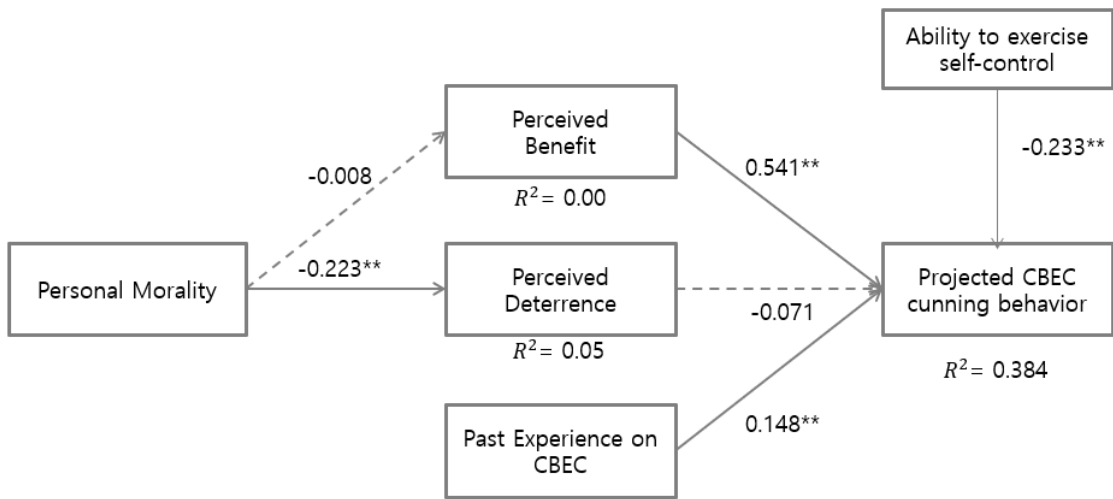
<Figure 4> Results of Hypothesis Testing for the Illegal Sample

ers do not recognize the certainty, severity and celerity of punishment because of the physical distance between their own country and the country that they made a purchase from. Past experience with CBEC is significantly related to cunning behavior and supports H3. Personal morality significantly affects perceived benefit but was not perceived deterrence. With high personal morality, an e-consumer is less likely to perceive the benefit of illegal cunning behavior. Among all three scopes of cunning behavior, illegal behavior is the only behavior that has a significant relationship between personal morality and perceived benefit. This may be because illegal behavior is an act against the law and is the strongest behavior among others, high morality diminishes its illegal benefit. In the illegal behavior of cunning behavior, perceived benefit and past experiences are stronger drivers than perceived deterrence. The illegal scope of cunning behavior in this study is described as a case where an e-consumer receives the exact same

product two times for the price of one by stating that the product was not delivered and successfully requests re-delivery. The CBEC retailers receive the e-consumer's request and re-send the parcel. Therefore, there is a lack of external factors to restrain the situation. For H5, the ability to exercise self-control has a negative effect on cunning behavior. Since self-control is an individual's inherent tendency, the relationship is significant regardless of external circumstances.

Deviant but legal behavior is described as an e-consumer deliberately using a detour IP to get access to a website to make a purchase when the CBEC retailer restricts access from a certain country. Using a detour IP is not illegal but is against the retailer's policy. In the deviant behavior, as shown in <Figure 5>, perceived benefit has a positive effect on cunning behavior. As with illegal behavior, perceived deterrence has no significant effect on cunning behavior. The CBEC e-consumer's perception of punishment

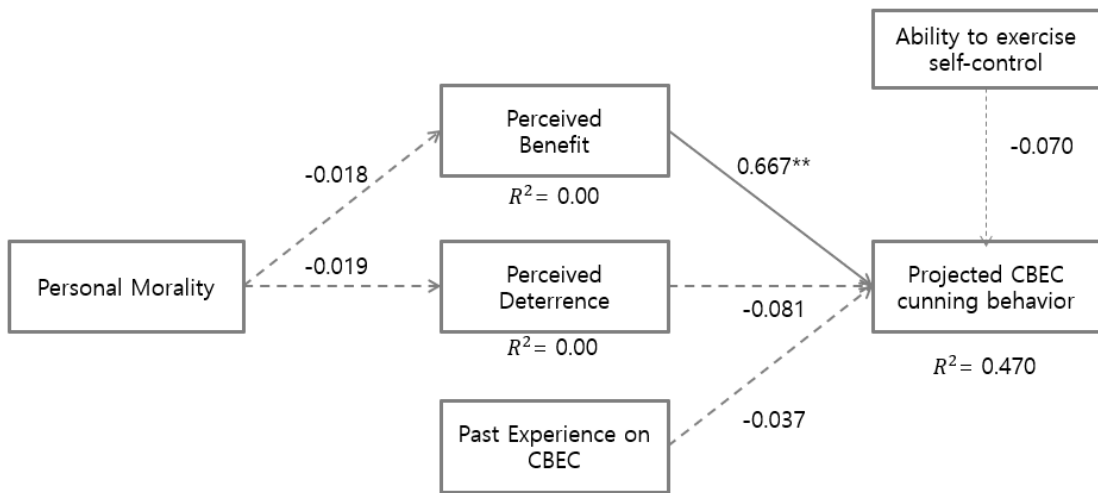




Notes: \*P-value<0.05, \*\*P-value<0.01

Control: None

<Figure 5> Results of Hypotheses Testing in the Deviant but Legal Sample



Notes: \*P-value<0.05, \*\*P-value<0.01

Control: None

<Figure 6> Results of Hypothesis Testing in the Unethical but Legal Sample

does not significantly reduce deviant cunning behavior. One possible reason is that it is hard for an e-consumer to detect a definitive punishment from cunning behavior. As H3 states, an e-consumer with

past experience with CBEC is more likely to engage in cunning behavior. Personal morality does not have a significant effect on perceived benefit, whereas it has a negative effect on perceived deterrence. Deviant

cunning behavior is not severe enough for personal morality to interrupt the perception of benefit. Lastly, the ability to exercise self-control has a negative effect on cunning behavior.

