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CUSTOMER PERCEPTION ON ONLINE PURCHASE INTENTION: THE IMPACT OF ONLINE SHOPPING ORIENTATIONS ON ONLINE BUYING INTENTION

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Abstract: This paper endeavors to recognize the customer perception on online purchase intention among the youth of Pakistan. Customer perception on online purchase intention, thus our research variables are impulse purchase orientation, brand orientation, and quality orientation were considered along with online trust and prior online purchase experience. The results are focused 292 responses got from the online study. The exploration made that impulse purchase orientation; prior online purchase experience and online trust have the positive effect on the customer purchase intention. Males are found to have more intention to shop online than females. The study has implications for web-retailers, advertising directors, web advertisers, online merchants and web-customers in Pakistan. Pakistani online customers commonly have a tendency to look for offers and extraordinary worth value bargains rather than brand or quality. Online retailers may focus on the impulse purchase orientation aspect in Pakistani consumers and must concentrate on expanding online trust.

Keywords: Buying intention, quality orientation, brand orientation, impulse purchase orientation, prior online purchase experience, online trust

Background of the Study

Word 'internet' is the prime addition in the history, and now it is shaping the future of businesses. Businesses are emphasizing more in their 'unique' visibility in the cyber world. The Internet has become the means of delivering the goods or services and trading information. The online shopping is getting vast and people are willing to shop online products from the internet rather than physically shopping, because of ease, simplicity, and speediness in the transaction. According to Pakistan Telecommunication Authority (2015) internet users are approximately 3.35 million in January 2014. People are getting more aware about to purchase online products through the internet, 3g and 4g networks introduce high-speed internet which will help us to attract the more people to online shopping. Online purchase introduces about 20 years before, and it's growing rapidly (Kaplan and Heinlein, 2010). Online purchase and their electronic environment that makes people easy to buy and sell products and also give and take information through the internet. People are adopting through different and new sources mostly younger generation using online purchases.

Atkinson (2009) argued that the trend of doing marketing totally change today marketers are more emphasizes on the social media marketing thus typical marketing is not giving the desired result. In Pakistan, the scenario is quite different and people reluctant to purchase online, but businesses doing their efforts to grab this opportunity. Three types of online purchasing websites are famous in Pakistan i) online purchasing site (daraz.pk), ii) online auction site are (ourhatti.com, uic.com.pk/bid/) and iii) online classified site (boleee.com, www.olx.com.pk).

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In the past few years, Pakistan's economy hit by security threats, radicalism and ethnicity riots. Due to these problems, there has been a major decline in foreign investment, and industries have taken a strong hit of these problems. Hence, it also affected the penetration of e-commerce which merely diffuses the charm and charisma of potential industries (Fearon and Laitin, 2001).

The millennial generation is more inclined to adopt and attract towards the online purchase, and they might be the pioneers of this new way of retailing. This study is to find out the buying intentions of millennia while using e-retailing sites with regards to their quality orientation, brand orientation, impulse purchase orientation, prior online purchase experience, and online trust.

Literature Review and Hypotheses Development

There is evidence that corporate image is an important factor in the overall evaluation of the service of a company (Park, Robertson, and Wu, 2006). Hence it is very important to understand the role of corporate image in the customer retention decision. This is a key issue that has received little attention in the service marketing area (Nguyen and LeBlanc, 2012).

2.1 Quality Orientation Towards Online Purchase Intention

Lin and Germain (2003) defined as quality orientation as the extent to which an organization attempts to improve its products through standard tools and processes. The relation of quality while purchasing online products is very important because this is the only factor that attracts people when the price of the product is cheap or expensive, people don't want to compromise on the quality of the products (Gehrt Onzo, Fujita, and Rajan, 2007). Customers are considering the quality of the products while searching or purchasing products online as well as physically (Bellenger and Korgaonkar, 1980).

H1. There is a significant positive relation between quality orientation and online purchase intentions.

2.2 Brand Orientation Towards Online Purchase Intention

Brand plays the very important role in the business. Now a day's people are sticky attached with the brand name. People are very brand conscious and they are willing to purchase and use branded product. Brand orientation is an approach in which the processes of the organization revolve around the creation, development, and protection of brand identity in an ongoing interaction with target customers with the aim of achieving lasting competitive advantages in the form of brands (Urde, 1999). Online purchase transactions, consumers place the brand names in the information while purchasing online (Jayawardhena, Wright, and Dennis, 2007; Ward and Lee, 2000).

H2. There is a significant positive relation between brand orientation and online purchase intentions.

