

The Case Study on Purchase Experience and Intention to Purchase via Line Application of Thai People who are Living in Bangkok and Bangkok Metropolitan

Phareploy Maichaimongkol

Sales and Marketing, Thai San Her Conveyor Co., Ltd.

Abstract

Online shopping is a trend today. There are many online channels to do online shopping including websites, Facebook, Instagram, and Line application which are the most popular in Thailand. This research aims to determine the factors influencing the intention to purchase via Line application. There are 4 variables including purchase experience (PE), social presence (SP), trust (TR), and intention to purchase (IP). As a result, social presence and trust has a significant influence on the intention to purchase. Confirmatory Factor Analysis (CFA) were used to test the validity and reliability of the factors in this study, and Structural Equation Model (SEM) were used to find the influencing between variables. The research target were Thai people who live in Bangkok and Bangkok Metropolitan. The questionnaires were distributed through online channel such as Line application and Facebook with 300 valid respondents are valid. This research paper provides research results and recommendations for online seller to have a better understanding on the customer purchasing factors.

Keywords: intention to purchase, Line, purchase experience, social presence, trust

Introduction

People tend to buy goods and services using online channels. The main reason is that people find it more convenient and faster to make a purchase online and delivery it to their place. Customers can use as much time choosing for the best product, search for information and compare before making decisions. Also, it is most convenient because we can make a purchase through mobile phone which is the main device that we use in daily life today.

The customer gets to choose various products and make purchase in many shops at once in online shopping. There are many channels to make a purchase online. For example, Amazon sells almost everything you can think of. We can make purchase via website which the payment and all your credit card information are filled in and record online. The goods will be delivered to right at your front door. Most of the websites only accepts credit card, but not debit cards. It is sometimes complicated if the customers are not willing to pay with their credit card

The Thai consumers said they found online shopping convenient (79.6%), often went to the same shopping sites where they had made a purchase before (78.4%) and realized that online shopping was easy (76.2%). Thai people use line application most to communicate and online shopping. Line application is a software use for instant communication on electronic device such as a smartphone, tablet, or computer. The application is used to communicate by text, voice, pictures, video, files, also include games, online payment, Line TV, food delivery, etc. However, people most use to make a communication through line chat to communicate with another.

Based on the previous researches, the Thai people use to do online shopping via Line application as the top list. Therefore, customers can communicate and ask for information such as more picture request, send location, send evidence of money transferring etc.

Literature review

Purchasing Experience

Intention to shop online is related to internet shopping history and has a direct impact on internet shopping behavior. Customer who have experience of services on making purchase. The past purchase experience indicates the prediction on customer behavior in the future. However, customers who are satisfied from the previous purchase will have a higher chance of repurchase. Therefore, seller should improve the service in order to get a higher chance of repurchase. On the other hand, customers who are not satisfied with the service or goods quality after purchasing will have negative feelings towards the brand or shops. This leads to low chances of customer repurchase. Moreover, people who have never made a purchase before will see the chance of high risk than customer who made the purchase before.

Social Presence

Social Presence are the awareness of existence. For example, face-to-face communication is a high social presence compared to emailing via electronic. Social presence create a clear image and evidence of being exist which create trust. Especially when customers are looking forward to making an effort, social presence is one of the main factors to make a decision.

Trust

Trust is a positive feeling or belief towards other people, product, service, organization, etc. that gives feedback as expected having trust towards company or brand makes customers feel positive and need less information in order to make the next purchase or services. It is also a psychological state that we feel comfortable and expect for positive intention.

Intention to Purchase

Online purchase intention is the customer willingness to make a purchase goods or service online. (Iqbal, S., Rehman, K. and Hunjra, A.I. (2012) Based on the previous studies, they said if customers perceive any risk when making a purchase online, will have a negative impact on online shopping.

Research, Framework, and Methodology

Research Framework

The conceptual framework is constructed after studying the theoretical frameworks related to this research, past purchase and intention to purchase in e-commerce (Jacob Weisberg, Dov Te'eni, Limor Arman, 2011). This research to study the attitude and behavior of people to make purchase in e-commerce factors of past purchase, social presence, trust, and intention to purchase.

