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# A RETENTIVE CONSUMER BEHAVIOUR ASSESSMENT MODEL OF THE ONLINE PURCHASE DECISION-MAKING PROCESS

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#### **ABSTRACT**

Nowadays, most shoppers use e-business online platforms. However, consumer behaviors need to be studied in terms of satisfaction and the intention to purchase and re-purchase according to the online shopping process because online shopping platforms still have influenced their usage behaviors. This work proposes a retentive consumer behavior assessment model of the online shopping platforms through integration of Technology Acceptance Model and Online Purchase Decision-Making Process with two input factors: Trust and Quality. A questionnaire designed according to all factors from the proposed conceptual model is used to collect data from a sample group. The participants of this study are 384 respondents who have experienced using online shopping platforms. The data is used to analyze causal relationships through the use of structural equation modeling. The results showed that the proposed model can be explained for the relationship with consistent E-Business platforms affecting purchase and continue to purchase (re-purchase or recommend) behaviors of online trading users, and it also can be used to assess purchasing behaviors and repeating purchases of online consumers through 3 types of E- businesses: E-commerce, M-commerce, and S-commerce. The benefit of this study will help online shopping businesses to strategize the development of designed platforms for consumers' needs.

## Keywords:

Technology acceptance model Online purchase decision-making process E-Business E-commerce M-commerce S-commerce Trust Quality Re-purchase Recommend.

#### 1. Introduction

With the rapid and continuous advancement in ICT technology, the traditional business has been transformed into online business (elec-tronic business or e-business) with the help of the internet (Google et al., 2019; Keenan, 2019). On average, internet users spend 6 h and 42 min daily online

Shodha Prabha (UGC CARE Journal)

Vol.48, Issue-02, N0.01:2023

(Wearesocial, Digital, 2019; Kemp, 2020). In addition to these additional times, the latest data suggests that social platforms also expanded their active user based on the first three months of 2020.

The ranking of the top 3 social platform users in descending has ordered as Facebook, YouTube, and WhatsApp (Wearesocial, Digital, 2020). Thailand has ranked 3rd for spending 9 h and 11 min daily online (Driediger and Bhatiasevi, 2019). Moreover, Tamil nadu has achieved the first rank for using the Internet via a cell phone for an average of 5 h and 13 min daily, more than the global average of 3 h and 14 min (Sugla et al., 2015; Statista.com, 2020a; Statista.com, 2020b). For decades, the activity of electronically buying or selling products through online services or via the Internet, called E-commerce, has been established (Sullivan and Kim, 2018; Li and Ku, 2018). Statically, more Americans prefer online shopping than physical in-store shopping whilst 51% of them choose to click to shop. Moreover, 96% of Americans have made an online purchase at least once in their lives whilst 80% of them have purchased in the last month. Amazon is reported for 44% of all E-commerce sales in the US from 2017 to 2021, and the growth rate of the year by year is at 23% in the US. It can be shocking that 46% of The growing number of Internet users has shown a tendency to shift people's behavior towards more Online lifestyles, especially in trade. This has led to a rapid increase in online purchases of goods and services. It also may affect consumer behavior towards convenience and easy decision-making when buying products or services online. With the recent and ongoing pandemic e.g. coronavirus disease 2019 (COVID-19), the online business opportunity has been greatly widened as a result of enforcing social distancing, stay-at-home order, shop closures, and other measures in response to suppressing the pandemic. Demand for internet data services and logistics has increased to accommodate the shift to online activities, especially in commercial aspects.

This has led to a spike in online purchases of products and digital services; and, this may affect consumers' behavior towards online shopping from experiencing the convenience of it. With the change of trends to online business,

although the sale rate has been noticeably higher for sellers as shown by the aforementioned statistics, bargaining power has been shifted to the buyer since they can obtain more details of products and compare prices more comfortably before buying. This leads to be more competitive to satisfy the buyers in an online market and to be less concerned about the brand loyalty (Ratchatanon et al., 2019).