Unethical but legal cunning behavior is when an e-consumer acquires freebies and cancels the original order. Thus, the e-consumer will have these items without paying for the original order. This specific behavior is not against the law nor retailer policy. In this unethical but legal behavior, only perceived benefit has a significant positive effect on cunning behavior. All other paths are not significant. This shows that this unethical but legal behavior only occurs because of its benefit. No other factors encourage or obstruct unethical but legal cunning behavior.

## VII. Discussion

This study examined the interaction between personal traits and environmental factors in CBEC to describe cunning behavior among e-consumers. Cunning behavior was divided into three scopes: illegal, deviant but legal, and unethical but legal. Morality and self-control are used as personal traits while perceived benefit, perceived deterrence, and past experience of CBEC were selected as environmental factors. Based on the SAT action process, this study validates the relationship between these factors. When an e-consumer is exposed to information about the cunning behavior of others, that individual perceives such a behavior as an alternative. In the experiment, we presented cunning behavior vignettes to survey respondents. We designed the study to examine the relationship between personal morality and the perception of action alternatives. Only when cunning behavior is perceived as an action alternative does one go through rational deliberation by calculat-

ing the pros and cons of cunning behavior. During this process, perception of benefits and deterrence will be considered environmental factors before a behavior decision is reached. Moreover, internal control factors, namely self-control, come into play. Self-control directly affects cunning behavior.

Using 550 responses, this study demonstrates that all situational factors, e-consumers' perception of benefits, perception of deterrence and past experience of CBEC are significantly related to cunning behavior. Mainly, when an e-consumer recognizes the benefits and already has experience with CBEC, he/she will be involved in cunning behavior. Also, as a whole sample analysis, the perceived certainty, severity and celerity of deterrence reduce cunning behavior. However, when we divided the sample into different scopes of cunning behavior, perception of deterrence does not reduce cunning behavior. Possibly, an e-consumer has not been exposed to any possible punishment from cunning behavior in CBEC. In terms of personal traits, morality and the ability to exercise self-control are examined. When engaging in cunning behavior, we hypothesized that a high level of morality was less likely to indicate perceived benefits. However, personal morality has no significant relationship with perception of benefits in the sample as a whole. In illegal cunning behavior, however, a high level of morality significantly reduces the perceived benefit. This is because requesting re-delivery is an action against the law and intensive negative behavior, high morality restrains to perceive benefits from it. High self-control acts as an internal controller and reduces cunning behavior significantly. Only in unethical but legal behavior does high self-control not reduce cunning behavior. Perhaps CBEC e-consumers do not consider unethical but legal behavior a severe violation and thus the internal controller is unnecessary.

The illegal behavior sample, which included 161

respondents, showed no significant relationship between perception of deterrence and cunning behavior. This means that e-consumers' perceptions of the certainty, severity and celerity of deterrence in CBEC do not restrain illegal cunning behavior. Because of the border effect, e-consumers may think that punishment related to their negative conduct is likely to be realized. Among personal traits, those with a high level of morality are less likely to recognize the material benefits and psychic benefits of engaging in cunning behavior. Because illegal behavior has the most material benefits among the three scopes, it is the only scope of cunning behavior that has a significant relationship with personal morality. Moreover, personal morality has no significant relationship with perceived deterrence. Self-control again influences cunning behavior.

Like the illegal behavior sample, the deviant but legal behavior results showed that both perceived benefits and past experience with CBEC are strong drivers of cunning behavior, whereas perceived deterrence is not significant. Apart from illegal behavior, a high level of morality has no relationship with perceived material and psychic benefits. Deviant behavior acts against the retailer's policy, and e-consumers may think that it is not immoral enough to have significant relationship. On the other hand, unlike illegal behavior, e-consumers with high morality perceive significantly less deterrence.

Lastly, unethical but legal behavior is not significantly affected by any factors except perceived benefits. In other words, the one and only reason for e-consumers to engage in unethical cunning behavior is the perceived benefits. Two personal traits neither filter nor control the perception of action alternatives or cunning behavior itself because unethical behavior is the least negative behavior.

## VIII. Limitations and Contributions

### 8.1. Limitations

Although this study represents the first study targeting e-consumer misbehavior in CBEC (i.e., cunning behavior) and performs analysis using both personal traits and environmental factors based on the strong theoretical background of SAT, we need to interpret the above findings light of its limitations.

First, data were collected from a single country, and there could be cultural differences in both personal traits and environmental factors, which may limit generalization of the results. Because Korea has a more collectivist culture than many western countries, consumers have the tendency to imitate others. As another environmental factor, distribution systems vary between countries for imported goods, which may bring different perceptions to e-consumers in different countries. Second, we used a single product for all vignettes. Future studies should take the differences between different types of products into account. Lastly, the measurement tool for personal morality was developed by Wikström and is based on fundamental human morality in real life. However, because CBEC involves e-consumer behavior online, it would be more suitable to have measurements of digital morality, but such tools have not been developed yet.