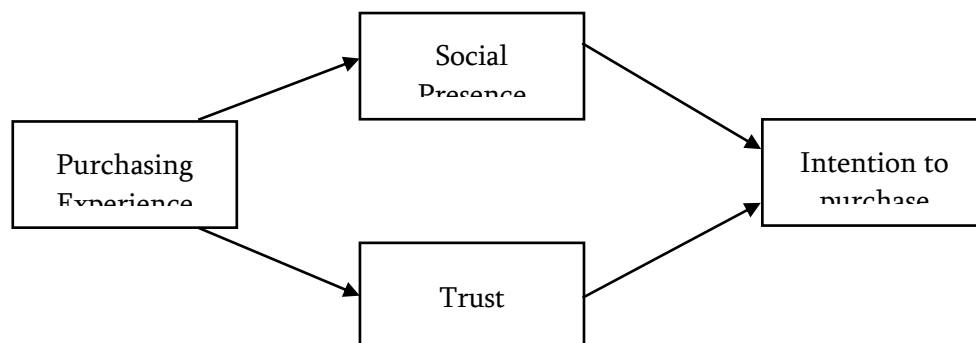


Figure 1: Conceptual Framework

The hypotheses are constructed to align with the conceptual framework as follow:

Table 1:

Defined Hypotheses

H	Hypothesis
H1	Purchasing Experience (PE) has a direct effect to Social Presence. (SP)

H2	Purchasing Experience (PE) has a direct effect to Trust. (TR)
H3	Social Presence (SP) has a direct effect to Intention to Purchase. (IP)
H4	Trust (TR) has a direct effect on Intention to Purchase. (IP)

Methodology

This research paper used online questionnaire via google form, distributed to the target group through online channel through Line and Facebook channel. The research focuses on the Thai people who lives in Bangkok and Bangkok Metropolitan who have past purchase and intention to purchase through Line application.

The respondents' information was collected to analyze the past experience and intention to purchase through Line application. The survey consists of three parts including screening questions, five-point Likert scale questions, and demographic questions. The screening questions define the categories of the respondent of have purchase experience through Line application. The second part measured the three variables by using a Likert scale, five-point Likert scale to analyze the hypothesis ranging from 1 strongly disagree to 5 strongly agree. Third part consist demographic information such as gender, age, income, and occupation.

The questionnaire was first distributed to 40 respondents for pilot test to check the reliability of the questionnaire. Cronbach's alpha analysis is being used for reliability test. The questionnaire is updated and distributed to 300 respondents of target group through Line application and Facebook. The sample size is calculated by structural equation model (SEM).

The sample size is calculated by structural equation model (SEM). The researcher employed the convenience sampling technique as non-probability sampling for the data collection. The collected data were analyzed by using SPSS 24 and AMOS 18.0. Confirmatory Factor Analysis (CFA) is used for conducting the convergent validity and discriminant validity results. The measurement model fit was assessed to test the overall fit with the data and ensure the validity and reliability of the model. Finally, the Structural Equation Model (SEM) was used to examine the influences among variables

Population and Sample Size

The target population of this research is the Thai people who lives in Bangkok and Bangkok Metropolitan and have made purchase through Line application.

The sample size was calculated by structural equation model (SEM). The sample size and number of factors should be considered before analysis the results. More number of variables, more sample size will increase. The appropriate sample size is minimum 300 respondents with 4 variables and lower communalities; below 0.45. The total number of respondents who participated in the survey were 348 from various demographic background profile. After

screening all the survey, there were a total of 300 respondents that qualified for use in this study.

Sampling Technique

The online survey was distributed based on non-probability sampling method using convenience sampling to collect data from the target respondents who lives in Bangkok and Bangkok Metropolitan who have made purchase via Line application. The questionnaires were distributed through the online channels targeting people who live in Bangkok and Bangkok Metropolitan randomly by Facebook and Line. The questionnaire was forwarded by the respondents to their friends and family which they believed qualified for the research.

