

FACTORS INFLUENCING CONSUMER PURCHASE INTENTION WHILE BUYING ONLINE



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ABSTRACT

Motivation/Background: Today, it is very imperative to study the factors that effect and predict the purchase intention of consumer online shopping. E-tailers and e-commerce is expanding very quickly, especially clothing and fashion brands have shifted to electronic channels to reach out their clients. This is one of the reasons that apparel is amongst the most sold items online. The purpose of this research is to identify the factors that influence consumer choices and which factors have significant effect on consumer purchase intention while online shopping fashion apparel.

Method: This research has adopted quantitative approach and explanatory research purpose to establish relationship between four independent variables: Convenience, Price, Information and Security on the dependent variable (Consumer purchase intention). Survey response from 300 consumers was collected through online questionnaire and distributed through convenience sampling.

Results: Data collected was analyzed on SPSS. For two hypotheses, correlation test one-sample t-test was conducted. Further, two hypotheses were analyzed by regression analysis. All four hypotheses were accepted. Results conclude that there is a significant relationship between online purchase intention of consumer and its factors such as price, convenience, security and information about product or service.

Conclusions: This study has many implications for small retailers to focus on factors that can make it easier selling online. Security measures to protect user data are very vital to bring user back on the e-tailing website or webpage.

1. INTRODUCTION

Online shopping or e-tailing as it is called is now becoming a more permanent way of shopping and is being adopted by majority of the brands /companies and consumers have also embraced it. With fast growth and rapid influx of social media Business pages and online brand communities, most of the apparel and fashion brands have made their presence and spend more advertising budget and energy towards advertising their products on online platforms (Kaimkhani, 2018). This has led to a great rise in home-based businesses in the last few years and it's still rapidly growing. Some consumers see it as a convenience, while others participate in online shopping for the reduced prices and a few do it to avoid any human contact. But the basic reason would always be the convenience, and how consumers can shop at any time of the day or night from any part of the world. Moreover, E-payment solutions

availability has quickened up the process of adoption of online shopping (Soomro, 2019a). To some people it has also become like an addiction which causes them to purchase all and any product they like, as in their minds they see the material things they desire only a click away. Clothing and fashion brands have become an important part of consumer's lives and many recent studies have explored fashion industry from different perspectives (Soomro, 2019b). This is one of the reasons that apparel is amongst the most sold items online. The purpose of this research is to identify the factors that influence consumer choices and affect their purchase intention while purchasing online, focusing on fashion apparel.

2. LITERATURE REVIEW

2.1. THEORETICAL BACKGROUND & TECHNOLOGY ACCEPTANCE MODEL (TAM)

TAM is a theory which helps explain the acceptance of technology by consumers. It helps in predicting and explaining consumer's behavior in using technology. It explains why technology is accepted or rejected by users. It explains how one's belief, attitude, and intention to use are influenced by external factors, (Park, 2009). TAM proposes two beliefs: perceived usefulness and perceived ease of use. Perceived usefulness is when a person thinks something can enhance his or her performance while doing something, like at work if it enhances a person's job performance, they would accept that technology. Perceived ease of use is when the technology is not difficult to use and does not require much effort from the user, (Davis, 1989).

2.2. E-TAILING AND ONLINE STORES

Online shopping is where a buyer directly consumes goods directly from the seller. Online shopping is done via an online store, e-shop or Internet shop. Online stores display and define their products through computer generated visuals, pictures and text, they even sometimes have attached links which lead to extra information about their products. Online stores even have videos on how to use the products, the safety measures needed, how to assemble it and other various demonstrations. (Akbar & James, 2014)

Shopping for apparel was once seen as an experience by the consumers, they were provided with an image of luxury and expansive retail environment, but with the emergence of e-tailing there has been a huge drop in physical retail stores. There are various elements of stores such as lighting, design etc. that affect the consumer decision making (Soomro, Kaimkhani & Iqbal, 2017). But as the online shopping is at rise and has become a popular means for buyers around the world as a way of obtaining goods and services. It has been widely accepted and has become a very important medium for bartering goods and services as it provides more choices, is convenient and easier to find any type of product online. Online stores have many advantages over physical retail stores: they are convenient and time-saving, no longer need to travel and wait in line for hours. They are open 24/7 and accessible anytime, anywhere. These stores provide customers with free and rich information about products and services. The retailers also have many tools online analyze and to help clients evaluate and make purchase decisions amongst a variety of products and services, (Javadi et al., 2012).

