Mastering Consumer Conversion: Unveiling the Management of E-Commerce Purchase Intentions

Anusuyah Subbarao *1
Nasreen Khan 1
Nirmaladevi a/p Suppiah 2

*Corresponding author anusuyah.subbarao@mmu.edu.my
1 Faculty of Management, Multimedia University, Cyberjaya, Selangor, Malaysia
2 Institute of Teachers Education, Special Education, Ministry of Education, Malaysia

Abstract

The global market structure has undergone significant transformations due to the widespread integration of information technology. As a result, electronic commerce has emerged, propelled by technological advancements, and has established itself as a fundamental pillar of the digital economy. This research paper aims to provide a thorough analysis and evaluation of various scholarly works and studies concerning digital shopping and explore the factors that impact consumers' purchasing behaviour on e-commerce sites. The quantitative method was used to analyse the connection between price consciousness, trustworthiness, business competency with customer buying inclination, perceived convenience and effectiveness. In conclusion, this research paper sheds light on the profound impact of information technology on the global market structure, leading to the rise of electronic commerce as a foundational element of the digital economy.

Keywords: Online Shopping, Price Consciousness, Trustworthiness, Perceived Convenience and Effectiveness., Business Competency, Customer Buying Inclination.

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1. Introduction
The extensive embrace of information technology (IT) has brought about profound shifts in the global market landscape. Technological advancements have propelled the evolution of electronic commerce (e-commerce), establishing it as a fundamental pillar of the digital economy. The operational capabilities of the web and the internet have gotten significantly better over time. Web 2.0 is more advanced than Web 1.0 as it supports social networking and it is also more focused on user-generated content (Sin et al., 2012).

This advancement has steered many new inventions across a variety of industries, as well as a new turning point in consumers' lives. Based on the “Malaysian Communications and Multimedia Commission” (2020), the percentage of internet users has experienced a growth of 1.3% from 84.7% in 2018 to 88.7% in 2020. Consequently, the popularity of online retail shopping has surged, establishing itself as a pivotal component of consumer lifestyles. There are several types of e-commerce but the main models are “business-to-business”, “business-to-consumer”, and “consumer-to-consumer”.

Other than that, e-commerce has also grown in importance as a means of conducting business transactions involving goods and services over the Internet. With the integration of the Internet, companies have started to stray away from traditional marketing tools. Digital marketing initiatives, sales emails, forums and e-commerce sites are much more common today (Permatasari, A., & Kuswadi, E. 2017). Malaysians today have more opportunities to conduct business and shop online because of advancements in technology.

In e-commerce, data analytics is important. Data analytics was implemented by all of the e-commerce firms. It also aids in the better personalization of customer recommendations and tailoring customer’s shopping journey (Moorthi et al., 2021). Due to the ongoing pandemic of COVID-19, the characteristics of consumer’s purchasing intention data are changing as they browse products on e-commerce sites and shop online more frequently today than in past years.

Due to the spread of COVID-19 globally, most retail industries or physical stores have been badly affected and have hastened the shift to e-commerce (AL-Hassani et al., 2020). Most consumers have changed their purchasing patterns to online as it is very
dangerous to go outside and it is better for them to stay at home than risk their lives. According to the “Malaysian Communications and Multimedia Commission” (2020), the volume of consumers engaging in digital shopping activity on e-commerce sites has increased from 53.3% to 64.2% in 2018 and 2020 respectively. There is a wide array of e-commerce platforms accessible, including Shopee, Zalora, Lazada, Taobao, Carousell, and various others.

The industry has experienced a consistent increase in the volume of digital transactions due to a shift in customer’s purchasing mindset from physical shopping to online buying (Sahney et al., 2013). In today's world, the absence of customer confidence in digital transactions poses a significant obstacle in the handling or execution of transactions for customers. Ang and Lee (2000) stated that a website can’t create online purchasing intentions without its customers’ trust.