2.3 Impulse Purchase Orientation Towards Online Purchase Intention

Impulse purchase behavior happens once a consumer feels the insist to buy one thing at the awfully instant with none additional analysis (Rook, 1987). Consistent with Piron (1991) impulse purchase behavior is Associate in and done without action relinquished any previous arrange as a result of a stimulant. With the extensive growth of online shopping, the studies created by Donthu and Garcia (1999) have found that impulse purchase orientation may be a default characteristic of an internet shopper.

According to the reasoned action theory, consumer behavior and intentions towards particular thing could only be predicted by its consequent intentions (Ajzen and Fishbein, 1980). Impulse purchase orientation spur of that particular moment, the unintentional decision to buy made just before the purchase of a particular product. Thus intentional evaluation is more effective and efficient rather than behavioral evaluation or measurement in finding and attracting new customers as customer learn to pass over actual preference as of their constraint (Day, 1969).

H3. There is a significant positive relation between impulse Purchase Orientation and online purchase intention.

2.4 Prior Online Purchase Intention Towards Online Purchase Intention

Prior online purchase practice and customer online purchase intention expectations behavior is determined by prior experiences. Online purchases are still measured to be uncertain compared to traditional retail purchases (Laroche, Yang, McDougall, and Bergeron, 2005). In an online shopping atmosphere, prior online purchase practice leads to the decrease of doubts and ultimately leads to a rise in the buyer purchase intention (Shim and

Drake, 1990). Online shoppers who have bought goods online are further united and liable to shop on the internet rather than others (Lee and Tan, 2003). Shim, Eastlick, Lotz, and Warrington (2001) posited that past acceptable online purchase will guide to future online purchase while previous negative practice will reduce online purchase intention

H4. There is a significant positive relation between prior online purchase experience and online purchase intention.

2.5 Online Trust Towards Online Purchase Intention

Trust is the key to any transaction. Online trust becomes very important when it comes to online shopping (McCole and Palmer, 2001). It's risky in nature and trust play vital role in the online dealings (Pavlou, 2003). Trust should be over there when a person giving their personal information and data during online purchasing (Egger, 2006). According to Ling, Chai and Piew (2010) trust can create loyal and satisfied customers.

H5. There is a significant positive relation between online trust and online purchase intention.

2.6 Theoretical Framework

The theoretical framework illustrated in figure 1 shows the link of quality orientation, brand orientation, impulse purchase orientation, prior online purchase experience, and online trust to online buying intentions.

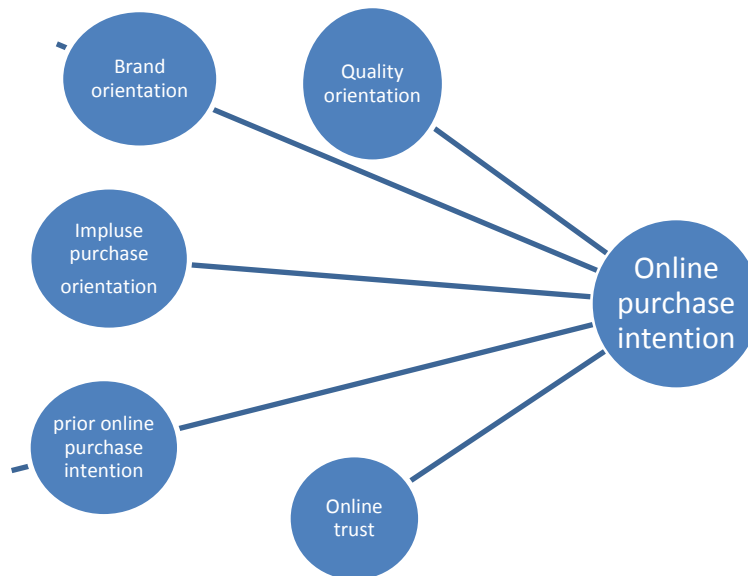


Figure 1. Theoretical Framework

Methodology

Data consists of total 292 postgraduate MBA students from two private sector universities. All respondents are well known about the online internet purchasing. Snowball sampling technique has been used by sending them an email and gathered the information through the questionnaire. All constructs adopted from old studies which details are: quality orientation – 2 items scale (Gehrt et al., 2007), impulse purchase intention – 3 items scale (Gehrt et al., 2007), brand orientation – 2 items scale (Gehrt et al., 2007), online trust – 7 item scale (Chen and Barnes, 2007), prior online purchase experience – 3 item scale (Brunelle and Lapierre, 2008) and online purchase intention – 5 items scale (Kim, Lee and Kim, 2004). Structural equation modeling was applied through Mplus software in order to test the hypotheses.

