

FACTORS IMPACTING ON ONLINE PURCHASING BEHAVIOUR TOWARD CONSUMERS IN BANGKOK, THAILAND

Kitti Photikitti¹

ABSTRACT: *This research aimed to analyze the factors that affect online purchasing behavior of consumers who live in Bangkok, Thailand. The variables that have been used in this study framework were perceived risks, perceived advantages, hedonic motivations, trust and security, and website content. The questionnaire was conducted and selected from 407 respondents in Bangkok area only by using non-probability sampling method as convenience and snowball sampling. The main method used to apply for this research are multiple linear regression which shows that website design and content is the most impacted factor toward consumers' online shopping behavior. Thus, it showed that design and content of website towards online merchandise are the most important in determining online purchasing behavior of Bangkok consumers. The finding suggested that by enhancing the consumer purchasing intentions, the online stores should rather focus on website design and content factors than address reliability and trust issues.*

Keywords: *Online Purchasing Behavior, consumer attitudes, hedonic motivations, aesthetics, trust, perceived advantages, perceived risks.*

Introduction

Internet has entirely transformed businesses all around the globe. As nowadays, buyers have various channels that they can use to directly interact with businesses. E-commerce is one alternatives available in the market is the e-commerce in which buyers and sellers can exchange products and services.

Today, e-commerce changed the way traditional shopping has always been. Buyers have more choices concerning with timings or location to make their transactions. Purchasing products is only a few clicks away because of a speedy growth and development of e-commerce. An increase in online shopping activities has forced companies to offer their products and services online. This helps them gain a competitive advantage over other companies in the marketplace.

The purpose of this study is the e-commerce trends in the Bangkok market by exploring the key determine of e-commerce

Bangkok. Most of factors mentioned were as well impacted to buying behavior. However, website design is the highlights of online purchasing behavior of Bangkok consumers.

Literature Review

Perceived advantages

Chen *et al.* (2010) explained about convenience which signify online purchasing practices that help to lessen effort and time in transactional process. Schaupp and Bélanger (2005) suggested that time and effort reduction can be beneficial from e-commerce. Online shopping perceived advantages has been proved to have influence on online purchasing intention and consumers' attitude. Soonpramanien and Robertson (2007) stated that attitude against online shopping can be refer to the perspective of the consumers about activities on internet which against the conventional shopping conditions. It has been identified that the key reasons which push consumers to make a purchase online are time saving and convenience.

Perceived risks

¹Lecturer, Graduate School of Business, Assumption University, Thailand

People assume that risks for transaction is important to be considered before performing any activity e.g. privacy, security, and financial risk. Chen et al. (2010) pointed that key aspect that influence online purchasing intention is the security risk. When refer to perceived financial risk, it is the probability to lose money for internet shopping. Javadi et al. (2012) These variables have been included in the studies e.g. perception and return policy towards online purchasing. Since financial risk and had a negative impact directly on internet shoppers. Hence, perceived risks have a significant impact on the behavior of online consumers.

Psychological factors

It is believed that psychological factors e.g. privacy issue and security concern could impact purchase pattern of online consumers. Lee and Huddleston et al. (2010) said if customer should disclose their personal information to shopping online, there's a concern over privacy risk. Chen et al. (2010) mentioned privacy control is necessary to eliminate privacy issue for buyers.

Rehman et al. (2011) studied purchasing behavior of online shoppers. Key objective was to identify reasons that prevent consumers to shop online. Psychological and privacy issues were the key variables that affected the consumers' patterns and attitudes toward internet shopping e.g. cyber hacking is also preventing buyers from online purchasing.

Nazir (2012) studied different factors impacting online buying behavior and what is blocking them by evaluating variables. The result showed that emotional, social, and privacy factors significantly impact on the behavior of online consumers. Majority of problem are security and privacy issues that buyers encountered. Thus, buyers preferred to purchase from brick and mortar store because of the reliability of website payment procedure and method.

Website Design and Content Factors

Bai, Law and Wen et al. (2008) this study was conducted in China by utilizing survey method to seek for impact of quality of website on consumer's intentions. The result from research showed that website quality is significantly impact on consumer buying intention. It is worth for firm to invest money onto website development in term of features and contents to attract more site visitors.

Chen, Hsu and Lin (2010) studied on list of websites which can lead a rising in purchasing opportunity. The objective of the research was to evaluate consumer pattern which based on website design, features, and aesthetic. The survey was distributed among undergraduate as findings showed result categorized into group as convenience, security, and usage. Internet shopper prefers user-friendly website interface when they shop online. The respondents also preferred a user-friendly web interface while shopping online. Those features mentioned in the study should be added on websites features to enhance shopper buying intention.

Wolfenbarger and Gilly (2003) addressed that customer prefer to perform any transaction via a technical interface and not in person when interacting with an online store. Hence, website design acts as the website interface, play a critical role on customer preference.

