

THE ANTECEDENTS OF ONLINE PURCHASE INTENTION AMONG THAI CONSUMERS

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ABSTRACT

This study primarily focuses on consumer purchase intention in online retailing. This study discusses how the growing importance of online purchase has prompted marketers to pay attention to consumers' online buying behavior. As there is a tremendous increase in the number of internet users and shoppers in Thailand, it is crucial for marketers to understand Thai online shoppers. This paper argues that the impact of merchandise related factors, customer related factors and the role of traditional word of mouth as well as electronic word of mouth are important in reducing the perceived risk of Thai consumers and in turn enhancing their purchase intention online.

INTRODUCTION

Internet retailing or e-retailing is a growing phenomenon around the world due to the increasingly usage of the internet. According to the Nielson global online survey, about 875 million people (one-eighth of the world's population) have shopped online and these people accounted for 85% of the world's online population (Nielson, 2008). In a similar trend, internet users in Thailand had been growing dramatically to 16.1 million users (24.5% of Thai population) in 2008 with 20% growth from 2007 (Nectec, 2009). According to the Nielsen (Thailand) report in 2008, 61% of Thai internet users had used the internet to make a purchase which increased by 27% in the past two years. Nearly 73% of e-commerce transactions in Thailand were targeted at final consumers and valued at 63.4 billion baht in 2008 (Pornwasin, 2008). Moreover, during the past four years, the number of online shoppers in Thailand had increased 30-40% due to the growing number of online shoppers and due to the relatively low investment required for starting online businesses (Chinmaneevong, 2009). For example, shopping.co.th has 27 categories and 186 sub-categories of products and services, with around 200,000 new items added per month. The most popular website, sanook.com, in Thailand draws 1 million visitors daily.

Despite the fast growing e-retailing market, marketers have a limited understanding of internet-related consumer behavior (Stewart, Wettstein and Bristow, 2003). It is inevitable that study of electronic retailing and online purchase behavior is becoming an important concern for retailers to cope with the increased competition in light of the current political and economic crisis in Thailand. For example, Thai consumers lack trust in the payment and security in buying online (Chinmaneevong, 2009). Online retailers need to understand how consumers behave reducing their perceived risk in making online purchases. Due to high uncertainty avoidance and collectivistic nature (Pornpitakpon, 2000), Thai people tend to seek information and opinions of others in an effort to save search time about the product and to lessen the risk in purchasing online. However, previous studies on online purchase behavior have ignored the important role of both traditional and electronic word of mouth communication in risk reduction and consumer purchase intention. Many studies have investigated the word of mouth communication as post purchase behavior of consumers (Holmes and Lett, 1977; Swan and Oliver, 1989; Brown, Barry, Dacin, and Gunst, 2005). However, there are limited studies on the importance of word of mouth communication as an antecedent in enhancing online purchase behavior which is especially relevant in the Thai context. Thus, this research will