### 8.2. Theoretical Contributions

This study makes the following theoretical contributions. First, this study presents pioneering research on negative e-consumer behavior using a robust theory. Research on negative consumer behaviors mostly focuses on the offline service sector such as restaurants, markets, or hotels. Explorations of

CBEC e-consumer behavior are rare in the previous literature. Negative online behaviors such as cyberbullying, digital piracy, and adolescent use of violent web content have been studied. However, this study examined negative consumer behavior in CBEC using the SAT action process. Moreover, we investigated both personal traits, such as personal morality and self-control to explain negative consumer behavior, and revised the SAT action process to fit this empirical examination.

Second, we defined consumers' misconduct in CBEC as cunning behavior. Although misconduct in CBEC occurs between countries, previous studies only focused on domestic EC or EC within the EU. Furthermore, CBEC studies in the past focused on C2C, while we examined e-consumer behavior in B2C. Consequently, previous did not clearly define B2C CBEC consumer misconduct. Based on this recognition, we attempted to define cunning behavior based on a broad literature review of negative consumer behaviors, both online and offline, including criminal behaviors. This study specifies how negative behaviors in different categories (illegal, deviant but legal, and unethical but legal) develop.

Third, this study found that e-consumers' cunning behavior differed depending on their level of morality. However, self-control significantly weakening the involvement of cunning behavior consistently in all groups except for unethical but legal behavior. Because unethical but legal behavior is considered non-misconduct, self-control has a weaker effect in that specific scope of behavior. Still, we concluded that a high level of self-control reduces misconduct engagement and e-consumer personal traits are significantly related to online misconduct.

Lastly, we proposed the idea of a "return of distance." In the early stage of EC, the concept of "distance" vanished with the availability of trans-

acting intangible goods online across borders. However, as physical goods are routinely traded internationally, a dark side to CBEC consumer behavior appears, and the meaning of "distance" has returned.

### 8.3. Practical Contributions

This study makes some of the following practical contributions. Considering personal traits and environmental factors comprehensively, this study demonstrates how CBEC retailers need to react to e-consumers' cunning behaviors in CBEC. First, CBEC consumers' perception of deterrence does not significantly diminish cunning behavior. CBEC retailers need to reinforce deterrence in terms of certainty, severity, and celerity of punishment. It may not be easy to detect cunning behavior in CBEC but e-consumers need to know that retailers are aware of such behaviors and have established a corresponding procedure for deterrence.

Second, even though the effect of personal morality varies among the three scopes of cunning behavior, personal traits are significantly related to cunning behavior. Since morality can be developed, education on digital ethics is needed. CBEC retailers need to encourage and guide e-consumers in recognizing digital ethics in order to encourage them to adhere to ethical principles. Constructive engagement and participation in CBEC is important, since internet use is increasing, particularly among young people. Once the younger generation has the power to make purchases, the use of CBEC will increase.

### Acknowledgement

This work was supported by the National Research Foundation of Korea (NRF) grant funded by the Korea government (MSIT) (NRF-2017R1A2B1012897).

## &lt;References&gt;

- [1] Al-Rafee, S., and Cronan, T. P. (2006). Digital piracy: Factors that influence attitude toward behavior. *Journal of Business Ethics*, 63, 237-259.
- [2] Antonaccio, O., and Tittle, C. R. (2008). Morality, self-control, and crime. *Criminology*, 46(2), 479-510.
- [3] Baker, T., and Piquero, A. R. (2010). Assessing the perceived benefits-criminal offending relationship. *Journal of Criminal Justice*, 38, 981-987.
- [4] Berry, I. L., and Seiders, K. (2008). Serving unfair customers. *Business Horizons*, 51, 29-37.
- [5] Bitner, M. J., Booms, B. H., and Mohr, L. A. (1994). Critical service encounters: The employee's viewpoint. *Journal of Marketing*, 58(4), 95-106.
- [6] Bouffard, J., Bry, J., Smith, S., and Bry, R. (2008). Beyond the "science of sophomores" does the rational choice explanation of crime generalize from university students to an actual offender sample? *International Journal of Offender Therapy and Comparative Criminology*, 52(6), 698-721.
- [7] Brauer, J. R., and Tittle, C. R. (2017). When crime is not an option: Inspecting the moral filtering of criminal action alternatives. *Justice Quarterly*, 34(5), 818-846.
- [8] Cairncross, F., and Cairncross, F. (1997). *The death of distance: How the communications revolution will change our lives*. Boston, MA: Harvard Business School Press.
- [9] Daunt, K. L., and Harris, L. C. (2012). Motives of dysfunctional customer behavior: An empirical study. *Journal of Services Marketing*, 26(4), 293-308.
- [10] Dimoka, A., Hong, Y., Pavlou, P. A. (2012). On product uncertainty in online markets: Theory and evidence. *MIS Quarterly*, 36(2), 395-425.
- [11] Dubreuil, B., and Grégoire, J. (2013). Are moral norms distinct from social norms? A critical assessment of Jon Elster and Cristina Bicchieri. *Theory and Decision*, 75(1), 137-152.
- [12] European Commission. (2015). *Consumer attitudes towards cross-border trade and consumer protection*. ISBN: 978-92-79-50619-2.
- [13] Fang, Y., Qureshi, I., Sun, H., McCole, P., Ramsey, E., and Lim, K. H. (2014). Trust, satisfaction, and online repurchase intention: The moderating role of perceived effectiveness of e-commerce institutional mechanisms. *MIS Quarterly*, 38(2), 407-427.
- [14] Freestone, O., and Mitchell, V. (2004). Generation Y attitudes towards e-ethics and internet-related misbehaviours. *Journal of Business Ethics*, 54(2), 121-128.
- [15] Fullerton, R. A., and Punj, G. (1993). Choosing to misbehave: A structural model of aberrant consumer behavior. *Advances in Consumer Research*, 20, 570-574.
- [16] Gallupe, O., and Baron, S. W. (2014). Morality, self-control, deterrence, and drug use: Street youths and situational action theory. *Crime & Delinquency*, 60(2), 284-305.
- [17] Gefen, D. (2000). E-Commerce: The rold of familiarity and trust. *Omega*, 28, 725-737.
- [18] Gefen, D., and Straub, D. W. (2004). Consumer trust in B2C e-commerce and the importance of social presence. *Omega*, 32, 407-424.
- [19] Gomez-Herrera, E., Martens, B., and Turlea, G. (2014). The drivers and impediments for cross-border e-commerce in the EU. *Information Economics and Policy*, 28, 83-96.
- [20] Gottfredson, M. R., and Hirschi, T. (1990). *A general theory of crime*. Stanford University Press.
- [21] Harris, L. C., and Reynolds, K. L. (2003). The consequences of dysfunctional customer behavior. *Journal of Services Research*, 6(2), 144-161.
- [22] Hirtenlehner, H., and Reinecke, J. (2018). Introduction to the special issue with some reflection on the role of self-control in situational action theory. *European Journal of Criminology*, 15(1), 3-9.
- [23] Huang, Z., and Benyoucef, M. (2013). From e-commerce to social commerce: A closer look at design features. *Electronic Commerce Research and Application*, 12, 246-259.
- [24] Hunter, J., and Wilson, M. (2016). *Cross-border*