Pilot Test

Cronbach's Alpha Coefficient is used to examine the reliability level of each variable in pilot test included in the questionnaire. The reliability test was executed at the pilot test when number of respondents reached 40 people. The researcher uses SPSS program to find the reliability test and found that all the variables got the higher value than 0.70 that is considered as acceptable and determined the high reliability of the data Reference to Table 2, the Cronbach's Alpha Coefficient falls in range between 0.808 to 0.942 which is greater than 0.7. Therefore, this implies that the questionnaires developed for this study is achieved the standard required for reliability test.

Table 2:

Reliability Test (Consistency of the scales test N=40)

Variables	Number of items	Cronbach's Alpha
Purchase experience	4	.788
Trust	3	.841
Intention to purchase	3	.823

Result and Discussion

Demographic Data

The target group is composed of 300 respondents who live in Bangkok and Bangkok Metropolitan and who have made purchase through Line application. The percentage is 54% male, and 45% females. The age from below 20 and above 51 has no respondents. There are only 2% of respondents who are age between 41 - 50, and 18.3% on age 31-40. The highest percentage respondent is age from 20-30 at 79%. Respondents who earn 15,000 - 30,001 spend the highest at 42.2%. It is 23.6% respondent who earns 40,001-60,000 and more than 60,001 Thai Baht. Spending the least goes to the people who spend less than 15,000 Thai Baht, and 30,001-45,001 Thai Baht at 5.3%. The people who make most purchase online from the survey results are business owner at 42.3%. The second highest percentage are student and the office worker at 18.6%. Freelancer online purchasing rate is at 12.7%, and cabin crew is the least, 2.6%

Table 3:

Demographic Profile

Demographics and Behavior Data (N=424)		Frequency	Percentage
Gender	Male	162	54%
	Female	138	45%
Age	Below 20	0	0%
	20 - 30	237	79%
	31 - 40	55	18.3%
	41 - 50	8	2.7%
	Above 51	0	0%

Income	Less Than 15,000 Baht	16	5.3%
	15,001 - 30,000 Baht	126	42.2%
	30,001 - 45,000 Baht	16	5.3%
	45,001 - 60,000 Baht	71	23.6%
	More than 60,001 Baht	71	23.6%
Occupation	Student	55	18.6%
	Office Worker	55	18.6%
	Business Owner	126	42.3%
	Housewife	0	0%
	Government officer	0	0%
	Freelance	37	12.7%
	Cabin Crew	8	2.6%
	Policeman	8	2.6%
	Police Officer	8	2.6%

Confirmatory Factor Analysis (CFA)

CFA has provided a validation test how the data fits with the conceptual model in this research. CFA can examine the result of the factor loading, composite reliability (CR), and average variance extracted (AVE). The composite reliability (CR) should be above 0.7 and the average variance extracted (AVE) that used for convergent validity should be above 0.5 (Hair et al, 2010). The results of composite reliability (CR) and the average variance extracted (AVE) were above 0.7 and 0.5 as shown in Table 4

The discriminant validity is used to test between variables by calculating the square root of the average variance extracted (AVE). An individual's variables normally should be greater than the covariant relation between the variables in the model. This can be confirmed that Table 5 indicated the correlation coefficients between two variables are smaller than the AVE square roots of the measurement variables of the constructs.

The confirmatory factor analysis demonstrated a reasonable fit of data to the six-variables measurement model as illustrated in Table 6. All indices were greater than the suggesting of criteria that indicated a good acceptable model fit between the data and theoretical model of this study.