Results and Interpretation

The following section shows the results. The analyses for this study was performed in two stages. In the first stage, confirmatory factor analysis was performed in order to check the fitness and appropriateness of the applied

model. In the second stage, structural equation modeling was performed to examined and test the proposed hypotheses for the current study. The generated results are as follows:

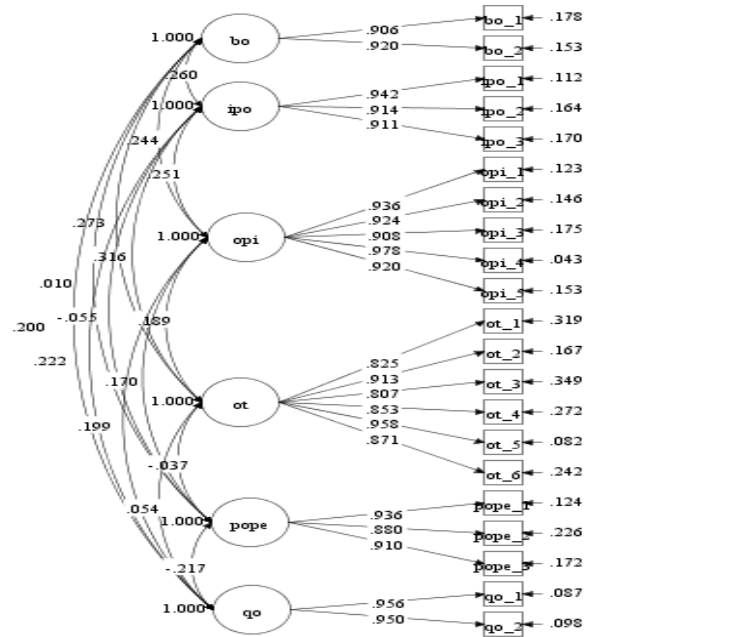


Figure 2. Confirmatory factor analysis

The above diagram of figure 2 shows the results of confirmatory factor analysis generated to Mplus software. The results showed the value of model fitness criteria such that RMSEA was 0.05 (<0.07); CFI was 0.980 (>0.95) and TLI was (>0.95). These values show the fitness of the model which illustrates in table 1 also in detail. Therefore, it can be concluded that the developed model is fit and appropriate for the work under study.

Table 1. Model fit information

Fit indices	Cutoff Value	Model Value
RMSEA	<0.07	0.051
CFI	>0.95	0.980
TLI	>0.95	0.975
Chi-Square / df	<3	2.41
SRMR (Standardized Root Mean Square Residual)	<0.08	0.027

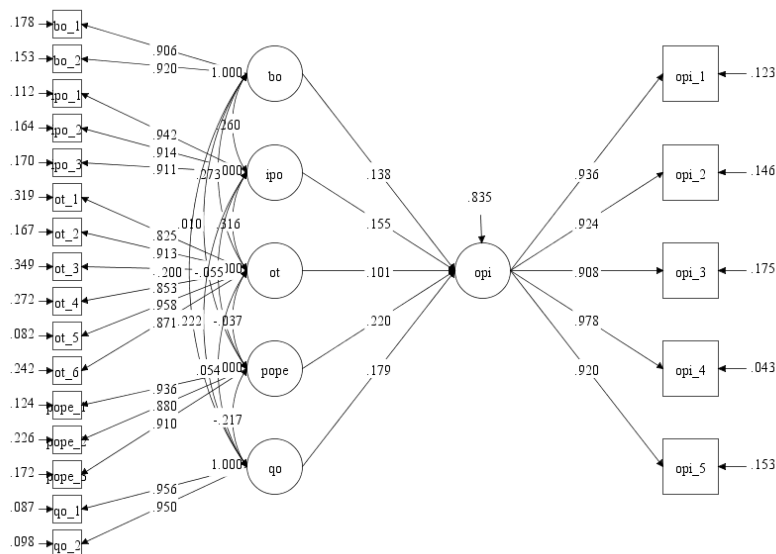


Figure 3. Model results

Structural equation modeling was applied through Mplus software in order to test the hypotheses. As per the results in figure 2, it can be observed that the t value of all the variables is significant (i.e., >0.01). Therefore, it

is concluded that all the variables (i.e., brand orientation, impulse purchase orientation, online trust, prior online purchase experience and quality orientation) are significantly impacting online purchase intention. Moreover, prior online purchase experience has got the highest impact on online purchase intentions. Table 2 shows the results in detail.

