Factors that Influence Intentions to Purchase Online Exclusive Products

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Abstract—This work reconnoiters factors that impact customer’s intentions to purchase online available exclusive products. The trust and buying behavior patterns for online purchase intention is being investigated. This study involves comprehensive analysis of both the perspectives and the results are reported. A sample size of 214 online shoppers are considered whose attitudes and intentions are studied to shop online exclusive available products. In terms of relative contributions, we found that the trust-antecedent ‘perceived risk’, trust on brand of the product and trust on brand of the e-commerce website directly influenced the attitude towards purchasing online.

Index Terms—Purchase intentions; Consumer buying Behaviour; Willingness to spend

I. INTRODUCTION

This paper explores the Various factors that influence online purchase decisions in online markets for exclusive products selling. The products are being sold to the customers only through websites. These online stores are important and sometimes highly visible representatives of the ‘new economy. The products can be made available to fewer prices on account of economies of scale and less logistics cost if there is an increased understanding of inline consumer behavior.

With the rapid development of Internet and-commerce, online product reviews generated by users, one form of electronic word-of-mouths have become an important information basis for consumer. Purchase decision making. Communication direction is another one that makes focused dimensions of online reviews, because communication effects and WOM marketing strategies are significantly eminent for different valences reviews. There are 2 perspectives upon which this research is being based upon to explore the consumer’s intentions to purchase products at online stores. One is technology-oriented perspective and the other one being trust-oriented perspective. As consumer’s behavior experience may a critical influence on the brand’s trust, factors like technology, brand familiarity, satisfaction and brand trust are highly relevant to online consumer behavior, yet their inclusion in traditional consumer behavior frameworks is limited. It plays a crucial role in building a long term successful business on the web. E-satisfaction has been defined as the contentment of customers with respect to their prior purchasing experience with a given electronic commerce firm. Every factor in both the perspectives are discussed to understand the purchase intentions of customers in online stores. Also presented is an empirical study, which determines the contribution of each perspective by surveying 214 potential online shoppers.

The paper is organized as follows. We first deal with the theoretical background where attention to technology and trust-oriented perspectives of online consumer behaviour is dealt with, followed by the empirical study and its summary. We conclude with a discussion and scope for future research.

Many consumers rely on E-Commerce industry today owing to its ease of use. E-commerce is growing at a fast pace. While traditional activities including buying products from stores, kirana and weekly markets are seem to be increasing in India, the most popular ease of use activity is purchasing the products in online [2]. This study aims to find out the factors influencing the frequency of purchasing the products online. The factors influencing the intention of purchasing the products in online is discussed in the literature review section followed by conceptual model. Research methodology is discussed next with results of the analysis and the paper concludes.

II. LITERATURE REVIEW AND HYPOTHESES DEVELOPMENT

There are fewer studies in the literature that have focused on various factors influencing preferences for intentions to
purchase online exclusive products. While Studies like [3] have analyzed the risk factors influencing intentions to purchase online products. others [4] and [5] among others have studied post reading reviews behavior, trust on website brand and product brand trust influencing on consumer online behavior. While [6] focused on the relationship between consumer susceptibility to Interpersonal Influence, our study tries to analyze the impact of various factors like age, gender, willingness to purchase including importance to reviews, risk taking behavior and information seeking behavior of customer and household income on frequency of theater purchase. Each of the variables analyzed are discussed next.

H1: Online reviews impacts the intentions to purchase online only available products purchase

A. Reviews

[7] finds that customers who follow the reviews and changes the purchase intentions have more likely to purchase online platform. This study tests the above hypothesis through 2 (high expertise vs. low expertise) * 2 (positive online reviews vs. negative online reviews) experiment design. Between these two variables, review valence can be manipulated in advance, while consumer’s expertise usually can’t be manipulated before data collection. We hypothesize that online reviews impacts the intention to purchase the online products.

H2: Perceived risks in shopping online will have a negative influence on the intentions to purchase online only products.

B. Perceived Risk

[4] in their study found that perceived risk of Financial risk, Product risk and time risk have a positive impact. The studies found time risk have a significant impact on the purchase over online. Our study hypothesizes that the perceived risk which truly indicates product quality. If it is on the negative side consumers won’t prefer buying that product. Information search is important either it may depend on the price, quality, brand etc.

H3: Trust on Website will have a positive influence on the intentions to purchase online only products.

C. Trust on Website

[5] Describes about creating customer experience with a particular website is becoming increasingly recognized as a vital driver of e-performance. If the consumer doesn’t have a particular website experience will be more likely to use extrinsic cues in brand quality assessments because they were not experienced with the product and information search was less.

D. Brand

[6] Describes about the website brand experience. It defines a consumer’s positive navigations and perceptions with a specific website. These increases the online customers expect websites to offer them not just a message, but also a positive experience. E-consumers are more likely to use a good website that offers a positive experience.

H4: Susceptibility to interpersonal will have a positive influence on the intentions to purchase only online products

Further it is also hypothesized that susceptibility has addressed the dimensions of susceptibility to interpersonal influence and its effects upon decision processes. In this regard, Deutsch and Gerard explains that interpersonal Influence is manifested through either normative & informational influences. It defined as normative influence as the tendency to conform the expectations of others. It is to enhance one’s image in the opinion of significant others through the acquisition and use of products and brands and to conform the expectations of others regarding purchase decisions or seeking information from others. There is higher probability of respondents had a positive influence to purchase online products.