Hedonic Motivation

Kim, Lee and Kim (2004) determined the same factors affecting online buying behavior of online user. Sampling of 245 consumers for those who had experience in interfacing both internet and computer for online purchase. The result indicated that factors namely hedonic attributes which is the key of searching intention is information and experience.

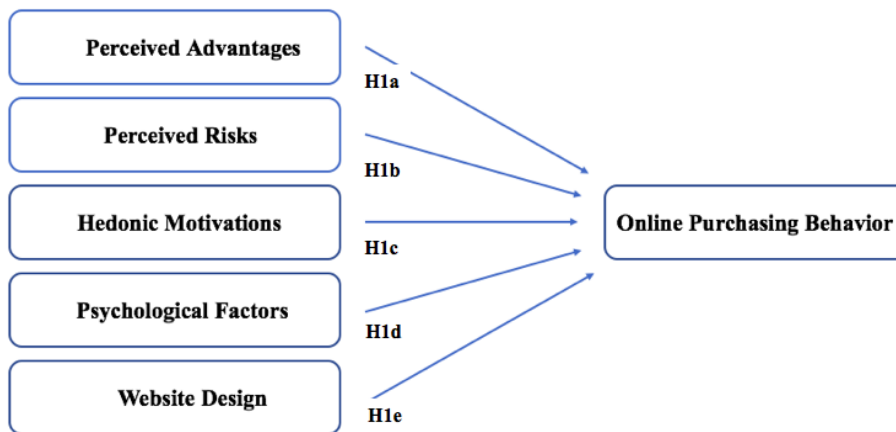
Childers et al. (2002) also studied on utilitarian and hedonic factors which influence online shopping consumers. Sampling of 1000 consumers was collected from people who aware of online shopping environments. Results revealed that

usefulness and enjoyment are key to

develop personal shopping intention.

Research Framework and Methodology

Figure 1: Conceptual Framework



The theoretical framework was developed to investigate the impact of each variables as perceived advantages, perceived risks, hedonic motivations, psychological factors and website design towards online buying behavior of consumers in Bangkok.

The literature review has led to the development of the following hypothesis:

H1a: *Perceived advantages has significantly impacted on online purchasing behavior of consumers.*

H1b: *Perceived risks has significantly impacted on online purchasing behavior of consumers*

H1c: *Hedonic motivations has significantly impacted on online purchasing behavior of consumers.*

H1d: *Psychological factors has significantly impacted on online purchasing behavior of consumers.*

H1e: *Website design (Aesthetics and content factors) has significantly impacted on online purchasing behavior of consumers.*

Research Methodology

Quantitative approach is used to examine the hypothesis which target to

quantify the information from the sampling. Convenience sampling and snowball techniques were used to collect the data from the respondents who were the target population. Survey used both online and paper-based questionnaires.

In addition, the Likert scale model is used in the questionnaire. This research applies 5 Likert scale which rank from “Strongly disagree (1)” to “Strongly agree (5)”

Measurement of Variables

The target respondents of this survey were people who live in Bangkok and shop online.

Population and Sample

Convenience sampling method has been used for questionnaires and distributed to 407 respondents in Bangkok by representing the population of Bangkokian with 5% margin of errors.

Reliability Test

Reliability test was conducted when number of target respondents reached 30 and Cronbach's Alpha Coefficient. The standard level of reliability test should greater than 0.6 (Cronbach, 1951). Therefore, this research has meet requirement of reliability of research

instrument. Please see the table 1

Table 1: Consistency of The Scales Test

Reliability Statistics		
Variable	Cronbach's Alpha	N of Items
Usefulness	0.773	7
Motivation	0.626	3
Risk	0.620	4
Reliability	0.795	4
Design	0.617	4
Behavior	0.652	2

Result and Discussion

Data Analysis

Statistic Application was used to analyze the data to define the causal relationship between variable and mean differentiate of two groups. Multiple regression technique was used to

investigate the impact of the independent variable (Perceived advantages, Perceived risk, Psychological factors, Website design and content factors, and Hedonics motivation) on the dependent variable (Online purchasing behavior).

Descriptive Analysis

Table 2: Demographic Information of respondent

<i>Total Sample = 407</i>	Frequency	%
<i>Bangkokian</i>	407	100.00%
<i>Online shopping experience</i>	407	100.00%
Gender		
<i>Male</i>	104	25.50%
<i>Female</i>	303	74.50%
Age range		
<i>Below 21</i>	8	1.90%
<i>21-25</i>	167	41%
<i>26-30</i>	177	43.40%
<i>31-35</i>	43	10.60%
<i>35 and above</i>	13	3.10%
Income		
<i>Below 25,000 baht</i>	96	23.60%
<i>25,001 - 35,000 baht</i>	147	36.10%
<i>35,001 - 45,000 baht</i>	66	16.10%
<i>45,001 - 55,000 baht</i>	33	8%
<i>55,001 baht and above</i>	66	16.10%
Education		

<i>Below bachelor's degree</i>	16	3.90%
<i>Bachelor's degree</i>	262	64.30%
<i>Master's degree</i>	129	31.80%