Table 4:

Confirmatory factor analysis result, Composite Reliability (CR) and Average Variance Extracted (AVE)

Variable	Factor Loading	S.E.	T-Value	CR	AVE
Intention to purchase				0.833	0.582
IP 1	.893				
IP 2	.323	.043	5.831***		
IP 3	.942	.029	24.894***		
IP 4	.734	.043	16.346***		
Trust				0.855	0.665
TR 1	.948				
TR 2	.747	.036	17.212***		
TR 3	.733	.048	16.693***		
Social Presence				0.830	0.621
SP 1	.679				
SP 2	.820	.100	12.603***		
SP 3	.854	.081	12.904***		

Remark: CR = Composite Reliability, AVE = Average Variance Extracted

**** = Significant at the 0.05 significant levels ($p < 0.05$)*

Table 5:

Discriminant validity

	IP	TR	SP
IP	0.763		
TR	0.763	0.816	
SP	0.667	0.685	0.788

Remark: The diagonally listed value are the AVE square roots of the variable.

Table 6:

Goodness of Fit

Index	Criteria	Result of this study
CMIN/DF	<3.00	2.787
GFI	>0.90	0.966
AGFI	>0.90	0.902
NFI	>0.90	0.980
CFI	>0.90	0.987
TLI	>0.90	0.969
RMSEA	<0.08	0.077
RMR	<0.05	0.022

Remark: CMIN/DF = The ratio of the chi-square value to degree of freedom, GFI = goodness-of-fit index, AGFI = adjusted goodness-of-fit index, NFI = normalized fit index, TLI = Tucker-Lewis index, CFI = comparative fit index, RMSEA = root mean square error of approximation, and RMR = root-mean square residual

Structural Equation Model (SEM)

Structural Equation Model (SEM) is used to test the measurement and the structural regression model. After running SEMs and revising the model, the overall model fit index is CMIN/DF = 2.722, GFI = 0.980, AGFI = 0.901, NFI = 0.989, CFI = 0.993, TLI = 0.970, RMSEA = 0.076, RMR = 0.023 as measurable criteria refer to Table 6.

Research hypotheses testing

The results of hypothesized test are represented in Table 7. The result applied that H1, H2 and H3 are supported.

Table 7:

Hypothesis Result of the Structural Model

Hypothesis	Standardized path coefficients	t-value	Test result
H1: Purchasing experience => social presence	.041	.733	Not Supported
H2 : Purchasing experience => trust	-.026	-.463	Not Supported
H3 : Social presence => Intention to purchase	.085	6.901***	Supported
H4 : Trust => intention to purchase	1.030	9.738***	Supported

Remark: ***p<0.05

The result from Table 7 can be summarized that :

H1 : The standardized path coefficient between purchasing experience and social presence was 0.041 (t-value = .733). purchasing experience has no direct significantly on social presence. H1 was not supported.

H2 : The standardized path coefficient between purchasing experience and trust was -0.026 (t-value = -0.463). Purchasing experience has no direct significant on trust. H2 was not supported.

H3 : The standardized path coefficient between social presence and intention to purchase was -0.085 (t-value = 6.901***). Social presence has significantly influence on intention to use. H3 was supported.

H4 : The standardized path coefficient between trust and intention to purchase was 1.030 (t-value = 9.738***). trust has significantly influence on intention to purchase. H4 was supported.

Direct, Indirect, and Total Effect of Relationships

The relationship between each variable conclude the direct and indirect effect between variables. The direct effect indicates that an independent variable directly influences on the dependent variable without mediating variables. Conversely, indirect effect indicates that an independent variable indirectly influence on the dependent variable through mediating variables and the total effect is the sum of direct and indirect effects (Asher, 1983).

Table 8:

Direct, Indirect, and Total Effects of Relationships

Dependent Variable	Effect	Independent Variables			
		Purchase Experience	Social Presence	Trust	Intention to Purchase
Purchase Experience	DE	-	-	-	-
	IE	-	0.41	-.026	-
	TE	-	0.41	-.026	-
	R ²	-			
Social Presence	DE	-	-	-	.085
	IE	.041	-	-	-
	TE	.041	-	-	.085
	R ²	.002			
Trust	DE	-.026	-	-	1.030
	IE	-	-	1.030	-
	TE	-.026	-	1.030	1.030
	R ²	.001			
Intention to Purchase	DE	-	.085	.085	-
	IE	-	-	-	-
	TE	-	.085	.085	-