- online shopping within the EU: Learning from consumer experience*. ANEC, The European Consumer Voice in Standardization.
- [25] Jiang, Z., Heng, C. S., and Choi, B. C. F. (2013). Research note-privacy concerns and privacy-protective behavior in synchronous online social interactions. *Information Systems Research*, 24(3), 579-595.
- [26] Lee, C. S. (2001). An analytical framework for evaluating e-commerce business models and strategies. *Internet Research*, 11(4), 349-359.
- [27] Lee, H. N. (1928). Morals, morality, and ethics: Suggested terminology. *The International Journal of Ethics*, 38(4), 450-466.
- [28] Liebling, A., Maruna, S., and McAra, L. (2017). *The Oxford handbook of criminology* (6th ed.). Oxford University Press.
- [29] Lovelock, C. H. (1994). *Product plus: How product + service=Competitive advantage*. NY: McGraw-Hill.
- [30] Matsueda, R. L., Kreager, D. A., and Huizinga, E. (2006). Deterring delinquents: A rational choice model of theft and violence. *American Sociological Review*, 71(1), 95-122.
- [31] McCarthy, B., and Hagan, J. (2005). Danger and the decision to offend. *Social Force*, 83(3), 1065-1096.
- [32] McKnight, D. H., Choudhury, V., and Kacmar, C. (2002). Developing and validating trust measures for e-commerce: An integrative typology. *Information Systems Research*, 13(3), 334-359.
- [33] Morris, R. G., and Higgins, G. E. (2010). Criminological theory in the digital age: The case of social learning theory and digital piracy. *Journal of Criminal Justice*, 38(4), 470-480.
- [34] Moschis, G. P., and Cox, D. (1989). Deviant consumer behavior. *Advances in Consumer Research*, 16, 732-737.
- [35] Nagin, D. S., Solow, R. M., and Lum, C. (2015). Deterrence, criminal opportunities, and police. *Criminology*, 53(1), 74-100.
- [36] Pauwels, L. (2018). Analyzing the perception-choice process in situational action theory. A randomized scenario study. *European Journal of Criminology*, 15(1), 130-147.
- [37] Pauwels, L., Weerman, F., Bruinsma, G., and Bernasco, W. (2011). Perceived sanction risk, individual propensity and adolescent offending: Assessing key findings from the deterrence literature in a dutch sample. *European Journal of Criminology*, 8(5), 386-400.
- [38] Pavlou, P. A., and Fygenson, M. (2006). Understanding and prediction electronic commerce adoption: An extension of the theory of planned behavior. *MIS Quarterly*, 30(1), 115-143.
- [39] Pavlou, P. A., Liang, H., and Xue, Y. (2007). Understanding and mitigating uncertainty in online buyer-seller relationships: A principal agent perspective. *MIS Quarterly*, 31(1), 105-136.
- [40] Paypal. (2016). *PayPal cross-border consumer research 2016*.
- [41] Serrano-Maíllo, A. (2018). Crime contemplation and self-control: A test of situational action theory's hypothesis about their interaction in crime causation. *European Journal of Criminology*, 15(1), 93-110.
- [42] Slater, M. D. (2003). Alienation, aggression, and sensation seeking as predictors of adolescent use of violent film, computer, and web content. *Journal of Communication*, 53(1), 105-121.
- [43] Tittle, C. R., and Botchkovar, E. V. (2005). Self-control, criminal motivation and deterrence: An investigation using Russian respondents. *Criminology*, 43(2), 307-354.
- [44] Wikström, P. O. H. (2004). Crime as alternative: Towards a cross-level situational action theory of crime causation. *Beyond Empiricism: Institutions and Intentions in the Study of Crime*, 13, 1-37.
- [45] Wikström, P. O. H., and Sampson, R. J. (2006). *The explanation of crime. context, mechanisms and development* (Version 2009). Cambridge University Press.
- [46] Wikström, P. O. H., and Treiber, K. (2007). The role of self-control in crime causation. *European Journal of Criminology*, 4(2), 237-264.
- [47] Wikström, P. O. H., Oberwittler, D., Treiber, K., and Hardie, B. (2012). *Breaking rules: The social*