Today, online consumers have more power and control over price negotiations than consumers in physical stores setting, as the internet provides more interactivity between consumers, and retailer, in addition greater availability of information about products and services. There are also disadvantages to online shopping like the fact that there is no physical feel when the product is being purchased. There might also be less devotion from the consumers toward a brand as there will be no face-to-face communication.

2.3. THE ONLINE BUYING PROCESS

The Buying process has five steps. First, the customer identifies the needs or requirements, and then defines the necessary requirements to meet them. The second is to collect information and evaluate the proposed options. Once consumers have listed their options, they will continue to make purchases, including shopping or bargaining at the best price available. Ultimately, consumers will look at the multiple attributes that limit or influence the final decision-making and assess whether they have made a satisfactory choice. (Akbar & James, 2014)

Soomro (2018), stated that it is important to understand the consumers decision making process in e-tailing and how different professionals evaluate the online marketing, as consumers require information about the online store to do comparisons between various products and services.

2.4. CONSUMER BUYING BEHAVIOR AND E-TAILING

Consumer behavior is the study of individuals, groups, companies, and the way they adopt in selecting, acquiring, and get experiences, products, services, or opinions to meet the impact of these behaviors on consumers and the public. Each person's consumer behavior is different, depending on the purchase decision, and the purchase decision is influenced by the purchase behavior and preferences, and the purchase behavior and preferences are driven by the psychological and social factors that affect a person's purchase decision. The behavior of consumers about decision-making when shopping online is difficult to explain, and is a shortcut and rule of thumb arrangement, irregular. Shortcuts to decision-making vary from person to person and focus on previous customers. Researchers can predict future trends by bringing cost-effective products and services to market. In these modern times, the reputation of interactive media such as the internet is growing rapidly with each passing day (Bashir, 2013). Online shopping behavior is also known as online buying behavior, and online shopping refers to when consumer order or buy anything from the online portals by using internet (Li, & Zhang, 2002). The online shopping process also consists of five steps, similar to those combined with regular shopping behavior (Javadi et al., 2012). Typically, how online shopping occurs is when a consumer realizes his or her need for a certain product and they use the internet for information about obtaining it. Sometimes the consumers are led to certain products associated with their needs and that is when they compare the products to choose the one best suited to their needs before a purchase is made.

Risk aversion and innovativeness are two factors that influence consumers to make a purchase. Risk aversion measures how much risk a consumer should be taking while buying. There are high risk adverse and low risk adverse consumers which basically explains which consumers who are sure of what they want to purchase and those who are not certain about the purchases they are about to make. Innovativeness measures how will a consumer is to take risk and try new things and new means of purchase (Velayutham).

2.5. FACTORS THAT INFLUENCE CONSUMER PURCHASE INTENTION

There are a lot of variables that influence online shopping such as time efficiency, convenience, security, cost, information and characteristics of the products and its culture, demographics, and environment. One of the major success factors of online shopping has been its convenience and delivery of products to the customer's doorway. The seller should take into deliberation numerous aspects concerning security. For example, the consistency of software, the security of the hardware, the effectiveness of statistics encryption, the reliability of the website's system of payment, are a few (Li, 2012).

The design of the website also has an impact on the purchases made by the consumer. The design should be clean and looks spacious, color theme should not be too loud or too boring and the fonts should be easy for the consumers to read, (Li, 2012). Free delivery often attracts customers who buy very often from Online Shops, to them Shipping expenses matter most and free of charge Shipping can hold on to these customers for a elongated time, (goswami, 2013).