Consumers are experiencing trust concerns when shopping online because they are unable to immediately verify the products as they would in a physical store (Dachyar & Banjarnahor, 2017). Kwahk, Ge & Park (2012) stated that in online shopping, the customers' trust is required to increase the willingness to buy goods and services as it is a platform that generally acts as a mediator between sellers and buyers. Furthermore, according to the previous study, trust is generally recognized as the most critical component in e-commerce that significantly impacts consumers' buying purpose (Chen & Ching, 2013).

Shoppers' reluctance to make purchases arises from a range of concerns associated with shopping online, which has become an impediment to the expansion of e-commerce. To improve the business performance of a company, a thorough analysis of consumers' purchase intent is vital to enhance the effectiveness of e-commerce utilization as well as understanding consumer behaviour (Dachyar & Banjarnahor, 2017).

The inclination of customers to participate in an interactive relationship on shopping websites, involving information sharing, establishing business connections, and initiating commercial transactions, is commonly referred to as the intention to transact, or more commonly known as purchase intention (Dachyar & Banjarnahor, 2017). It can also be described as a circumstance in which a person intends to acquire a specific product or service via the Internet (Ru et al., 2021). Due to this, digital purchases optimize the purchasing buying process for consumers and conserve their time as there
are no delays or checkout lines (Childers et al., 2001). Rahman (2018) stated that thousands of products and services are now available for consumers to purchase from a variety of online businesses all around the world.

The rest of this research paper is categorized as stated below. Section 2 will delve into the relevant literature about digital shopping, along with the variables employed in this study. This is followed by Section 3, which will illustrate the overall finding. Lastly, Section 4 is the conclusion of this paper.

2. Literature Review and Hypotheses Development
This section reviews recent literature related to this research.

2.1 Online Shopping
This concept was first proven using an authentic transaction conducted from a home television, long before the Internet was widely utilised (Aldhmour & Sarayrah, 2016). It has been discovered that online shopping is the most rapidly expanding application of the Web (Forsythe & Shi, 2003). Digital retail is denoted by diverse terms including 'virtual store,' 'e-shop,' 'e-store,' and various more (Aldhmour & Sarayrah, 2016).

Aldhmour & Sarayrah (2016) digital shopping is a type of electronic commerce (e-commerce) wherein individuals utilize a web browser to directly purchase goods or services from sellers through websites on the Internet. Digital shopping gives individuals the best way to purchase virtually anything without the need to physically go to stores or locations. Adding to that, by employing this strategy, individuals can avoid additional expenses such as transportation costs, while also experiencing convenience by removing the need to wait in line for payment. With simply a few clicks on the phone screen or of a mouse button, the customer's preferred item will be delivered to their home for a minimal fee of shipping, or even for free in some cases. This can be supported by research from Suresh et al. (2011) as they said that one of the benefits of digital shopping is that a customer gains from e-commerce is accessibility because it brings many benefits for today's time-starved customers while also offering a wide range of options for a broad spectrum of products and the privilege of comparing the products and services from multiple vendors – all with the single mouse click. The study also mentions that another clear advantage of internet buying is the substantial discounts that most e-retailers offer
Online shopping can be perceived as a marketing approach for products and services, representing a form of direct advertising technique that necessitates effective and direct engagement between merchants and customers (Doherty & Ellis-Chadwick, 2010). They emphasise the importance of direct and effective communication to avoid the need for an intermediary between customers and vendors. Another definition indicates that online shopping is "a procedure through which people access or go over the Internet to acquire goods or services" (Suresh et al., 2011). It is vital to recognise that online purchasing has both positive and bad aspects.

Online shopping allows for more convenience in looking for and locating the appropriate products and services cost-effectively and rapidly, which often results in cheaper product pricing (Azizi, S., & Javidani, M., 2010). Moreover, searching for goods and services online provides individuals with abundant details that can aid them in making well-informed decisions when making a digital purchase.

Other than having a wealth of information on products that are available online that help consumers make an online purchase, they can also gain access to unlimited consultation services to help them gain vital knowledge about a product (Aldhmour & Sarayrah, 2016). They also mentioned that e-shoppers have more product offering options when they purchase online over the internet. Table 2.1 shows the differences between traditional and online shopping (Lohse & Spiller, 2006). The researchers also mentioned that some characteristics, such as store environment, are harder to assess and characterise in online shopping sites. Other aspects of online shopping sites, such as promotional offers, are easier to quantify.