*and situational dynamics of young people's urban crime.* Oxford University Press.

- [48] Yamin, M., and Sinkovics, R. R. (2006). Online internationalisation, psychic distance reduction and

the virtuality trap. *International Business Review*, 15(4), 39-360.

- [49] yStats. (2014). *Global cross-border B2C e-commerce 2014.*

## <Appendix>

### <Appendix 1> Operational Definitions and Measurement Items for Variables

Variable		Definition and Items			
Information exposure		How an individual's exposure to external information regulates the recognition and evaluation of opportunities.			
		<p>(Scenario) For the last 1-2 years, I kept buying a cup of coffee from a brand coffee shop every single day. Since I drink coffee every day, the expense was quite high, and it was becoming tiresome to go out to buy a cup of coffee on days when I did not need to go out. One day, I had a sip of coffee from my friend/colleague who had coffee from his/her home and thought its smell and taste were actually good. In addition, it came to mind that I had a capsule coffee machine in the cabinet which I had not used for a while. I decided to get coffee capsules again and make coffee at home. While I was surfing the Internet for the coffee capsules, I found the following posting from someone who bought coffee capsules through cross-border e-commerce.</p> <p>(Manipulated posting exposure: Appendix 5)                      Illegal behavior &amp; information exposure                      Deviant but legal behavior &amp; information exposure                      Unethical but legal behavior &amp; information exposure</p>			
Perceived Deterrence	Certainty	Definition: The degree to which an e-consumer perceives the probability that a punishment will ensue following a CBEC cunning behavior.		1	[33]
		If I behave the same as in the posting, I will definitely get punished.			
	Severity	Definition: The degree to which an e-consumer perceives the probability that unpleasant consequences result from cunning behavior in CBEC.		1	
		If I behave the same as in the posting, I will definitely get severely punished.			
	Celerity	Definition: The degree to which an e-consumer perceives the probability that speed with a sanction is imposed following a cunning behavior in CBEC.		1	
		If I behave the same as in the posting, I will get punished right away.			
Perceived Benefit	Material	Definition: The degree to which an e-consumer perceives the acquisition of tangible gains such as items or money.		2	[3]
		If I behave the same as in the posting, it will increase my chances of owning things.			
		If I behave the same as in the posting, it will increase my chances of monetary gain.			
	Psychic	Definition: The degree to which an e-consumer perceives the acquisition of non-tangible or emotional gains such as excitement, enjoyment, or coolness.		5	
		If I behave the same as in the posting, I will feel enjoyment.			
		If I behave the same as in the posting, I will look cool.			
		If I behave the same as in the posting, I will feel good.			
		If I behave the same as in the posting, I will feel a thrill.			
		If I behave the same as in the posting, I will feel excitement.			



<Appendix 1> Operational Definitions and Measurement Items for Variables (Cont.)

Variable	Definition and Items		
Personal morality	Definition: The degree to which an e-consumer perceives the right or wrong thing to do (or not to do) in a particular circumstance.	10	[39]
	To never tell a lie.		
	To keep all my promises.		
	To always pay back money that I have borrowed from others.		
	To always return things I have borrowed from others.		
	To keep a secret a friend has told me.		
	To not say things that make others feel sad or upset.		
	To always be honest.		
	If I can, to always try and help a person in need.		
	To never fool someone.		
Ability to exercise self-control	Definition: The degree to which a person succeeds in adhering to a personal, moral rule when it conflicts with the moral norm of the setting.	9	Nagin et al. (2015)
	I never think about what will happen to me in the future.		
	I do not devote much thought and effort to preparing for the future.		
	I devote much thought and effort to preparing for the future.		
	Sometimes I will take a risk just for the fun of it.		
	I sometimes find it exciting to do things that may be dangerous.		
	When I am really angry, other people better stay away from me.		
	I lose my temper pretty easily.		
	I often act on the spur of the moment without stopping to think.		
	I often try to avoid things that I know will be difficult.		
Past experience of CBEC	Definition: The degree to which a person has experiences with CBEC and/or cunning behavior in CBEC.	1	
	In the last 12 months, I purchased a product using CBEC.		
Projected CBEC cunning behavior	Definition: The degree to which a person will engage in cunning behavior in the future	1	[8]
	I will engage in this behavior in the future.		

