Antecedents Analysis of Purchase Intention

Rowlan Takaya
Magister Management Program, Post Graduate Studies,
Trisakti University, Jl kyai Tapa No 1 Grogol, West Jakarta, Indonesia
e-mail: rowlan.tky@gmail.com

ABSTRACT

The advancement of technology has resulted in the creation of a new form of shopping transactions. This technology is used by residents to shop online. Thus, customers’ involvements in online purchasing have become an important trend. The objective of this research was to identify the determinants of customer purchases online. This study used a survey method using questionnaires and the target is an online customer in Central Jakarta. This research used simple regression to determine the effect of purchase intention to factors that influence it. Data questionnaire distributed directly to the respondents who never buy online shopping.

Findings revealed that impulse purchase intention, quality orientation, brand orientation, online trust and prior online purchase experience were positively related to the customer online purchase intention.

Keywords: Purchase intention, quality orientation, brand orientation, online trust, customer online
INTRODUCTION

Increasing and developing technology has a variety of influences for its users. The internet today is one form of technological development. With the internet, it facilitates the activities of many people, one of which is shopping. People no longer need to go out and shop at the supermarket, just sit at the computer or via cellphone, choose and order their favorite items, buy and sell items via internet, called e-commerce or online shopping (Oliver B. Buttner and Anja S. Goritz, 2008).

Along with the rapid development of the internet, many online shopping sites, online blogs or community sites have sprung up not only as friendship sites but also offer buying and selling forums that provide all the necessities. Purchasing through the internet is one of the most rapidly developing forms with a rate of sales growth that exceeds retail in stores (Levy & Weitz, 2009).

Online shopping as a new shopping method and effective marketing method that has made rapid progress in recent years (Liu et al., 2013). The purpose of online shopping is a situation where consumers aim and want to be involved in online transaction activities. Shopping goals can be categorized as one of the cognitive components of consumer behavior about how an individual processes in purchasing a particular brand (Pavlou, 2003).

From the consumer's point of view, shopping on the web makes it easy for them to find and compare various kinds of goods and services offered by various online stores spread throughout the world. Trust and purchasing experience is one of the dominant influences on customers for purchase intentions (Jarvenpaa and Tractinsky, 1999; Pavlou, 2003; Ramli, 2010; Ramli, 2012).

Definition of Terms

*Purchase Intention* is the tendency of consumers to buy a brand or take actions related to purchases that are measured by the level of possibility of consumers to make purchases (Belch, 2008).

*Online Trust* is the willingness of consumers to depend on other parties and are vulnerable to the actions of others during the online shopping process, with the hope that other
parties will carry out acceptable practices and will be able to provide promised products and services that will result in the intention to buy online. (Ganguly et al., 2009).

*Prior Online Purchase Experience* is a pleasant experience that will have an impact on the next experience, if customers feel happy and generate stimulation during their online shopping experience, they are more likely to be involved in subsequent buying behavior.

*Impulse Purchase Orientation* is the act of buying a product or service that is not accompanied by planning and without objective consideration first triggered by certain stimuli (Amiri et al, 2012).

*Brand Orientation* is an identification of the product or service offered to consumers (Kotler & Keller, 2012; Ramli, 2012; Ramli2013)

*Quality Orientation* is one of the determinants of a consumer in determining product quality, product design and which shop to choose to shop by customers who market the actual experience of customers or consumers of products or services that are measured based on requirements. (Gehrt, 2007).

*Perceived Risk* is uncertainty that consumers will face when they cannot predict the consequences of deciding to buy something and uncertainty about concerns about fraud, lack of concerns about fraud, lack of product delivery, and so on. (Kim & Lennon, 2013).

**LITERATURE REVIEW**

**Online Trust**

*Online Trust* is a prerequisite for social behavior, especially regarding important decisions in online shopping (Edelman, 2011).

The trust in the context of online shopping is the willingness of consumers to depend on others and be vulnerable to the actions of others during the online shopping process, with the hope that the other party will carry out acceptable practices and will be able to provide the promised products and services (Zendehdel et al., 2011).

**Prior Online Purchase Experience**

Kim et al. (2012) identified the importance of online experience and showed that to test the effects of various levels of shopping and consuming a particular brand will have an impact
on a consumer’s decision making whether he will continue to carry out his shopping activities in this way or switch to another shopping method (Ramli & Sjahruddin, 2015).

**Impulse Purchase Orientation**
For some people, shop without planning in advance and buying something impulse. Impulse Purchase Orientation is the act of buying a product suddenly which makes sense if you consider an objective assessment and a person’s emotional actions towards buying preferences. Impulse Purchase Orientation is also referred to as the act of buying a product suddenly which makes sense when considering an objective assessment and a person’s emotional actions towards purchasing preferences (Kwek et al, 2010).