The intensive competition of online business thus causes a higher expectation for buyers. From such information, it can be seen that perceived factors of buyers and other environmental factors could be affected to online consumers' satisfaction as customer satisfaction leads to a successful business (Pham and Ahammad, 2017). Online customer satisfaction may relate to many factors such as quality of the product (Kotler and Armstrong, 2012) or service, price, details of product and promotion, ease of use, and security of payment process (Liang and Turban, 2011; Kim and Park, 2013). According to the previous literature, the research can be divided into 2 categories. The first group is related to the perceived factors involving e.g. technology acceptance model (TAM) (Law et al., 2016; Gibreel et al.,

शोध प्रभा ISSN: 0974-8946

Shodha Prabha (UGC CARE Journal)

Vol.48, Issue-02, N0.01:2023

These research papers have indicated that the quality will influence the trust using influencers who have persuaded intention to purchase or post-purchase. However, no research papers have been reported in both quality and trust together as ante- cedent factors on the DMP to assess and convince completely re-purchased behaviors of consumers by the platforms. Therefore, the research questions are as follows: How do the E-Business platforms influence online users' behavior and repeat purchases? How can TAM, DMP, trust and quality be used to assess consumer behavior and repeat purchases? In this research, TAM and the online purchasing process, additional factors (Trust and Quality) are proposed for a new conceptual model.

#### 2. Literature Review and Theoretical Framework

This section will explain more details about two categories which are depicted and introduced from Section 1. Firstly, many E-business plat- forms have been reported in the use of technology acceptance theories. What are the differences between TAM and UTAUT? Secondly, the online DMP is summarized by comparisons between each stage and behavior types. Such the process is also another basic theory to apply our proposed model; thus, a summary of its concepts and relevant information are given.

## 2.1. Online shopping based on technology acceptance

In general, most of the research is related to the online trading of products and services. There have many theories to explain user behavior including, However, many research papers have used TAM and/or UTAUT that are mostly applied for shopping online purchases to describe the factors of the behavior of intention to users. comparisons of TAM (Davis et al., 1989) and UTAU It can be seen from that two inputted factors of Perceived Usefulness (PU) and Perceived Ease of Use (PEU) for TAM are similar to Performance Expectancy (PE) and Effort Expectancy (EE), respectively, for UTAUT; whilst TAM does not have Social Influence (SI) and Facilitating Conditions (FC) but they will be the inputted factors.

# 2.2. Decision-making process Trading traditional goods or services is an exchange of money.

There is a salesperson providing information, presenting product information to customers, and putting information on the product packaging; then the customer makes a purchase decision. With the advancement in information technology and Internet access to all areas, consumer behavior has been changed in trading products, thus the adaptation of technology will help to reach more customers. Therefore, online trading systems have been occurred for purchasing products or services. They come in an era that requires online trading instead of traditional salespeople. The study of system design is widely undertaken to support customers' purchasing decisions. For example, in 2017, Pham has conducted studies on customer satisfaction resulted from an overview of the online process.

Moreover, the design of all processes at each stage is critical to the success or impact of the customer's purchasing decisions for products or services (Pham and Ahammad, 2017). Later, Ozkara



Shodha Prabha (UGC CARE Journal)

Vol.48, Issue-02, N0.01:2023

has studied the enjoyment factor and perception of information affecting the path and experience of the customer to shop online (Ozkara et al., 2017).

#### 2.2.1. Online purchase decision-making process

Online purchase DMP is the process that the user of online trading products or services goes through before the final process is to decide to buy. The study will focus on the importance of DMP to design the plat- form or online tools to comply with the convenience of purchasing decisions. This will result in easier and more informed purchasing decisions. In 2018, Karimi has presented an on the differences in consumer behavior in purchasing decisions and consumer characteristics. When purchasing products, some information about the product has affected customers' purchasing decisions (Karimi et al., 2018). To decide on doing something, human has a thinking process to conclude it (Faulds et al., 2018). In 1959, Simon has published the framing process in step-wise decision-making as intelligence (gathering information), design (exploring alternatives).

