FACTORS INFLUENCING THE ONLINE PURCHASE INTENTIONS OF CONSUMERS: AN EMPIRICAL STUDY IN HO CHI MINH CITY

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ABSTRACT:

This study identifies the factors influencing the online purchase intentions of consumers in Ho Chi Minh City. The study finds that there are four factors, including perceived usefulness, subjective norms, trust, and perceived enjoyment, that positively influence consumers intentions to make online purchases. Meanwhile, the factor of perceived risk has a negative influence on consumers intentions to purchase online. Based on the studys results, some solutions are proposed to help managers and retailers attract more consumers to make online purchases.

Keywords: online shopping, online purchase intention, Ho Chi Minh City.

1. Introduction

The new technology has developed and it provides greater opportunities for everybody to run both business and shop online. According to Lim et al., (2016), online shopping is considered as one of the most common shopping methods for consumers in recent years (Lim et al., 2016; Wu et al., 2011). Internet has changed the traditional model and system it helps buyer and seller to interact each other without face-face and they can make the transaction online. Therefore, there are a continuously increasing the number of consumer shopping over the years (Ozen & Engizek, 2014). The process of the online shopping throughout internet provides more advantages and convenience than traditional way (Lester et al., 2005); it can help consumers to save their time (Morganosky & Cude, 2000), it also provides variety of products for consumers to choose it (Delafrooz etal., 2011) and consumer can buy the products online at a lower price (Choi & Park, 2006; Lester et al., 2005; Walsh & Godfrey, 2000).

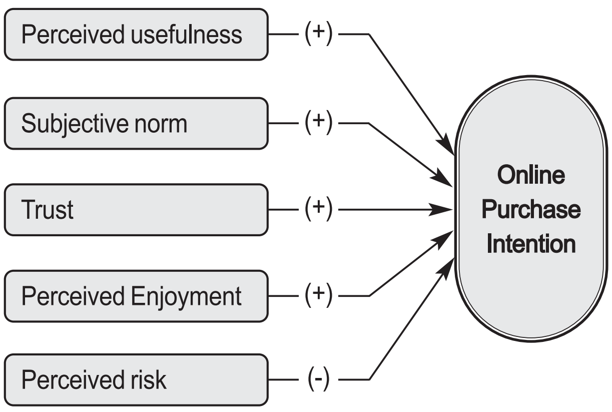
In addition, several scholars have paid attention to the impact of trust and perceived risk on consumer intention purchase online. Trust plays an important role in shopping online because consumers trust to online, they will have more intention to buy or make more the transaction online although they dont interact directly to the retailers or seller as consumers perception of transaction risks (Pavlou, 2003; Verhagen et al., 2006). Consumers also concern about the risk on online shopping because they don't interact directly to retailers and they face higher risk than traditional shopping such as financial risk, product risk and privacy infringement risks (Smith & Rupp, 2003; and Kim et al. 2008). However, there are still inconsistent findings about the influence of consumers perceived risk on their intention to shop online

The number of online buyers or shoppers has increased, it creates a lot of opportunities for online retailers to conduct their business and increase their sale volume toward online shopping. Therefore, online retailers need to discover the factor which promote and attract consumers to purchase and consumer more online products (Lohse et al.,2000). This study aims to explore the effect of factors perceived usefulness in TAM, subjective norm in TPB and another 3 factors; perceive enjoyment, trust and perceived risk on intention to purchase online in order to have better understanding online shopping context in Ho Chi Minh City.

2. Research model and hypothesis

From previous studies and the purpose of the article, the author proposes the conceptual frame of research hypothesis, include 5 factors as: Perceived usefulness, Subjective norm, Trust, Perceived Enjoyment; Perceived risk that have influence on consumers online purchase intention: (Figure 1)

Figure 1: Proposed conceptual frame of research hypothesis



The research hypotheses include:

H1: Subjective norm has a positive relationship with online purchase intention among consumers in Ho Chi Minh City.

H2: Perceived usefulness has a positive relationship with online purchase intention among consumers in Ho Chi Minh City.

H3: Trust has a positive relationship with online purchase intention among consumers in Ho Chi Minh City.

H4: Perceived enjoyment has a positive relationship with online purchase intention among consumers in Ho Chi Minh City.

H5: Perceived enjoyment has a negative relationship with online purchase intention among consumers in Ho Chi Minh City.

3. Research Methodology

3.1. Data collection

A nonprobability sampling technique with convenient sampling was used to collect the data in this study. The researcher adopted a structured questionnaire to collect the primary data for this study. The questionnaire survey was implemented during the period of October to December, 2022 through online where questionnaires were distributed to the respondents through messenger or e-mail. The total of 210 answered questionnaires from the respondents was collected for this study. The researcher used the five-point Likert scale (1 = strongly disagree, 2 = disagree, 3 = neutral, 4 = agree and 5 = strongly agree) relating to perceived usefulness, trust, subjective norm, perceived enjoyment and perceived risk to evaluate their perception to the relevant questions which listed in the questionnaire online.