Table 2. Results

OPI on	Estimate	S.E.	Est./S.E.	P-Value	R ²
BO	0.216	0.077	2.818	0.005	0.165***
IPO	0.185	0.054	3.418	0.001	
OT	0.179	0.078	2.283	0.022	
POPE	0.233	0.045	5.169	0.000	
QO	0.194	0.047	4.086	0.000	

Conclusion

This research indicated that quality orientation, brand orientation, impulse purchase orientation, prior online purchase experience, impulse purchase orientation and online trust had a very strong relationship with the online purchase intention with respect to online buying. Prior online purchase experience played a vital role for the online buying as it was derived from various other dimensions. Since the prior online purchase experience was an independent variable of the research, it showed that higher the prior online experience led towards the high opportunities to buy online. It was found that the young post graduate students which are more tilt towards the internet surfing and have some experience were more keen to have the interest in the online purchases. However, Prior online experience, online trust, and impulse purchase orientation contributed as the factors behind online purchase intention and they had the strong positive impact towards it.

It has been observed that online businesses in Pakistan were facing great problems of online purchase intention; there were many reasons behind it. The online business should work for the dimensions and factors behind the lack of online purchase intention and they should watch the leakages that are discomfort the online purchase intention there were many other attributes that regard to it but the overall research proved the proposed hypothesis.

5.1 Discussion

The core purpose of this study was to examined the causal relationship of online quality orientation, brand orientation, impulse purchase orientation, prior online purchase experience and online trust among the post graduates students on online purchases in Pakistan after analysis of data the results prove the that quality orientation, brand orientation, online trust, prior online purchase experience and impulse purchase orientation had a significant and positive impact on online purchase intention with regard to the online shopping intention.

5.1.1 Quality Orientation on Online Purchase Intention

This research support that quality orientation has positive impact on online purchase intention. These results are consistent with the previous researches conducted in the past by Bellenger and Korgaonkar (1980) found that one of the things that recreational shoppers tend to take into consideration is quality when choosing stores for shopping. In an online shopping context, Gehrt et al. (2007) found that customers who shop for recreation online are significantly associated with quality.

5.1.2 Brand Orientation on Online Purchase Intention

The study also demonstrated that brand orientation with in online purchase has a positive relationship with the online purchase intention. In internet transactions, customers use trusted corporate and brand names in place of product information while purchasing online (Ward and Lee, 2000). Jayawardhena et al. (2007) have argued from their study that there is a significant effect of brand orientation on customer online purchase intention.

5.1.3 Impulse Purchase Orientation on Online Purchase Intention

This research paper also investigated that impulse purchase orientation has a direct or positive impact on the online purchase intention. Hence it was researched in past also that Impulse purchase behavior happens when a

customer feels the urge to purchase something at the very instant without any more evaluation (Rook, 1987). According to Piron (1991), Impulse purchase behavior is an action done without any prior plan as a result of a stimulus. With the rampant growth of online shopping, the studies made by Donthu and Garcia (1999) have found that impulse purchase orientation is a default characteristic of an online shopper.

5.1.4 Prior Online Purchase Experience on Online Purchase Intention

This paper also proves that prior online purchase experience has a vital role and positive impact on the online purchase intention which enables the positive impact on online purchase intention as past study claims online purchases are still considered to be risky compared to offline retail purchases (Laroche et al., 2005). In an online shopping environment, prior online purchase experience leads to the reduction of uncertainties and eventually leads to an increase in the customer purchase intention (Shim and Drake, 1990). Shim et al. (2001) found that past satisfactory online purchase will lead to future online purchase while past negative experience will decrease online purchase intention.

5.1.5 Online Trust on Online Purchase Intention

This research examines the online trust has a significant impact on the online purchase intention as they are directly proportional as far as online buying is concerned we can verify it by providing the past investigation of this variable from different studies as online trust is a necessity when it comes to online shopping (McCole and Palmer, 2001).

5.2 Limitations

While conducting this research, as researchers we faced certain kinds of limitation which somewhat affects the research. The first limitation doesn't have enough population. Targeting post graduate two ninety-two students may not be representative. Hence the finding may not be generalizable through internet savvy students contribute to a major percentage of online shoppers in Pakistan. In the future study, they can expand their geographical limitations. The second limitation faced was the time limitation, was the city that our research conduct can be representing Pakistan fully but somehow researcher solves it. There was no uniform representation across categories in the demographic variables considered for the study. In future studies, at least on a broader level, the sample should be chosen so that there are uniform representation cross categories in the demographic variables

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