<Appendix 2> Convergent Validity Analysis

Variables	Measured Items	Outer Loadings	P-value	Composite Reliability	AVE
Perceived benefit	BNF03	0.877	0.000	0.910	0.719
	BNF04	0.834	0.000		
	BNF05	0.933	0.000		
	BNF07	0.736	0.000		
Perceived deterrence	DTR01	0.900	0.000	0.912	0.775
	DTR02	0.872	0.000		
	DTR03	0.869	0.000		
Personal morality	MOR03	0.886	0.000	0.865	0.761
	MOR04	0.859	0.000		
Ability to exercise Self-control	SC01	0.845	0.000	0.845	0.731
	SC02	0.865	0.000		

<Appendix 3> Discriminant Validity Analysis

	BNF	PEC	DTR	MOR	PJT	SC
Perceived benefit	0.848					
Past experience of CBEC	0.073	1				
Perceived deterrence	-0.028	-0.081	0.880			
Personal morality	-0.065	-0.019	-0.123	0.871		
Projected cunning behavior	0.649	0.136	-0.084	-0.209	1	
Ability to exercise self-control	-0.180	0.037	-0.122	0.372	-0.280	0.855

Note: Diagonal elements = square root of AVE, Off-diagonal elements = correlation among constructs

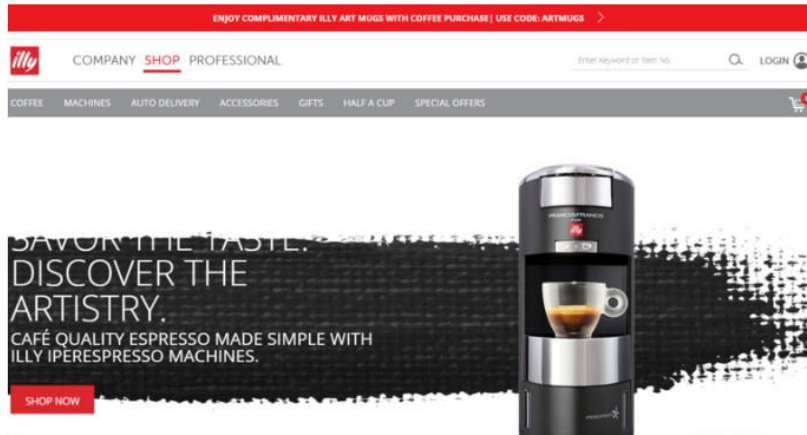
<Appendix 4> Model Fit

Model Fit	GFI	CFI	NFI	TLI	RMSEA	SRMR
Criterion	>0.9	>0.9	>0.9	>0.9	<0.08	<0.08
Measurement Model	0.955	0.973	0.963	0.961	0.070	0.048
Structural Model	0.929	0.958	0.915	0.938	0.028	0.073

Notes: GFI = Goodness of Fit, CFI = Comparative Fit Index, NFI = Normed Fit Index, TLI = Turker-Lewis index, RMSEA = root-mean-square error of approximation, SRMR = Standard Root Mean Residual

<Appendix 5> Vignettes

Illegal behavior



I have been drinking ILLY COFFEE at home or on the way out.  
And now, I became more used to drink coffee from home rather than buying a cup of coffee from  
outside.  
Fortunately, ILLY COFFEE announced a new program called..

“  
CASA  
”

What's the CASA?

Simply saying, automatic delivery service.  
Without purchasing coffee everytime when ran out of it,  
ILLY delivers your favorite coffee automatically.

What are some good things about the CASA?

1. You can get free gifts when register for the CASA. On the first delivery,  
you get to choose either 4 cups for Cappuccino OR 2 mug cups.
2. On the second delivery, ILLY ships you twice the coffee.  
It means buy 1 get 1 free for just one time.  
Be careful, ILLY only delivers maximum of 6 cans of coffee.

3. You can get refund within 30 days of purchase.

4. You can cancel the CASA program whenever you want.  
(You can cancel the CASA after second delivery :))

So, get ready to register for CASA!

You get to choose the delivery service before transaction

#### Delivery options

<input checked="" type="radio"/> Royal Mail - Airmail Untracked £9.95	<input type="radio"/> UPS Saver - Tracked £35.00
--	---

The Royal Mail costs £9.95 and UPS costs £35.00

The difference is that Royal Mail is untrackable and UPS is trackable.

So, I choose **Royal Mail!!**

Royal Mail sometimes has **delivery failure**.

But when it happens, ILLY COFFEE **ships again the purchased products or refunds the full amount**.

#### Tips!

Even if there was no delivery failure, when you request for the re-delivery pretending delivery failure, ILLY will re-deliver another parcel.

Because nobody can track the parcel with Royal Mail.

And I successfully received two extra parcels.

Yeay!! :D

I registered CASA with 3 cans of Espresso.



I made a purchase last month (exactly 41 days ago) with royal mail and have not received the items yet. According to the royal mail international, international shipping takes about 5-8 business days. I do not know how more days I have to wait. Please check my status under order number [redacted] and please re-deliver my order as soon as possible. One thing more, if you are sending me another parcel, please send me with the mug cups instead of cappuccino cups. I changed my mind. Thank you.

Send

Saved

So now, I have 6 cans of ILLY Coffee.  
hahahahahahahahahahahah :D



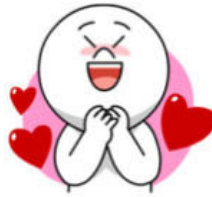
When I ask for re-delivery, I asked for 2 mug cups instead of 4 cappuccino cups.

So I have 2 ILLY mug cups and 4 ILLY cappuccino cups.

In any case, I have to purchase coffe.

If I can get free gifts and extra cans of coffe by asking re-delivery pretending delivery failure,  
how LUCKY is that!!