# 3. Proposed Research Model and Hypotheses

As mentioned earlier in Sections 1 and 2, the specific problems have occurred in the online purchase using online platforms as follows. 1) The technological acceptance factors are not sufficient to explain the process of user behaviors.

2) The DMP does not have a process of intention recognition (shopping cart function) to exploit the filter and help of decisions before buying products. 3) No research papers do not use Trust and Quality together as antecedent factors on the DMP to assess and convince completely re-purchased behaviors of consumers. Therefore, this section will explain how to derive a new conceptual model through the use of formulating and comparing a proposed research model and previous works to find the gap of factors and processes in terms of Input, Process, and Output workflow. This section will be described.

#### 4. Hypotheses

The model in this study is divided into three main parts as input, process, and output. The input part is about the feeling perceptions of online platform users. There are four perceptions in the model which are Perceived Usefulness (PU), Perceived Ease of Use (PEU), Perceived Trust (PT) and Perceived Quality (PQ). The four perceptions are the feeling towards using the online platform, not towards the products, sellers or product brands. These perceptions are designed to reflect consumers' awareness in deciding on available online platforms. The four feelings are related to the decision-making processes which are Information Search (IS), Evaluation of Alternatives (EA) and Intention Recognition (IR). Lastly, the intention leads to deciding to use the online platform to purchase a product and post-purchase process, including re-using and recommending others to use the online platform as an output. By relating the concepts, hypotheses are assigned to explain how they are related. Each concept and its related hypotheses are explained in detail below

शोध प्रभा ISSN: 0974-8946

Shodha Prabha (UGC CARE Journal)

Vol.48, Issue-02, N0.01:2023

#### 5. Research methodology

Analysis and synthesis Problem analysis, research questions, objectives, and literature re- view were mentioned earlier in Sections 1 and 2. As the prototype synthesis mentioned in Section 3, a new conceptual model (Technology Acceptance Model (TAM), DMP, Trust and Quality) is proposed by formulation and comparisons of the related research papers to find the gap between factors and processes. The conceptual model can be divided into 3 parts: Antecedent Variables, Methods, and Outcome Variable affecting the acceptance of its use of an online trading platform for products or services.

## 6. The scope of survey

The target audience is the people who use the online trading system by purchasing products online. A sample group was calculated from a statistical formula. In this research, the exact number of population group is not known. Therefore, the formula to calculate the sample without the limitation of the sized population is the use of Cochran (1953) as the equation below. The number of samples can be represented by the Cochran formula with a 95% confidence,  $z^{1/4}$  1.96, and the error value in an acceptable sample  $e^{1/4}$  .05.

## 7. Findings

We have applied SmartPLS version 3.3.0 to the measurement of the research model and questionnaire regarding their reliability and validity. SmartPLS version 3.3.0 is used for analyzing some of the least squares of data. This method was used in this study because it is an element-based statistical technique for creating causal modeling (Jor- eskog et al., 1993). As a technique of structural equation modeling, the PLS analyzes measurement models and structural models simultaneously in a single operation. We choose PLS since it has a size of the less stringent sample and indicator distribution requirement compared to the covariance-based SEM methods such as LISREL (Chin, 1998).

According to a two-step data analysis procedure (Anderson et al., 1998), the measurement model is examined first to assess the reliability nand validity of the measurement. Then, the structural model is tested for approximation of a hypothetical relationship.

#### 8. Conclusions

The combination of factors from the technology acceptance model and processes in the decision-making process of online shopping platforms. The perceptions including Perceive Usefulness, Perceived Ease of use, Perceived Trust, and Perceived Quality are considered to be a part of a process to recognize the need for using the platforms. The process of need recognition is connected to the Attitude process and the newly proposed process of Intention recognition. Thes processes are prepurchase processes leading to the purchasing process. Lastly, the purchasing process is connected to the post-purchase process including recommendation and re-purchasing. From 384 respondents, it has been

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found that almost 70% of the respondents have experience using online shopping platforms for more than 1 year. Perceptions include Perceived Usefulness, Perceived Ease of use, Perceived Trust and Perceived Quality.

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