Goswami (2013) further said that to make a customer loyal to your brand it is necessary to have a return policy especially in clothing business where size can be easily mismatched. Refund policy should be stated as the consumers shy away from online shopping because they do not want to risk that the product is either damaged or not the correct size. Refunds should be made within a given time period to reassure the consumers that a product can be replaced with ease if they are not satisfied with it. (Akbar & James, 2014)

2.5.1. CONVENIENCE

Consumers these day's do not want to squander away their time and energy in visiting the mall when they can have those same products delivered at their homes with much less bother by only 'clicking a button'. Going to the mall is seen as an inconvenience as they are tagged as crowded places, where first the consumer has to spend their

valuable time and money to reach there and then find parking space, only to be bumped into shoppers laden with bags full of their purchase and then when they finally progress towards achieving their goal for coming there, the time they allotted for spending in the mall is about to end. While internet shopping is like a mall that never shuts down which you have access to at any time of the day or night (Lodorfos, Trosterud & Whitworth, 2006). Easy access to full product information can facilitate and help user make an online purchase decision (Akbar & James, 2014). Online stores are also convenient for the products of sensitive nature which a consumer might not feel comfortable with buying in a retail outlet. Author has formulated following hypothesis:

H1: There is a significant relationship between Convenience and Consumer purchase intention.

2.5.2. PRICE

Vulnerable and conscious to the increase of the prices the consumers are typically in relation to the possession of products at the lowest rate or get the best value for the money they splurge through online shopping (Nazir et al., 2012). When products and brands have lot of similarity, and are competitive in price; consequently, consumer retention is quite vulnerable to change their choice of brand or retailer. (Zeng, Bhutto & Soomro, 2019)

Price is the main concern that consumers take in consideration prior to purchasing online and they have various fears that price is usually high. Price factor involves examining the consumers move toward squandering away funds when shopping online as income of the people is extremely low. Cost sensitive customers are generally concerned with purchasing merchandise at the lowest prices or getting the most value out of it (Nazir et al., 2012).

Fashion shopping nowadays is a union of the emotional and the rational. Delivering the correct price is ever more important; but so is delivering the right price through a context that reflects what the consumers enjoy most about fashion. Consumers have given performance advertising channels such a vital position in fashion purchasing since they so efficiently balance these two very diverse needs, and to avail the best price consumers now only need to log onto specific blogs and enter codes given for discount vouchers. Also, they can browse the sites that give price comparison for products so that consumers can avail the best prices, of course this means that the businesses have to be more careful when pricing their products as the competition is cut throat and consumer loyalty wavers to whoever has the lowest pricing.

Akbar and James (2014) stated that the consumers were not that price sensitive often as when the prices they compared online were not that different from each other but the process of this comparison was too time consuming. Hence, the following hypothesis is formulated:

H2: There is a significant effect of Prices offered on online portals on Consumer purchase intention.

2.5.3. INFORMATION ABOUT PRODUCT OR SERVICE

The internet has made it easier for the sellers to supply information concerning their products or services available for their patrons online. This is more cost efficient for the firms also as it is cheaper than distributing out promotional material for instance. The information supplier can obtain an improved understanding of the customer's needs and wants as they select the desired information they wish for from the websites. However, the firm has to form a passageway and demonstrate to the consumers where their site can to be found as the internet is packed with competition (Jayaprakash & Pavithra, 2017). Therefore, the following hypothesis is formulated:

H3: There is a significant effect of Information about product or service on Consumer purchase intention.

2.5.4. SECURITY

Awareness of security has been explored to deepen understanding of consumer buying behavior, especially in the field of e-retail. Bhatnagar, Misra and Rao (2000) recognize two main types of risk: product category risk and financial risk. Product category risk is focused on the product itself and is related to the customer's belief in whether the product will perform as per expectation. Financial risk is related to interne fraud related to theft of identity and personal bank details or credit card scams. Consumer's aim to shop online depends on their past experience shopping online. If they had an excellent experience with no troubles then they will consider doing it yet again but if they faced security issues or problems with the product, they purchased then that will see it as a negative point in their minds and they will prevent from shopping online again (Mittal, 2013). Showing the customers an order

confirmation page after a purchase is made is necessary. Li (2012), extends that necessity of presenting the customers with an order confirmation page along with an order confirmation email. He states that it is imperative to show customers all the order particulars as well as product details in addition to delivery details soonest possible to assure customers that their purchased items were chosen properly. Li (2012) further discusses that identity theft is also a concern of the consumers. Fear of leakage of their personal information holds them back from making purchases online, so to show them that their information is safe a disclosure policy should be made. Hence, the following hypothesis is formulated:

H4: There is a significant relationship between Security of e-tailing websites and Consumer purchase intention.

