

# INTERNET ABANDONED CART SYNDROME AND THE APPLICATION OF RISK THEORY TO ONLINE GAMBLING: RESEARCH IMPLICATIONS AND DIRECTIONS

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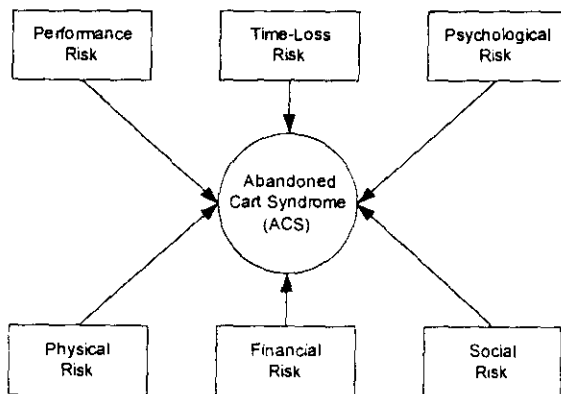
## ABSTRACT

The advent of Internet gambling in 1996 has provided a rich source of study for marketing practitioners and researchers. Within just a few years, Internet casino owners and marketers have used a variety of marketing activities to entice nearly 10 million people to gamble with real money online. For marketing researchers, a range of interesting marketing issues have emerged within Internet gambling; however, we suggest that the most fundamental marketing question is why so many prospective buyers fail to execute a transaction on Internet gambling sites. Known as Abandoned Cart Syndrome (ACS), this failure to complete an online transaction is particularly acute in the Internet gambling environment. This paper suggests that ACS can be associated with risk perception, a concept that has been applied to various shopping behaviors, but to date, its potential application to ACS—and specifically to Internet gambling—has been overlooked. The paper proposes a model of risk perceptions as it applies to ACS in Internet gambling; a set of research propositions; and alternative research methods for generating a better understanding of the process and causality of ACS.

The model used to conceptualise the relevance to ACS is shown in Exhibit 1.

### EXHIBIT 1

#### Proposed Model of Relevance of Perceived Risk to ACS



### Research Propositions and Approaches

To advance our understanding of ACS within the Internet gambling environment within the context of the literature on perceived risk theory, we suggest the following research propositions:

1. A negative evaluation of the *physical risks* associated with a transaction is likely to heighten the consumer's level of perceived risk increasing the likelihood of ACS.
2. A negative evaluation of the *performance risks* associated with a transaction is likely to heighten the consumer's level of perceived risk increasing the likelihood of ACS.
3. A negative evaluation of the *financial risks* associated with a transaction is likely to heighten the consumer's level of perceived risk increasing the likelihood of ACS.
4. A negative evaluation of the *time-loss risks* associated with a transaction is likely to heighten the consumer's level of perceived risk increasing the likelihood of ACS.
5. A negative evaluation of the *social risks* associated with a transaction is likely to heighten the consumer's level of perceived risk increasing the likelihood of ACS.
6. A negative evaluation of the *psychological risks* associated with a transaction is likely to heighten the consumer's level of perceived risk increasing the likelihood of ACS.