	R ²	.844
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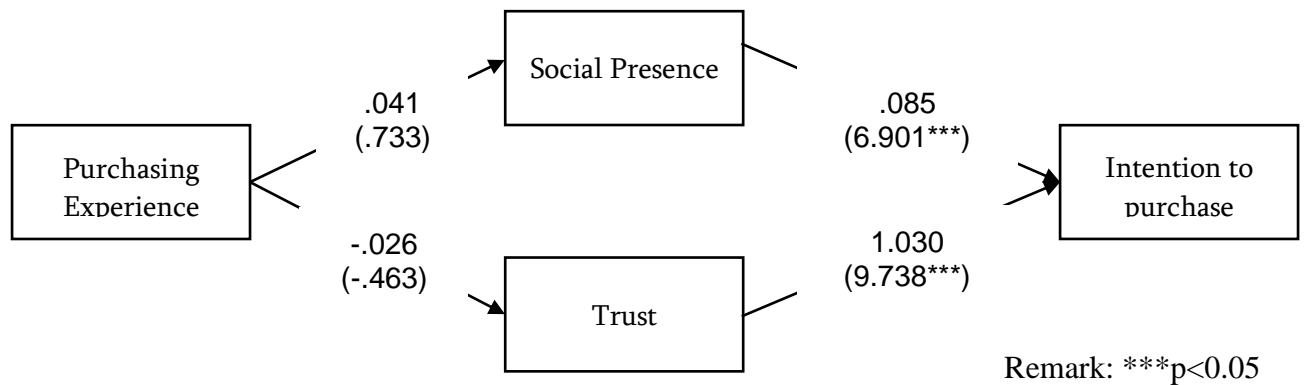


Figure 2: The result of structure model

The result from table 8 can be explained that:

Social Presence: Purchasing experience had insignificant direct effect of social presence at 0.041.

Trust: Purchasing experience had insignificant direct effect of trust at -0.026.

Intention to purchase: The significant direct effect of social presence on intention to purchase was -.085. The significant direct effect of Trust on intention to purchase use was 1.030. The significant direct effect of perceived ease of use on intention to use was 0.160.

To summarize, trust has the most significantly on intention to purchase via Line application (1.030). The second most significantly on intention to purchase is social presence by (-0.085).

Conclusion, Recommendation and Limitation

Conclusion

The purpose of this research is to study the purchase experience and intention to purchase via Line application of Thai people who lives in Bangkok and Bangkok Metropolitan. The conceptual framework includes purchase experience, social presence, trust, and intention to purchase. The questionnaire was distributed through online channel via Line application and Facebook. The results were analysed by Confirmatory Factor Analysis (CFA), verifying the validity and reliability of the model. Also, the influence among variables were examined by Structural Equation Model (SEM).

Purchase experience have no influencing on social presence and trust. On the other hand, social presence and trust are the factors the has directly influence on the intention to purchase. People are looking forward to making purchase on goods and services, they search for information on social media. They trust on the social presence, how they are visible online. This creates trust which leads to intention to purchase.

Recommendation

The result of this research shows that intention to purchase via Line application depends on social presence and trust. People who have made purchase, does not lead to intention to purchase. Based on this research has negative point on proving this. Therefore, the online seller who can connect and sell their goods and products through Line application should focus on making their brand visible and social presence. Doing brand and product marketing can create goods and service visible in social, which can gain more awareness of the products that can lead to remind customers of the brand when they needed the product. The seller should also provide all the details including their business information, contact, address which can gain customer more trust towards the business and brands. Advice and recommendation should be provided to the customer to enhance their trust which could can gain the customer trust and may have repeat purchasing in the future.

Limitation and further study

While this research contributes important insights about the purchase experience and the intention to purchase via Line application. There are some limitations that should be applied in the further research. First, the data were collected only Bangkok and Bangkok Metropolitan. Further study should focus on the other geographical area. Second, this result focused on the online Line application. Further study should do more research on other application that customers usually use for online shopping. Finally, there are a small number of factors that may not cover all the factors that leads to the intention purchase. For further study may increase factors such as price, promotion, and brand loyalty.

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