3. MATERIALS AND METHODS

3.1. METHOD OF DATA COLLECTION

For this research, primary data collection method was performed. A questionnaire was administered among sample population. Convenience sampling has been used for identifying sample respondents for this research. Secondary data was extracted from various articles and research journals and is thus based on the literature findings, reviews and interviews.

3.2. SAMPLING TECHNIQUE

In the process of data collection and application method, “convenience sampling” that is a non-probability sampling technique has been administered. The areas taken into consideration for the research are the metropolitan city of Saudi Arabia such as Jeddah, Riyadh and Dammam.

3.3. SAMPLE SIZE

To get the information required for the thesis topic chosen, 300 respondents on the basis of various demographic factors filled the questionnaire.

3.4. INSTRUMENT OF DATA COLLECTION

Questionnaire was the medium of data collection through which questions were asked consisting of independent and dependent variables through which data has been analyzed and interpreted. A structured questionnaire was developed with closed ended questions in order to find accurate data that should not contain any biasness.

3.5. CONCEPTUAL RESEARCH MODEL DEVELOPED

- 1) **Independent variables:** Convenience, Price, Information about Product or Service and Security.
- 2) **Dependent variables:** Consumer Purchase Intention

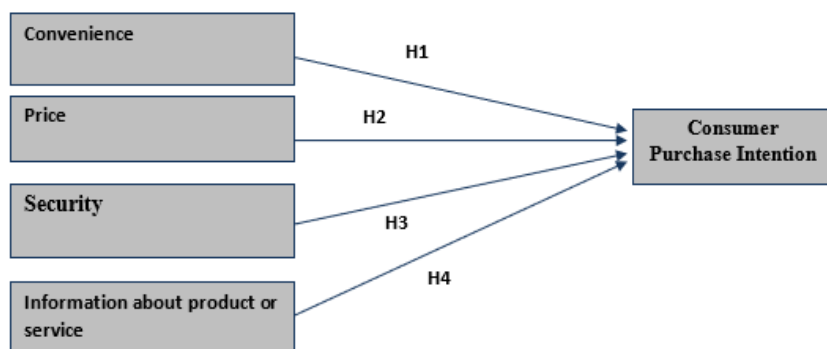


Figure 1: Conceptual Model

4. RESULTS AND DISCUSSIONS

4.1. STATISTICAL TECHNIQUE APPLIED

In this research One Sample T Test and regression is used as the statistical technique. One Sample T Test is applied to determine whether there is a significant relation between convenience and consumer buying behavior as well as security and consumer buying behavior. This technique is used to examine the correlation among dependent and independent variables. Regression test is applied to find the significant relationship between price and consumer buying behavior as well as information about product or service and consumer buying behavior.

Table 1: One-Sample Test

	Test Value = 3					
	T	Df	Sig. (2-tailed)	Mean Difference	95% Confidence Interval of the Difference	
					Lower	Upper
There is a significant relationship between convenience and consumer purchase intention.	5.261	299	0.000	0.23715	0.1484	0.3259

Table 2: One-Sample Statistics

	N	Mean	Std. Deviation	Std. Error Mean
There is a significant relationship between convenience and consumer purchase intention.	300	3.2372	0.71699	0.04508

H₂: There is a significant effect of price offered by e-tailers on consumer purchase intention.

Table 3: Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.569 ^a	.323	.321	.54863

Table 4: ANOVA statistics

Model	Sum of Squares	df	Mean Square	F	Sig.
1 Regression	36.254	1	36.254	120.450	.000 ^a
Residual	75.849	299	.301		
Total	112.104	300			

Table 5: Coefficients

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Correlations		
	B	Std. Error	Beta			Zero-order	Partial	Part
1 (Constant)	1.972	.093		21.125	.000			
Price	.348	.032	.569	10.975	.000	.569	.569	.569

H₃: There is a significant relationship between information about product and service and consumer buying behavior

Table 6: Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.435 ^a	.189	.186	.60057