2.2 Theory
Davis created the Technology Acceptance Model theory in 1989 with the goal of forecasting system acceptance and user behaviour when utilizing the technology (Dachyar & Banjarnahor, 2017). TAM is founded on the Theory of Reasoned Action (TRA), which claims that human behaviour is driven by a desire to succeed (Fishbein et al., 1977). Although the Theory of Reasoned Action and Theory of Planned Behavior can be used to investigate technology adoption by integrating subjective norms and perceived
behavioural controls with attitudes towards the use of technology, the Technology Acceptance Model is better suited for use in online settings for several reasons (Chen et al., 2012).

Table 2.1: Traditional vs. Online Shopping

<table>
<thead>
<tr>
<th>Traditional Shopping</th>
<th>Online Shopping</th>
</tr>
</thead>
<tbody>
<tr>
<td>Salesclerk service</td>
<td>Product descriptions, information pages, gift services, search function, clerk on the phone/e-mail.</td>
</tr>
<tr>
<td>Sales promotion</td>
<td>Special offers, online games and lotteries, links to other sites of interest, appetizer information</td>
</tr>
<tr>
<td>Store window displays</td>
<td>Home page</td>
</tr>
<tr>
<td>Store atmosphere</td>
<td>Interface consistency, store organization, interface and graphics quality.</td>
</tr>
<tr>
<td>Aisle products</td>
<td>Featured products on hierarchical levels of the store.</td>
</tr>
<tr>
<td>Store layout</td>
<td>Screen depth, browse and search functions, indices, image maps.</td>
</tr>
<tr>
<td>Number of floors in the store</td>
<td>Hierarchical levels of the store.</td>
</tr>
<tr>
<td>Number of store entrances and store outlets/branches</td>
<td>Number of links to a particular online retail store</td>
</tr>
<tr>
<td>Checkout cashier</td>
<td>Online shopping basket and/or order form</td>
</tr>
<tr>
<td>Look and touch of the merchandise</td>
<td>Limited to image quality and description, potential for sound and video applications</td>
</tr>
<tr>
<td>Number of people entering the store</td>
<td>Number of unique visits to the online retail store</td>
</tr>
<tr>
<td>Sales per period</td>
<td>Sales per period</td>
</tr>
</tbody>
</table>

2.3 Dependent Variable - Purchase Intention

The final phase of an online purchase, according to Pavlou (2003), would be the intention to utilise a website and place an order. Purchase intention is a state that arises between a buyer and a retailer when the buyer is prepared to proceed with the purchase from the retailer (Raza et al., 2014). Product evaluation is the first step in the purchasing intentions procedure. (Athapaththu & Kulathunga, 2018). Individuals analyse the information using their existing knowledge, past experiences, and other resources (Bukhari et al., 2013). Therefore, external sources have a significant impact on the purchasing intentions procedure by affecting consumer views. The framework of the model, according to Cronin et al. (2000), influences the purchasing intention and information processing. Moreover, both internal sources such as brand awareness and prior purchasing experiences, as well as external sources such as website information,
might boost buyers' desire to buy or make a repeat purchase of an item or service through the Internet (Blackwell et al., 2001).

Purchase intention occurs when a person has accumulated a lot more knowledge about the item they want to acquire and has great intentions to purchase it (Chinomona, R., 2013). Purchase intentions can be defined as a consumer's capability to make online purchases over every part of e-business marketing (Chen et al., 2010). The driving factor behind customers' inclination to engage in a particular purchasing activity on the Internet is known as online purchase intention (Hsu et al., 2011). Ajzen (1991) stated that purchase intention assesses a person's willingness to try new things or the force with which they will carry out pre-planned behavioural activities.

The intention of a customer to purchase through an online platform, at a particular moment or under specific circumstances, demonstrates their readiness and intention to take part in digital shopping (Lu et al., 2014). Mirabi et al. (2015) inferred that purchase intention essentially represents an individual's inclination to purchase a specific good or service in a particular buying situation. Shah et al. (2012) suggest that purchase intention is the governing affair that explains the reasons behind customers choosing a specific item. Also, the study makes it clear that the choice to purchase products or services is a challenging undertaking.