3.2 Data Analysis

Statistical Package for Social Sciences (SPSS) version 23.0 software were adopted to analyze primary data. The process of analysis data consists of the following steps: using Cronbach's Alpha to check scale reliability, exploratory factor analysis (EFA), correlation analysis (Pearsons correlation coefficient) and multiple regression analysis to test the relationship between independent variables (perceived usefulness, subjective norm, trust, perceived enjoyment and perceived risk) and dependent variable (online purchase intention)

4. Findings

4.1. Reliability analysis

Cronbach's Alpha is used to test the reliability of questionnaire scale. According to Nunnally (1978) and Hair et al. (2010). Cronbach's Alpha is greater than 0.6 to be considered as acceptable and reliable in social science research (Nunnally, 1978)

The result of the reliability test showed that the value of Cronbach's Alpha for all variables is greater than 0.6. Total 6 variables range from 0.64 to 0.79. For example, the Cronbach's Alpha of subject norm, online purchase intention, trust, perceived usefulness, perceived enjoyment and perceived risk is 0.64, 0.682, 0.683, 0.703, 0.714 and 0. 795 respectively. Therefore, all variable is accepted and reliable for measurement to meet the statistical requirements. The composite reliability for 6 variables also showed to be higher than 0.6. All variable is reliable to meet the statistical requirements for measurement Hair et al. (2010).

4.2. Exploratory factor analysis (EFA)

EFA was implemented to measure the compatibility for the sample of the research. All 22 observations load in 6 factors; perceived usefulness, trust, subject norm, perceived enjoyment perceived risk and online purchase intention, The factor loading for each variable should be greater than 0.5 to be kept it in the model. The result showed that all factor loadings is greater than 0.5 to meet the criteria for factor analysis. Therefore, there was no observations to delete in the model Besides, the result of KMO (Kaiser-Meyer-Olkin) Test has the value of 0.861 with Bartlett Test (a significance value) is 0.000. Based on the result of factor analysis, total 23 observations would be kept for further correlation analysis

4.3. Multiple regression analysis

Multiple regression is used to test the relationship between perceived usefulness, subjective norm, trust, perceived enjoyment, perceived risk and online purchase intention in next step

The result showed in the table 1 that all 5 independent variables: perceived usefulness, subjective norm, trust, perceived enjoyment, perceived risk and dependent variable: online purchase intention has the relationship in the model with adjusted R square = .528, F value of model = 156.87 and p value = 0.000 < 0.05. The table 4 revealed that 5 factors: "perceived usefulness", "trust", "subjective norms", "perceived enjoyment" and "perceived risk" a have p < 0.05 and standardized coefficient Beta > 0. 5 hypothesis H1, H2, H3 and H4 are accepted in the model. Therefore, we can conclude that the effect of "perceived usefulness", "trust", "subjective norms" and "perceived enjoyment" on the online purchase intention. However, factor "perceived risk" has negative relationship with online purchase intention with p < 0.05 and standardized coefficient Beta > 0. 5. It can refer to the customers feel higher level of risk they make the lower intention to purchase online. Thus, the hypothesis of perceived risk is accepted. Table 1

5. Discussion

This study tests the relationship between some variables and intention to purchase online. The results in this study aligned with the results in previous studies to explain the different consumer behavior toward online shopping (Karasavvogloua et al., 2013; Rahman, 2013, Chai et al., 2011; Mohseni & Sreenivasan, 2014, Lin, 2007, Ngoc Thang Ha et al.,2021, Cheng Boon Liat and Yee Shi Wuan, 2014, Hsin & Wen 2008 and Tran 2020, Monsuwe & Ruyter, 2004). For example, the result of the study shows that perceived usefulness has significant influence on purchase intention of online consumers. This result is consistent with Gefen et al. (2003a) and Chui et al. (2005) and Ngoc Thang Ha et al., (2021), whereby consumers are mostly impacted by the usefulness of the

Table 1. The result of regression analysis

Independent variables	Unstandardized Coefficients B	Std. Error	t	Sig	Standardized Coefficients	Collinearity Statistics	
						Tolerance	VIF
(Constant)	1.329	0.229	5.800				
PU	0.261	0.051	5.133	0.000	0.299	0.596	1.677
TR	0.148	0.042	3.513	0.001	0.183	0.746	1.341
SN	0.091	0.042	2.158	0.032	0.112	0.756	1.323
PE	0.240	0.059	4.048	0.000	0.249	0.536	1.867
PR	0.035	0.044	-0.799	0.042	0.037	0.935	1.677
F value of model 156.873							
R square 0.532							
Adjusted R square 0 .528							

websites or online system when they purchase online. Furthermore, consumer perceives that a particular online retailer or store can bring usefulness to them toward shopping online thus they might increase their online purchase intention in the future