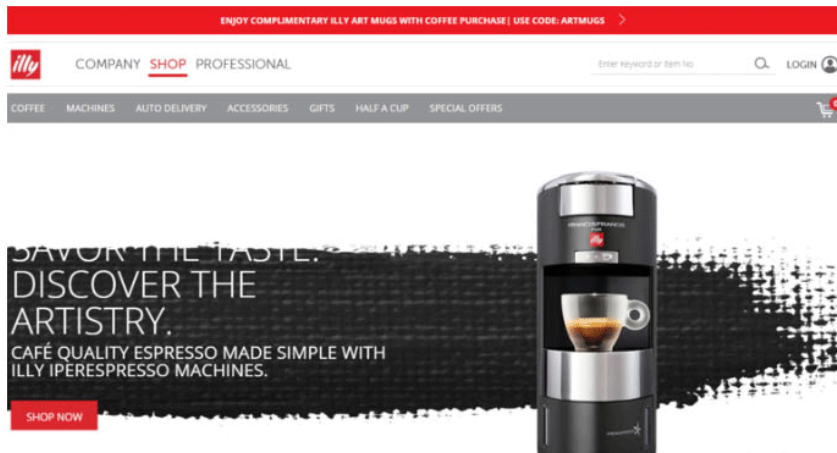
Now I am waiting for the second delivery of double amount of coffee.





Deviant but legal behavior

Purchasing ILLY COFFEE from UK in Korea by cross-border e-commerce



I have been drinking ILLY COFFEE at home or on the way out.  
And now, I became more used to drink coffee from home rather than buying a cup of coffee from outside.

Fortunately, ILLY COFFEE announced a new program called..

“

CASA

”

What's the CASA?

Simply saying, automatic delivery service.

Without purchasing coffee everytime when ran out of it,  
ILLY delivers your favorite coffee automatically.

What are some good things about the CASA?

1. You can get free gifts when register for the CASA. On the first delivery, you get to choose either 4 cups for Cappuccino OR 2 mug cups.



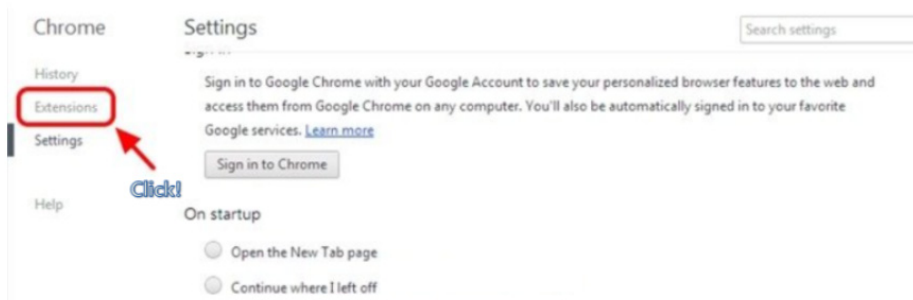
2. On the second delivery, ILLY ships you twice the coffee.  
It means buy 1 get 1 free for just one time.  
Be careful, ILLY only delivers maximum of 6 cans of coffee.
3. You can get refund within 30 days of purchase.
4. You can cancel the CASA program whenever you want.  
(You can cancel the CASA after second delivery :)

BUT!!!

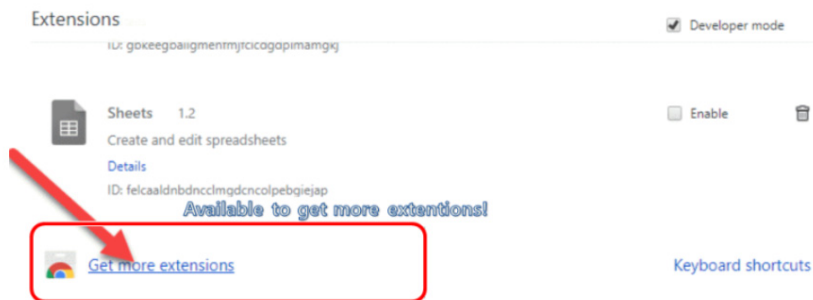
This attractive CASA program is **not accessible** with KOREAN IP ADDRESS :(  
What is ILLY's strategy, how come we cannot get access to ILLY :(

So, without difficulties, I will share the way to simply use IP detour.  
IP detour is to **hide the IP address** and unblock any web sites.  
By IP detour, we can get access to ILLY web site and register for the CASA program :)

1. Use Chrome.



Go to setting and click "Extensions".  
Then click "Get more extensions"



2. In "more extensions", search for "ultrasurf" and add to Chrome.  
Then simply on/off, you can hide your IP address.

Then you can easily check your IP address has been changed.  
Not only on and off, you can also hide or delete the "ultrasurf" at "extension" management.

With the IP detour, I could register for CASA and received 6 cans of ILLY COFFEE.  
I also received 4 ILLY cappuccino cups :)



Of course, I do not know why ILLY blocked Korean IP.

But!!

Can I NOT do it if ILLY doesn't let me??

In any case, I have to purchase coffe.