The workflow of online purchase intention encompasses various stages, including searching for products or services, evaluating and understanding customer preferences, selecting the desired product and provider, and processing relevant information. These steps culminate in the final action of placing an order for the chosen products or services (Hajli et al., 2017). This mode of online shopping involves an experience that enables you to select a good while browsing through websites on the internet (Lisichkova et al., 2017). Saputra et al. (2020) mentioned that when someone receives varied information on the thing to be purchased, they will develop a purchase intention. A lot of people nowadays desire to buy things digitally to save time, allowing them to work from home or in a dictatorship (Rizwan et al., 2014).

2.4 Independent Variable
2.4.1 Price Consciousness

Consumers are primarily motivated to buy because of the price (Kotler & Keller, 2006). Price-conscious consumers actively seek out products or services that offer competitive rates since they do not want to pay more for the same thing when they can get the goods or services at more affordable rates (Sinha & Batra, 1999). Consumers profit greatly from the capability to discover the lowest rate available and compare rates from various sellers via the Internet (Konus et al., 2008). According to Jung et al. (2014) the two crucial aspects that can impact buying decisions are said to be the perceived price and the consumer's value perception.

Product attributes, as defined by Wickliffe and Pysarchik (2001), are elements that have an essential impact on consumer behaviour, such as the price and brand of the products. Hermann et al. (2007) stated that, pricing plays a pivotal role in consumer purchasing decisions and significantly influences customer satisfaction. Furthermore, price perception greatly impacts customer satisfaction, while price fairness implicitly affects it (Mirabi et al., 2015). Another study investigated the impact of a consumer's sense of pricing fairness on their purchasing decision, referring to it as a reliable indicator of consumer purchasing decisions (Lee et al., 2011). Faithfulness to a brand is greatly affected by price, and this may influence consumer purchasing intentions (Salim Khraim, 2011).

The adaptation-level theory states that consumers tend to evaluate the prices they offer before they make a purchase (Helson, 1964). This information is stored in their memory and used as a benchmark for future purchases (Han et al., 2001). The price anchor explains how customers determine if a certain price is acceptable, excessively high, or excessively cheap and it is also known as the reference price (Grewal et al., 1998). Internal reference prices can be defined as prices that are maintained in the consumer's memory based on accumulated prior information about actual, fair, or other pricing (Mayhew & Winer, 1992). Consumers' internal reference price judgments are influenced significantly by their price memory, according to previous studies (Kalwani & Yim, 1992).

Price sensitivity pertains to customers who are mindful of rates and react to fluctuations in the rates of specific goods and services (Wakefield & Inman, 2003). Users' price sensitivity varies according to individuals, goods, requirements, brand
trustworthiness, levels of income, and time (Erdem et al., 2002). Pricing is the most
effective technique to persuade price-sensitive consumers to get the best deal possible
(Brassington & Pettitt, 2006). According to the findings of the study, consumers who
begin to adapt to e-commerce technologies tend to make their usual purchases (Wang et
al., 2015).

2.4.2 Trustworthiness
Trust plays a pivotal role in the realm of e-commerce, as it has demonstrated its influence
across most revolutionary ideas, such as the Web (Fukuyama 1995). Due to the nature of
obtaining information online, consumers are constantly on their toes when it comes to
screening out dangers and reliable information. Trust is a powerful tool for reducing
uneasiness and simplifying online transactions while also instilling a favourable attitude
toward transaction activity (Shiau & Chau, 2015). The expectation of trust exists even in
situations where direct means of oversight or control over the other party are lacking
(Mayer et al., 1995).

For a resource to be viewed as reliable, the person on the other end of the
communication must be able to rely on the information they provided with confidence.
A resource should be able to construct genuine judgments and assertions gladly and
voluntarily to help build trust in customers. On the other hand, if a source is
untrustworthy, it means that they are lacking in persuasiveness. This lack of credibility
might be attributed to their frequent prejudice and incorrect judgments or remarks when
advertising services or products (Filieri, 2016). Moreover, it is also stated that a resource
advocating products or services will get much more confidence from the public if they
are prepared to give information about themselves that is not related to the services or
products that they are advertising. For instance, an ambassador marketing a trip
destination who freely discloses their travel hobbies, preferences, or routines will have a
significant impact on their credibility, and in this case, trustworthiness (Park et al., 2013).