The second factor which has positive influence on the online purchase intention is subjective norm. Subject norms are individual perception about social pressure to perform or not to perform the behavior (Ajzen, 1991). Several studies revealed that consumer is affected by the opinion of reference group to perform their behavior on shopping intention of online (Lin 2007, Cheng Boon Liat and Yee Shi Wuan, (2014) Ngoc Thang Ha et al., (2021). It means the reference group suggest more their opinions the online shopper will have more intention to shop online

With a contribution to shopping online, trust ranks the second factor in influencing on online purchase intention in this model. The result reveals that trust factor is also significantly correlated to online purchase intention among consumers in Ho Chi Minh City. It means that trust is significant in predicting the consumers online purchase intention This result is consistent to the results of some scholars such as Gefen et al. (2003a), Cheng Boon Liat and Yee Shi Wuan, (2014) Ngoc Thang Ha et al., (2021)

In addition, the results of the analysis also show that perceived enjoyment has positive influence on individuals intention to purchase the product online. The results from the study of Carr et al., (2001) and Karasavvogloua et al., (2013) proved that perceived enjoyment is significant in explaining the consumers online purchase intention. Also, Liat & Wuan (2014) argued that perceived enjoyment could bring consumers happiness and satisfaction when they intent to online purchases on website and social media in their study. Another study of Ulaan et al. (2016) concluded that when a consumer feels enjoyable to do their activity through social media and website, it will attract their intention to purchase or shop online.

On the other hand, the result of the study proved that perceived risk has a negative influence on consumers online purchase intention. With regards to potential risk in shopping online, many consumers concern about financial risk, products risk, privacy infringement risks because they dont interact directly to sellers or retailer store and they perceive risk of uncertainty and negative consequences while purchasing online in a website. Therefore, the consumers feel that the online shopping or buying on the website may contain risk, the intention purchase online decrease vice versa. This result is consistent with findings of Hsin & Wen (2008) and Tran (2020) when they concluded that perceived risk had significantly negative influence on consumers online shopping intention.

6. Conclusion

The study addresses practical perspectives for the managers and retailers to pay more attention to these factors for increasing consumers online intention to purchase toward a website, social media and internet.

Firstly, online retailers or sellers need to provide information of the product or detailed product on the website and a large variety of products for consumers to choose them conveniently and easily. Thus, consumers will feel usefulness they will increase their intention to perform transaction online or accomplish a task to purchase online quickly. Furthermore, retailers should develop new technology and design attractive website, beautiful interface and user friendly to attract many consumers to purchase online and then these consumers will give their suggestion to their friends, their relative, their family to have more intention to shop online because online shoppers are influenced by the viewpoint of the referent group in shopping online context (Ha, 2020; Ha et al., 2019; Lin, 2007)

The second, the result also showed that trust played a vital role in predicting consumers online shopping intention. Therefore, online retailers should build the trust with clear and transparent policies on warranty, compensation and receiving feedback from the customers. For example, goods compensation should set up detailed policy about the condition and regulation for each specific cases or circumstance. Regarding to customers complaints or feedback, retailers should handle timely and reasonable manner to make customers satisfaction with the listed policies

The third, online retailers need to build the policies to protect the consumer and then to find a solution in order to reduce the perceived risk of consumers because the finding revealed that the perceived risk has a strong influence on consumers intention of online shopping. For example, retailer can reduce financial risk by providing the method on cash-on-delivery method (COD). This payment method also can help retailers to lessen the product risk for their customer because they will have a chance to check the selected product before making payment. With regards to product risks online retailers should provide accurate information and sufficient images of the mentioned product for consumers to check and evaluate the product easily and correctly before making online purchase ■

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CÁC NHÂN TỐ ẢNH HƯỞNG ĐẾN Ý ĐỊNH MUA HÀNG TRỰC TUYẾN CỦA NGƯỜI TIÊU DÙNG: NGHIÊN CỨU THỰC NGHIỆM TẠI THÀNH PHỐ HỒ CHÍ MINH

● TS. **NGUYỄN THỊ THANH THỦY**
Trường Đại học Mở Thành phố Hồ Chí Minh

TÓM TẮT:

Nghiên cứu này nhằm xác định các yếu tố ảnh hưởng đến ý định mua hàng trực tuyến của người tiêu dùng tại Thành phố Hồ Chí Minh. Kết quả cho thấy có 4 yếu tố, bao gồm: cảm nhận tính hữu dụng, chuẩn chủ quan, niềm tin, và cảm nhận về sự thích thú, có ảnh hưởng tích cực đến ý định mua hàng trực tuyến của người tiêu dùng. Trong khi đó, yếu tố cảm nhận rủi ro lại có tác động ngược chiều đến ý định mua hàng trực tuyến của người tiêu dùng. Dựa trên kết quả nghiên cứu, một số giải pháp được tác giả đề xuất nhằm giúp các nhà quản lý và nhà bán lẻ thu hút thêm người tiêu dùng mua hàng trực tuyến.

Từ khoá: mua sắm trực tuyến, ý định mua hàng trực tuyến, Thành phố Hồ Chí Minh.