Table 7: ANOVA

Model	Sum of Squares	df	Mean Square	F	Sig.
1 Regression	21.212	1	21.212	58.809	.000 ^a
Residual	90.892	299	.361		
Total	112.104	300			

Table 8: Coefficients

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Correlations		
		B	Std. Error	Beta			Zero-order	Partial	Part
1	(Constant)	1.986	.128		15.523	.000			
	Information	.269	.035	.435	7.669	.000	.435	.435	.435

Table 9: One-Sample Test

	Test Value = 3					
	T	Df	Sig. (2-tailed)	Mean Diff	95% Confidence Interval of the Difference	
					Lower	Upper
There is a significant relationship between security of e-tailing website and consumer purchase intention.	4.545	299	0.000	0.20079	0.1138	0.2878

H₄: There is a significant relationship between security of e-tailing website and consumer purchase intention.

Table 10: One-Sample Statistics

	N	Mean	Std. Deviation	Std. Error Mean
There is a significant relationship between security of e-tailing website and consumer purchase intention.	300	3.2008	0.70410	0.04418

The above table 9 and 10 shows that the mean of the model is 3.2008 and Sig. (p value) of the model is 0.000 which is less than 0.05 so hereby we accept the hypothesis.

Table 11: Hypotheses Assessment Summary

S.NO.	Hypotheses	Sig. Value	Empirical conclusion
H1	There is a significant relationship between convenience and consumer purchase intention.	0.000	Supported
H2	There is a significant effect of price offered by e-tailers on consumer purchase intention	0.000	Supported
H3	There is a significant effect of information about product and service on consumer purchase intention.	0.000	Supported
H4	There is a significant relationship between security of e-tailing website and consumer purchase intention.	0.000	Supported

5. CONCLUSIONS, DISCUSSION AND RECOMMENDATIONS

5.1. CONCLUSION

After carrying out this research and looking at both the primary and secondary research, it can be concluded that there is a significant relationship between online purchase intention of consumer and its factors such as price, convenience, security and information about product or service. It is suffice to say that the factors that motivate a consumer to shop online are lower prices or discounts. It is more convenient to order online rather than to go to a mall, plus online shopping saves time. Another factor is there is more information on various products present online which are not found in retail outlets and lastly the security factor which indicates that the consumers are more at ease with keeping their identities safe and shop online.

5.2. DISCUSSION

Consumer purchase intention is the behavioral intent to prefer purchasing online and it is proven from our research that consumers prefer to shop online for various reasons a few of which has been discussed in this research like price, information, security and convenience. A consumer browses through the internet and searches through various channels to compare prices, which has now become easier with certain websites which offer comparisons on products from different channels. This has created more competition which has led to lower pricing and product innovation. The internet has given the consumers a wider range to select from and the chance to order any products they wish at any time of the day. Fashion Apparels items are one of the highest selling products online which has led to a boom in the fashion industry of Saudi Arabia as many women have started their home-based businesses online. Pricing has been an issue for many consumers but through internet that issue has been resolved as products with in all ranges are available. Security is also a factor which is discussed in the research. For those purchasing for the first-time security is an issue but those who have purchased multiple times online are comfortable with giving their information. Most of the online sellers have also gone an extra mile to try and ease the consumer's fears by offering returns or exchanging the product if it is damaged or the wrong size; which is one of the biggest problems faced by consumers. Also factors like information about the product or service and convenience as well play a major role in consumers purchasing online.

5.3. MANAGERIAL IMPLICATIONS

The research interpretation signifies the high implication of convenience, security, information about product or service and price on consumer purchase intention. They all play a vital role when a consumer is making a decision to make a purchase online. Especially when purchase an apparel pricing and comparison is done, and seeing as clothing is now a major part of how a person judges himself or others through the clothing, they wear wearing the trendiest outfit is the norm.

5.4. FUTURE RESEARCH DIRECTIONS

Keeping in mind the conclusions and discussion along with the implications that are present, further research may be conducted by researching other factors that influence consumer buying behavior while buying online like; quality of the product, website quality, experience shopping and service quality. The study can also be more focused on luxury apparel items and accessories.

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CONFLICT OF INTEREST

The author have declared that no competing interests exist.

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