**Brand Orientation**
Brand is defined as identification of products or services offered to consumers (Ramli, 2016). In more detail (Evans et al, 2012) explains that a brand is a name, symbol, identification, packaging design that uniquely distinguishes a product or service from a company with its competitors. In online purchases, brands are used as a substitute for information about products by consumers when they want to make an online purchase.

**Quality Orientation**
Quality Products are important things that encourage consumers to buy a brand. This happens because for consumers, the quality of a product is a manifestation of their expectations when making a purchase, it is very important for sellers, especially online sellers to maintain their Quality products to get a loyal and substantial customer base (Ling, Kwek Choon et al, 2010).

**Perceived Risk**
Perceived risk online is identified by Cheung and Lee (2001) and McCole et al (2010) are related to an online environment where consumers need to trust technology to perform various tasks involved in finding and buying. Perceived risk can be defined as the risk perceived by consumers of a product that is related to all uncertainties and consequences for consumers.
Purchase Intention

Online Purchase Intention in the web - shopping will determine the power of consumers to conduct purchasing behavior set through the Internet (Salisbury et al, 2001). Based on the argument (Pavlou 2003), online Purchase Intention is a situation when a customer is willing and intends to engage in online transactions. Online transactions can be considered as activities where the process of information retrieval, information transfer, and product purchase.

Figure 1: Conceptual Framework

Hypothesis Formulation

H1 : The influence of Online Trust on Purchase Intention  
H2 : The influence of Prior Online Purchase Experience on Purchase Intention  
H3 : The influence of Impulse Purchase Orientation on Purchase Intention  
H4 : The influence of Brand Orientation on Purchase Intention  
H5 : The influence of Quality Orientation on Purchase Intention  
H6 : The influence of Perceived Risk on Purchase Intention
RESEARCH METHOD

Research Design
This research refers to research conducted by Arun Thamizhvanan and M.J. Xavier (2013). The research method used is hypotheses testing where this study aims to explain the characteristics of certain relationships or differences between groups or the interdependence of two or more factors in a situation. This study is also a survey to test hypotheses about factors that influence buyers’ decisions online, and test the hypothesis of the effect of purchase intention on online trust, prior online purchase experience, impulse purchase orientation, brand orientation, quality orientation and perceived risk.

Sample and Data Collection
The sampling method used in this study is purposive sampling, namely sampling based on consideration where the sample chosen is based on certain criteria. The sample chosen was employees who worked at Bank Ganesha Building, who had shopped online, with a population of 220. Due to the large population, then from the various formulas that exist, formulas that can be used to determine the sample size one of which is Slovin Formula:

\[
n = \frac{N}{1 + Ne^2} \\
n = \frac{220}{1 + 220.5 \%^2} = 142
\]

n = Number of Sample
N = Number of Population
E = Critical value (desired accuracy) (percent leeway / inaccuracy due to sampling errors)
So when using the Slovin formula with a critical value of 5% the number of samples needed is 142 (one hundred and forty two).

Data Analysis Method
The method used is Multiple Regression. This method is to find out variables that are expressed as variables that are sought (dependent variables) or variables that determine (independent variable). The dependent variable in this study is Purchase Intention and Independent Variables in this study are Online Trust, Prior Online Purchase Experience,
Impluse Purchase Orientation, Brand Orientation, Quality Orientation and Perceived Risk. The purpose of using regression analysis is to test the dependency characteristic hypothesis and predict the average value of the independent variable based on the value of the independent variable outside the sample range.

**DISCUSSION OF RESEARCH RESULTS**

**Hypothesis Test Result**

<table>
<thead>
<tr>
<th>Hypothesis</th>
<th>Standardized Coefficients Beta</th>
<th>Significant t Value</th>
<th>Significant p Value</th>
<th>Information</th>
</tr>
</thead>
<tbody>
<tr>
<td>H1 Online Trust – Purchase Intention</td>
<td>0.166</td>
<td>2.263</td>
<td>0.025</td>
<td>Supported</td>
</tr>
<tr>
<td>H2 Prior – Purchase Intention</td>
<td>0.259</td>
<td>3.055</td>
<td>0.003</td>
<td>Supported</td>
</tr>
<tr>
<td>H3 Impluse – Purchase Intention</td>
<td>0.168</td>
<td>2.211</td>
<td>0.029</td>
<td>Supported</td>
</tr>
<tr>
<td>H4 Brand – Purchase Intention</td>
<td>0.063</td>
<td>0.751</td>
<td>0.454</td>
<td>Rejected</td>
</tr>
<tr>
<td>H5 Quality – Purchase Intention</td>
<td>0.245</td>
<td>3.513</td>
<td>0.001</td>
<td>Supported</td>
</tr>
<tr>
<td>H6 Risk – Purchase Intention</td>
<td>0.108</td>
<td>1.602</td>
<td>0.111</td>
<td>Rejected</td>
</tr>
</tbody>
</table>

Significant at p <0.05

**Hypothesis #1**

The first hypothesis examines the effect of Online Trust on Purchase Intention

**H01**: Online Trust has no effect on Purchase Intention

**H11**: Online Trust has an effect on Purchase Intention

Based on table 4 there is a significant effect (p - value <0.05). Then H11 is supported by standardized beta coefficients 0.166.