Descriptive analysis is conducted to describe the data samplings collected from 407 respondents. Table 2 shows the demographic information. According to the screening method 100% of the respondents are Thais who experienced in online shopping. Gender demonstrated 25.50% of male, 74.50% of female. Regarding data for age range, 1.9% of below 21 years old, 41% of 21 – 25 years old, 43.4% of 26 – 30 years old, and 10.6 % of 31-35 years old, 3.1% of

35 years old or above. Average income, 23.60 % of respondent earn between below 25,000 baht, while 36.10% earn 25,001-35,000 baht. The percentage are lower for higher income range as 16.10% for both group 35,001-45,000 and 55,001 baht and above while 8% is accounted from 45,001-55,000 baht. Education level of respondent who is below bachelor's degree as of 3.9% while 64.30% and 31.80% go to bachelor and master degree respectively.

Table 3: Descriptive Analysis and Correlation Matrix

According to correlation matrix, it showed

(DS) at 0.586. Secondly, there is a moderate

<i>Variable</i>	<i>Mean</i>	<i>SD</i>	<i>UF</i>	<i>RK</i>	<i>MV</i>	<i>DS</i>	<i>SC</i>
UF	4.1427	0.51107	1				
RK	3.4285	0.95473	-.373*	1			
MV	3.6888	0.82966	.456*	-.507*	1		
DS	4.0203	0.80641	.398*	-.345*	.586*	1	
SC	3.4048	1.04663	-.291*	.606*	-.270*	-.146*	1

**Correlation is significant at the 0.01 level (1-Tailed)*

that all four variables have negative correlation coefficients. Firstly, there is a moderate relationship between (MV) and

relationship between (RK) and (SC) at 0.606.

Inferential Analysis (Result of Regression)

For Inferential Analysis, multiple linear regressions (MLR) was conducted for perceived advantages, perceived risk,

psychological factors, website design and content factors, hedonic motivations to measure the impact on online purchasing behavior.

Table 4: Result of Regression

Variable	Beta Coefficient	Standard Error	VIF
Perceived advantages (UF)	0.143*	0.055	1.369
Perceived risk (RK)	-0.244*	0.036	2.006
Psychological factors (MV)	0.259*	0.04	1.907
Website design and content factors (DS)	0.265*	0.038	1.59
Hedonic motivations (SC)	-0.17*	0.029	1.618
R Square (R²)	0.627		
Adjusted R square (Adjusted R²)	0.622		

**Dependent variable is online purchasing behavior.

Refer to the MLR analysis of model, the result that 62.2% (*Adjusted R²*) of the dependent variable (Online purchasing behavior) was referred from five independent variables at the 0.01 significant levels. The *P-value* of all independent variables are lower than 0.05. Therefore, the result showed that all null hypotheses are rejected. There were three corresponding regression coefficients of independent variables are significantly greater than zero ($\beta = 0.143$, $\beta = 0.259$, $\beta = 0.265$) while Perceived risk ($\beta = -0.244$) and Hedonic motivations ($\beta = -0.17$) have negative relationship or least impact toward online purchasing behavior. According to the beta coefficient (β), it can be summarized that website design and content factors is the highest impact factor toward online purchasing behavior.

Conclusions and Recommendations

This study is formed by the body of empirical evidence regarding internet purchasing behavior, focus on general factor of the findings toward Bangkokian. The factors considered in this study are perceived advantages, perceived risk, psychological factors, website design and content factors, hedonic motivations toward online purchasing behavior. Nevertheless, the research does have some limitations. Results generated from only five independent variables might not be the true influencer which impacting online purchasing behavior. It is possible that other factors can also affect and impact the behavior of online shoppers that should be investigated. However, the results of this study will help people who own business and online marketer to have better idea and understanding of how to boost up their sales

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via online channels.

The purpose of this research was to study the factor that impact on online purchasing behavior by using multiple linear regressions. The conceptual framework was consisting with 2 models. First model was including independent variable as perceived advantages, perceived risk, psychological factors, website design and content factors, hedonic motivations toward a dependent variable as online purchasing behavior. The result of this model can explain the dependent variable by 62.2% with website design and content factors is the highly-impacted factor toward online purchasing behavior ($\beta = 0.259$).

To improve online shopping services to increase profitability, the result showed that website design and content factors have significant affect to online purchasing behavior. Hence, website design and content must be concerned. Furthermore, psychological factor such as motivation and perceived advantages are the secondary and third concerned factor. Internet website features must be developed in term of aesthetic, design, and content on the website to attract more shoppers which can lead to purchasing probability.

The survey conducted within Bangkok boundary only. Suggest that it would be more effective if research can be conducted other urban area. Moreover, further study can be more effective by extending into the area of respondent to another city in Thailand. In additional, the other factors should be added to improve the research to result more reliability as well as other demographic factors e.g. frequency of use and income level etc. to scrutinize relationship with online purchasing behavior.

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