The majority of consumers believe that large corporations are more trustworthy
in the E-Commerce environment, and that they may affect their trust feelings and
purchase intentions through the internet (Koufaris & Hampton-Sosa, 2004). It is stated
by Chiu et al. (2005) that when customers believe that their personal information is secure
and safeguarded, they are more likely to make purchases online. Mohseni & Sreenivasan
(2014) stated that because online transactions are regarded to be more dangerous, however, trust can greatly increase the reliability of the retailer, thereby eliminating customers' psychological concerns about the behaviour of e-retailers. Online retailers should prioritise long-term consumer relationships by delivering value in the areas of trust and transparency.

The goal of the study by Flavián & Guinalíu (2006) was to see how privacy and perceived security affect online customers' trust levels. In addition, their study sought to determine the link between website loyalty and trustworthiness. Their research identified a connection between trust and website loyalty, trust plays a significant role in influencing buying behaviour, including factors such as choice, price, and the frequency of visits. It is possible to deduce that consumers are more inclined to participate in a digital purchase intention if they consider the online retailer to be trusted and competent while shopping online.

2.4.3 Perceived Ease of Use and Usefulness

As stated before, the perceived ease of use (PEU) is one of the parts of Davis' Technology Acceptance Model. It is also stated that PEU is a key component in deciding whether or not a technology will be adopted and approved. PEU is essentially how straightforward and effortless a specific system is to use based on the users’ opinion (Davis, 1989).

Aldhmour & Sarayrah (2016) mentioned that although people may believe in a particular technology and be knowledgeable of its use, they could still be reluctant to utilise it if it is viewed as being too complex to use or comprehend. They also stated that ease is the absence of complexity or the absence of the need for large amounts of effort and effort is a precious commodity that an individual can devote to the numerous tasks for something he or she is accountable for. In the absence of other factors, Davis (1989) asserted that a user-friendly programme has a higher probability of being adopted by consumers. The level of perception regarding the Internet as uncomplicated is influenced by how easy it is to operate, which translates into simplicity (Limayem et al., 2000).

According to Rogers (2010), PEU is the method where an innovation is considered not to be hard to comprehend, grasp, or execute. He also made a point of saying that perceived ease of use is essentially how much consumers accept that a new product is superior to its competitors in terms of usability and user-friendliness. The
perceived ease of use serves as a liaison between the technology framework and potential online shoppers (Ramayah & Ignatius, 2010). Hence, it is recommended that the management of the online consumer service on online purchasing goals be affected by an electronic order processing system that is stress-free and simple to use (Putro & Haryanto, 2015).

It also has to do with users' impressions of how successful the website is at assisting them in finding more data with a reduced amount of work and time needed (Chiu et al., 2005). In an e-commerce setting, ease of use can refer to the simplicity of purchasing, convenience and user-friendliness of the website (Reibstein, 2002). A company's website must be well-designed and a website with an easy-to-use structure will enhance online purchasing intent (Chiu et al., 2005).

Perceived usefulness is essentially how much the personal performance of an individual in their opinion will be improved by making use of a particular system (Davis, 1989). It implies that an individual will only desire to use technology to purchase items online if they find it useful. It is commonly referred to as the level of trust that consumers have in a website to provide them with both usefulness and efficiency when conducting an online transaction (Ru et al., 2021).

Adding to that, it is crucial to supply various details and particulars about the item on the e-platform to let customers acquire the desired details on the item and it will aid them to make an informed buying decision (Lim et al., 2016). Customers will regard a website as unusable if it requires them to spend a lengthy time searching for a specific product, and their intention to purchase online will diminish since consumers demand readily available and helpful information on the website to assist them in making purchasing decisions quickly.

