

Environmental influences on Consumer's Purchasing Intention: A Study of Online Store in Thailand

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Abstract—The internet users is gradually growing in Thailand. This led to the changes in the way of doing business such as the traditional ways which have shops and store room are changing to the online store and it creates a stiff competitive advantage to the organization cooperating the business (Peffer and Santos, 1998). The objective of this study is to determine whether website environmental influences both website quality and website brand have a relationship with customer behavior on purchase intention toward the online retailer and whether this relationship influenced by consumer trust and perceived risk. The questionnaire was conducted with close-ended questions, distribute by convenience sample to 226 people but we cut out only who are experienced in shopping through the website in Thailand to 216 sample. The analysis was conducted by correlation analysis, the results indicate that website brand is the most important key factor than website quality to enhance consumer's trust, and in turn, consumer purchase intention. The finding confirms that perceived risk has a negative relationship with consumer's trust. The study suggests that website retailer should apply marketing strategy to build website brand image and brand awareness in order to create consumer's trust and encourage customer purchase intention.

Keyword—Internet, Trust, Website Brand, Website Quality, Buying Behavior, Risk

I. INTRODUCTION

The innovation of technology advancement make people easy to communicate with each other, people can trade easier without face to face communication of buyer and seller through the internet. All purposes of doing business on the internet and e-payment to make a transaction both inside and between organization refer to e-commerce (Timmers, 1999) Thailand e-commerce sector was dramatically growth, forecasting to generate sales up to 1 trillion bath in 2016 (Phusadee, 2014) due to the growing of smart device, foreign investment and government support in digital economy. E-commerce has become as organization's competitive advantage (Peffer and Santos, 1998) and change the world to conduct business in several dimensions, such as competitive from rivalry, the bargaining power of both suppliers and

buyers, the threat of newcomer, and the threats of substitute product (Hooft and Stegwee, 2001; Porter, 2001).

The e-commerce market in Thailand has a potential growth as the increasing of internet broadband as the figure 1 that show the increasing number of internet users in Thailand over a year since 2006. The internet broadband network is more penetration by the service provider such as 4G which affect the increasing number of internet users, the penetration rate is 26% of the total population around 67 million people in 2015 (Jonathan, 2015). Therefore, the online channel is an interesting channel to operating business.

Figure 1: Number of Internet users in Thailand

| Years | Internet Users |
|-------|----------------|
| 2006 | 11,413,000 |
| 2007 | 13,416,000 |
| 2008 | 16,100,000 |
| 2009 | 18,300,000 |
| 2010 | 19,299,427 |
| 2011 | 21,165,365 |
| 2012 | 23,056,712 |
| 2013 | 26,140,473 |
| 2014 | 27,653,927 |

Source: Nectec

A website is may be the only way to communicate with consumer online (Chen and Dhillon, 2003). Trust is play as a critical factor in the online business rather than the offline one where the consumer has physical contact and the product is tangible. (Berry, 2000). The consumer perceived that buying on the internet is risky (Bourlakis *et al.*, 2008; Drennan *et al.*, 2006). Due to the online channel is easy for new player to come in so this research will study of the online environmental cue on consumer purchase intention by focus on the website brand and website quality toward the consumer trust and perceived risk base on the study of SOR model to explain consumer behavior, the environmental stimuli(S) lead to emotional reaction (O) that effect responsive behavior(R) (Mehrabian and Russell, 1974).