**Hypothesis #2**

The second hypothesis examines the effect of Prior Online Purchase Experience on Purchase Intention
H02: Prior Online Purchase Experience has no effect on Purchase Intention
H12: Prior Online Purchase Experience has an effect on Purchase Intention
Based on table 4 there is a significant effect ($p$ - value <0.05). Then H12 is supported by standarized beta coefficients 0.259.

Hypothesis #3
The second hypothesis examines the effect of Impluse Purchase Orientation on Purchase Intention
H03: Impluse Purchase Orientation has no effect on Purchase Intention
H13: Impluse Purchase Orientation has an effect on Purchase Intention
Based on table 4 there is a significant effect ($p$ - value <0.05). Then H13 is supported by standarized beta coefficients 0.168.

Hypothesis #4
The second hypothesis examines the effect of Brand Orientation on Purchase Intention
H04: Brand Orientation has no effect on Purchase Intention
H14: Brand Orientation has an effect on Purchase Intention
Based on table 4 there is a significant effect ($p$ - value <0.05). Then H14 is rejected by standarized beta coefficients 0.063.

Hypothesis #5
The second hypothesis examines the effect of Quality Orientation on Purchase Intention
H05: Quality Orientation has no effect on Purchase Intention
H15: Quality Orientation has an effect on Purchase Intention
Based on table 4 there is a significant effect ($p$ - value <0.05). Then H15 is supported by standarized beta coefficients 0.245.

Hypothesis #6
The second hypothesis examines the effect of Perceived Risk on Purchase Intention
H06: Perceived Risk has no effect on Purchase Intention
H16: Perceived Risk has an effect on Purchase Intention
Based on table 4 there is a significant effect ($p$-value < 0.05). Then H16 is rejected by standardized beta coefficients 0.108.

**Discussion and Research Results**

Based on the results of this study, hypothesis one shows that online trust has an effect on purchase intention, that online trust can be in the form of offering special discounts or offers as gifts, so that with the offer, purchase intention is higher.

In the second hypothesis it is found that prior online purchase experience has an influence on purchase intention, because the higher the experience will support for higher purchase intention. the results of the third hypothesis state that impulse purchase orientation has an influence on purchase intention.

The fourth hypothesis found that brand orientation has no effect on purchase intention, and the fifth hypothesis, namely quality orientation has an influence on purchase intention, that customers who shop online are related to quality (Gehrt et al 2007).

The last hypothesis shows that Perceived risk is a factor that is not influential in this study.

**CONCLUSION**

This study aims to analyze the effect of purchase intention on online shopping. Based on the data that has been collected and the tests that have been carried out on the problem using multiple regression analysis and independent sample T test, it can be concluded that online trust, prior online purchase experience, impulse purchase orientation and quality orientation affect purchase intention.

This shows that customers in Indonesia prioritize online buying experience. The more they believe in buying online, the more experience they experience in online shopping. But on the other hand the results of this study can be concluded that online shopper in Indonesia if they are satisfied with the results they get will be bound by one web, because of the promise, the evidence of information on the web is the same as the actual reality.

Therefore, purchase intention towards online shopping is very much in demand by the public, they are smart to choose the web and the products they want.
MANAGERIAL IMPLICATIONS

Based on the results of the research conducted, it can be seen that online trust, prior online purchase experience, impulse purchase orientation, quality orientation have a significant effect on purchase intention. For those who are new to online stores, it is better to pay more attention to the design and layout of their online stores. The selection of basic colors for online stores also needs to be considered. To increase the convenience of consumers in shopping, online stores can also provide guarantees for the products they sell. The warranty offered can be a guarantee that the product listed in the picture is exactly the same as the one that the buyer will receive, or it can also provide a service center, either in the form of email, messenger, or telephone number to serve various complaints or questions from consumers regarding their products. Providing as much detailed information as possible about the products offered by the online store is also important to do. Furthermore, the online store parties are also advised to offer promotional prices regularly. It is recommended that vendors get the attention of consumers who are searching for information.

REFERENCES


Teo.T.SH., And Liu J (2007) Consumer Trust In E-Commerce In The United States, Singapore And China; Omega, 35, 1, 22-38.


**Further reading**


Intentionally Blank