Further to that, customers want adequate and reliable information when making online purchases because they are unable to touch and analyse the products. On the other hand, consumers will have a reduced intent to purchase online if they believe an e-commerce site is difficult to navigate or if the website's layout is convoluted and confusing (Pearson et al., 2007). Moreover, a high-quality website design boosts client happiness and enhances online purchasing intention (Ru et al., 2021).
2.4.4 Business Competency

Proficiency in processing orders and delivering them promptly is one approach to exhibiting an e-commerce site's competence (Down & Liedtka, 1994). Purchasing system that is convenient to use, a simple purchase technique, product quality and product description details that are thorough and helpful, connecting commercial sites merchants and well-established customers (Le-Hoang, 2020).

Product quality is an important aspect in determining purchasing intentions, and it is a continual process of improvement in which ongoing modifications boost the performance of the product and, as a result, customer satisfaction (Mirabi et al., 2015). Chi et al. (2008) stated that consumers are more likely to be inclined towards buying goods of higher quality and the quality of a good generally has a positive impact on consumers' purchasing intentions under business competency.

Advertising is crucial to promote products to potential consumers and it can also convince potential customers that the product or service is worth their time and money (Mirabi et al., 2015). They also stated that businesses use marketing as a means to create an emotional bond with their consumers. As an outcome, these consumers have a higher chance of creating an emotional bond with the product's advertisements (Latif and Abideen, 2011). Whenever customers pay close attention to advertisements, they acquire a feeling for it, which enhances brand development, those that have a positive feeling for the product acquire a favourable mindset toward it (Mirabi et al., 2015).

Distributors play an important part in information sharing because when buyers comprehend a firm's market position, credibility, and capability, they will want to purchase goods from an online shopping website that the business operates (Nakandala et al., 2017). Past research has said that technology services can have a major influence on consumers' purchase intentions given suppliers know how to create or design promotional pictures and constantly update information about the product (Gonçalves Curty & Zhang, 2013).

2.5 Theoretical Framework

The theoretical framework is depicted from the Technology Acceptance Model.
2.6 Hypothesis Development

The following hypotheses are offered based on the above-mentioned literature.

H1: There is a positive relationship between price consciousness and consumer purchase intention in e-commerce sites.

H2: There is a positive relationship between trustworthiness and consumer purchase intention in e-commerce sites.

H3: There is a positive relationship between perceived ease of use and usefulness and consumer purchase intention in e-commerce sites.

H4: There is a positive relationship between business competency and consumer purchase intention in e-commerce sites.

3. Research Methodology

The random sampling technique is chosen for this research because the group of target respondents is too big to identify every single individual. Jha (2015) stated that the random sample technique was chosen for this study because the group of target respondents is too vast to distinguish each specific individual. The sample size for this research is 384 respondents. The reason for this is that the overall population of e-commerce consumers is roughly 14.4 million people, which exceeds the maximum population size specified in the Krejcie and Morgan table (1970). As a result, to ensure
the accuracy of this study, researchers selected the maximum sample size of 384 respondents.

4. Conclusion

Overall, this study gives useful information for users and sellers of e-commerce websites, retail businesses, and future researchers. This research investigates the determinants that impact consumer purchase intention in e-commerce websites. For this research, consumer purchase intentions in e-commerce site factors are analysed. It was found that trustworthiness and convenience positively impact the consumers’ purchase intention in e-commerce sites. Furthermore, the other variables, such as price consciousness and business competency, can exert a detrimental impact on e-commerce sites as consumers are less likely to purchase goods and services. Therefore, if an e-commerce website wants to improve and increase its e-commerce sales in Malaysia, it should concentrate on the top two critical aspects.

For future research, consumers can now offer feedback or comments on practically every e-commerce website using various devices they own, due to the advancement of technology and the expansion of electronic word of mouth. Other than that, they can also express themselves more easily on the Internet, due to the rise of social networking and smartphone users. As a result, merchants must comprehend how electronic word of mouth may affect consumers' purchasing intentions. Giving honest feedback or responding quickly to consumer dissatisfaction can assist in establishing consumer loyalty, which can lead to higher sales (Senecal & Nantel, 2004).

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