With IP detour, I can get access to ILLY COFFEE and register to CASA  
which is blocked from Korea

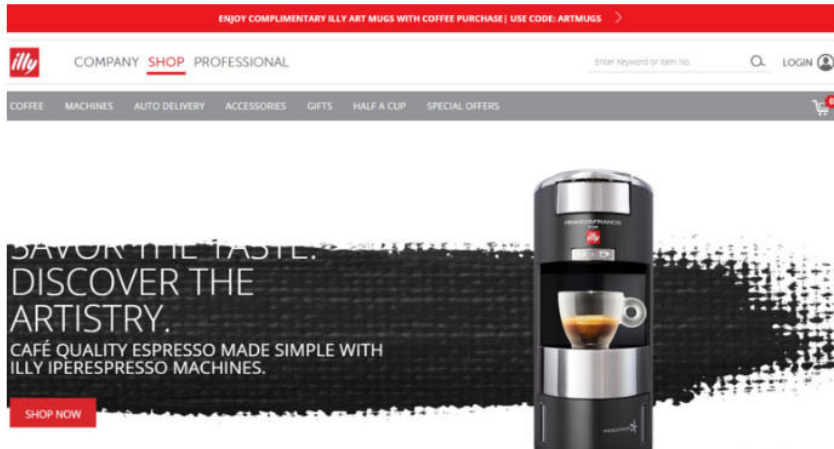
How LUCKY is that!!

Now I am waiting for the second delivery of double amount of coffee.



## Unethical but legal behavior

Purchasing ILLY COFFEE from UK in Korea by cross-border e-commerce



I have been drinking ILLY COFFEE at home or on the way out.  
And now, I became more used to drink coffee from home rather than buying a cup of coffee from  
outside.  
Fortunately, ILLY COFFEE announced a new program called..

“  
CASA  
”


What's the CASA?

Simply saying, automatic delivery service.  
Without purchasing coffee everytime when ran out of it,  
ILLY delivers your favorite coffee automatically.


What are some good things about the CASA?

1. You can get free gifts when register for the CASA. On the first delivery, you get to choose either 4 cups for Cappuccino OR 2 mug cups.

⌵ Welcome Gift ✓ ☺ Coffee ✓ Ⓜ Frequency ☺ Tea & Accessories (optional) ☺ Recap

Step3  **Select Your Delivery Schedule** ⏪ BACK NEXT ⏩

Select how often you would like your coffee to be delivered.

- Every 2 Weeks 
- Every 4 Weeks
- Every 6 Weeks
- Every 8 Weeks
- Every 10 Weeks
- Every 12 Weeks

As a member, you can change your delivery frequency, manage your account settings and update your subscription online.

As I said earlier, I can get refund within 30 days without penalty after I receive two deliveries.

So! Drastically register for the CASA!!

I registered CASA for 6 cans of ILLY COFFEE



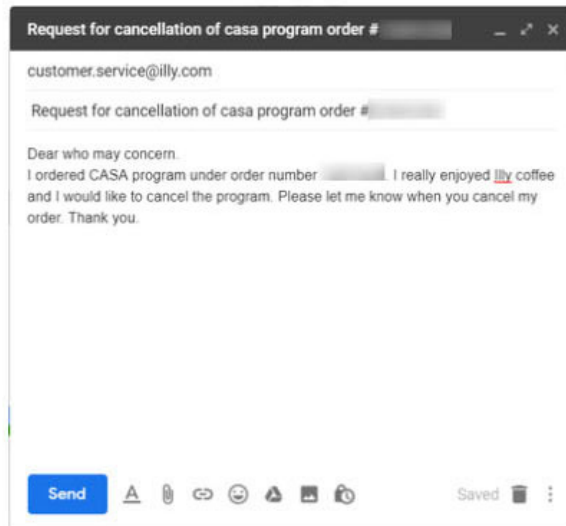


In any case, I have to purchase coffee.

If I can get free gifts and simply cancel the program by sending ILLY COFFEE an e-mail.

After the second delivery, I wrote an e-mail to ILLY COFFEE.





I do NOT have to return the products which is the most vulnerable and inconvenient barrier for cross-border e-commerce to cancel the program.  
Just one e-mail works for all!





◆ About the Authors ◆

---



**Kyu Min Hwang**

Kyu Min Hwang got her Ph.D. in the School of Business at Sungkyunkwan University in Korea in year of 2019. Her research interests include E-commerce and ethics.

---



**Gee-Woo Bock**

Gee-Woo Bock joined the Business School in Sungkyunkwan University (SKKU) in Seoul, Korea, in September 2006 where he is currently a professor. Gee-Woo has served 'Information and Management' as an AE since 2012. Since 2001, he has translated 3 books and published 7 book chapters, 34 journal articles and 41 conference papers, and edited 2 special issues of journals. His articles have been cited about 8000 times in total, and his MIS Quarterly paper alone has been cited about 4,000 times since 2005 according to Google Scholar in April, 2018. His h-index is 21. His current research focuses on Knowledge Management, Cross-Border E-Commerce, and Big Data Analytics. Gee-Woo won SKKU Young Fellowship, a university wide research award, in 2012, and the Mirae Asset Best Researcher Award by Korean Business Society which is the most renowned nation-wide association for business administration scholars and practitioners, in 2018.

---



**Han-Min Kim**

Han-Min Kim received his Ph.D. degree in Management Information Systems (MIS) from Sungkyunkwan University, Seoul, Korea, on August 25, 2021. His research interests include information avoidance, online rumor and fake news, big data and machine learning, and Blockchain. His papers have been published in Information Technology & People, Expert Systems with Applications, Journal of Computer Information Systems, and so on.

---

Submitted: November 2 2021; 1st Revision: December 6, 2021; Accepted: December 8, 2021

---