H5: Trust on Product Brand will have a positive influence on the intentions to purchase online only products.

G. Product

[12] Describes about the product brand it is only through the experience and use of the product. It should have a considerable impact on consumer cognitive structures. The two familiar names brand experience and brand familiarity are the most crucial factors for buying online products. They assess the brand product based on their intrinsic attributes that are informative about quality, improves in product specifications.

H6: Age/Gender impacts the intentions to purchase intentions to purchase online only products.

[5] Describes about young consumers in different ages have different purchasing behavior. The effect on gender depends on some factors. For female’s cosmetic products and related to house purchasing is more compared to men.

III. CONCEPTUAL MODEL

The following conceptual model has been developed to study the relationship between the frequency of purchasing the products online and the factors influencing the same.
IV. RESEARCH METHODOLOGY

A. Questionnaire:
A self-governed online survey instrument was used. Questions covering all the above described factors influencing the intention to purchase the products in online were asked. While 5-point Likert scale ranging from very important to very unimportant was used to measure the importance of purchasing the exclusive online products, scale ranging from least likely to most likely was used to understand “Intension to purchase exclusively online products”. Respondents’ personal details such as gender, age group, and annual income were also collected.

B. Data Explanation
214 responses were collected for this study, across various age groups and location in India. Description of data across gender and location are given in Figure 3. As seen in Figure 3 male respondents were 70% and female were 30% while urban were 64% and rural respondents were 36% of total respondents.

C. Empirical Model

To understand the factors influencing the intension of purchasing the products online logistic regression model was estimated. As the dependent variable ‘Intension to purchase online exclusive products’ is an ordinal variable, ordered logistic regression method was used to estimate the model. The equation is:

\[
ITP = \beta_1 + \beta_2 PR + \beta_3 R + \beta_4 CS + \beta_5 TOB + \beta_6 TWB + \beta_7 G + \beta_8 A \quad \text{(Eq1)}
\]

Where,
PR – Perceived Risk
R – Reviews
CS – Consumer Susceptibility
TOB – Trust on Product Brand
TWB – Trust on website Brand
A – Age
G – Gender; Male are coded as 1 and females are coded as 0
L – Location Urban is coded as 1 and Rural is coded as 0

The ordered logistic regression results are discussed next.
V. ANALYSIS AND RESULTS

Results estimated using ordered logistic regression is given in Table 1. It includes the odds ratio for each variable along with coefficient estimated and its corresponding p value.

<table>
<thead>
<tr>
<th>Table I</th>
<th>RESULTS OF ORDERED LOGISTIC REGRESSION MODEL</th>
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<tbody>
<tr>
<td>Intention to purchase</td>
<td>ODD &amp; RATIO</td>
</tr>
<tr>
<td>Online Shopping Preference</td>
<td>1.070606</td>
</tr>
<tr>
<td>Financial Risk</td>
<td>0.9616449</td>
</tr>
<tr>
<td>Reviews</td>
<td>1.084644</td>
</tr>
<tr>
<td>Website Trust</td>
<td>1.135761</td>
</tr>
<tr>
<td>Product Brand Trust</td>
<td>0.9707757</td>
</tr>
<tr>
<td>Informational Scale</td>
<td>1.023431</td>
</tr>
<tr>
<td>Normative Scale</td>
<td>0.9938273</td>
</tr>
<tr>
<td>Gender</td>
<td>0.8769227</td>
</tr>
<tr>
<td>Age</td>
<td>0.8868198</td>
</tr>
<tr>
<td>Income</td>
<td>1.205348</td>
</tr>
<tr>
<td>Product Risk</td>
<td>0.9977004</td>
</tr>
<tr>
<td>Time Risk</td>
<td>0.9488547</td>
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Results from Table 1 indicates that reviews and trust on the website has a positive impact to purchase the only online available products. There was a positive relationship between preference for online shopping and the willingness to purchase online products is more because consumers feel it was an easy to buy rather than going to store and get the product. There was a negative relationship between perceived financial risk online and the willingness to buy online products at (5% level of significance.) A positive relationship between responsiveness to online reviews and the willingness to buy online products.

People who are willing to spend on entertainment activities are seen to have 1.5 times higher probability of visiting the theater more frequently. Further students pursuing master’s degree are seen to have 3 times higher frequency of theater visits as compared to graduates and others.

As the age increases the probability of frequency of purchasing the online products decreases. The younger aged groups are seen to have significantly (at 1% level of significance) higher propensity to buy products online visit. Our results are in confirmation with [4] where younger people were seen to be more involved in entertainment activities. The frequency of product risk seems to be negative. Buying products in online is lesser in females when compared to males and this is seen to be significant at 1% level of significance. Thus, gender is seen to have significant impact in purchasing the online products.

VI. CONCLUSION

With the increase in choice of different platforms available for purchasing online products it becomes necessary to study the frequency of intention of purchasing the products in online this study can provide valuable insight to online selling. Age and gender plays a significant role in contributing to frequency of purchasing exclusive products in online. Further willingness to spend has a positive impact on frequency of purchasing online exclusive products.

VII. LIMITATIONS

Further studies can be done by focusing more on the influence of satisfied customers’ recommendation to the new buyers which is left unexplored in this study. This will help to improve the understanding of consumer behavior and influencing factors.

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