# CRITICAL FACTORS AFFECTING CONSUMER BEHAVIOR IN ONLINE SHOPPING THROUGH SOCIAL NETWORK



A THEMATIC PAPER SUBMITTED IN PARTIAL FULFILLMENT OF THE REQUIREMENT FOR THE DEGREE OF MASTER OF MANAGEMENT COLLEGE OF MANAGEMENT MAHIDOL UNIVERISTY 2015

**COPYRIGHT OF MAHIDOL UNIVERSITY** 

# Thematic paper entitled

# CRITICAL FACTORS AFFECTING CONSUMER BEHAVIOR IN ONLINE SHOPPING THROUGH SOCIAL NETWORK

was submitted to the College of Management, Mahidol University for the degree of Master of Management

on May 2, 2015

Mr. Chitipat Anantavong
Candidate

Poomporn Thamsatitdej,

Asst. Prof. Randall Shannon,

Dr. Poomporn Thamsatitdej, D.B.A. Advisor

Asst. Prof. Randall Shannon Ph.D.

Chair person

Assoc. Prof. Annop Tanlamai, Ph.D. Dean College of Management Mahidol University

Assoc. Prof. Vichita Ractham, Ph.D.

Chair person

## **ACKNOWLEDGEMENTS**

I would like to take this opportunity for appreciate Dr.Poomporn Thamsatitdej, for his invaluable advice and appreciate my parents for encouragement and support me.



# CRITICAL FACTORS AFFECTING CONSUMER BEHAVIOR IN ONLINE SHOPPING THROUGH SOCIAL NETWORK

CHITIPAT ANANTAVONG 5649215

M.M. (MARKETING AND MANAGEMENT)

THEMATIC PAPER ADVISORY COMMITTEE: POOMPORN THAMSATITDEJ, D.B.A., ASST. PROF. RANDALL SHANNON, Ph.D., ASSOC. PROF. VICHITA RACTHAM, Ph.D.

#### ABSTRACT

The aim of this study is to investigate factors that affect consumer behavior of purchasing through social network platform. Online purchasing behavior studies and online decision making process were applied in this study. Using quantitative research to gather data and questionnaire survey were distributed through online channels. Random sampling method was applied to distribute the questionnaires, and the quantitative data was analyzed in statistical with 216 respondents. Multiple regression analysis was used to explain relationship between both subjective factors and objective factors and online consumer purchasing intention on social network. The results show critical factors that affect the online consumer purchasing intention on social network that help online sellers adopt the suitable strategies to attract consumers.

ับยาลัย<sup>น</sup>

KEY WORDS: Online Shopping/ Consumer Behavior/ Social Network

33 pages

# **CONTENTS**

		Page
ACKNOWLEI	OGEMENTS	ii
ABSTRACT		iii
LIST OF TAB	LES	vi
LIST OF FIGU	JRES	vii
CHAPTER I	INTRODUCTION	1
1.1	Background of the study	1
1.2	Aims and objective	2
CHAPTER II	LITERATURE REV <mark>IEW</mark>	3
2.1	Online Purchase Behavior	3
2.2	Online Decision Making Process	3
2.3	Subjective factors	4
2.4	Objective factors	5
CHAPTER III	RESEARCH METHODOLOGY	7
3.1	Discussion a research method	7
3.2	Questionnaire design	7
3.3	Survey sample	8
3.4	Sample size	8
3.5	Data analysis method	8
3.6	Conceptual model	9

# **CONTENTS** (cont.)

		Page
CHAPTER IV	FINDING AND DATA ANALYSIS	10
4.1	Demographic Profile	10
	4.1.1 Gender	10
	4.1.2 Age	11
4.2	Respondents experiences	12
4.3	Multiple regression analysis	13
	4.3.1 Relationship between objective factor and	13
	consumer purchasing intention	
	4.2.2 Relationship between variable factor and	16
	consumer purchasing intention	
CHAPTER V	DISCUSSION AND CONCLUSION	19
5.1	Factors affecting online consumer behavior	19
	in social network	
	5.1.1 Consumer attitude and online consumer behavior	19
	5.1.2 Credibility and online consumer behavior	20
	5.1.3 Service quality and online consumer behavior	20
	5.1.4 Price and online consumer behavior	21
5.2	Implication	21
5.3	Limitations	21
5.4	Conclusion	22
5.5	Recommendations	23
REFERENCES	$\mathbf{S}$	24
APPENDICES		26
App	endix A: Example of questionnaire	27
BIOGRAPHY		33

# LIST OF TABLES

Tab	ole	Page
4.1	Model Summary	13
4.2	ANOVA	13
4.3	Coefficients table	14
4.4	Model Summary	16
4.5	ANOVA	16
4.6	Coefficients table	17
	TO STATE AND STATE OF THE PARTY	

# LIST OF FIGURES

Figures	Page
3.1 Conceptual Model	9
4.1 Gender of respondents	10
4.2 Age of respondents	11
4.3 Number of times shopping through social network last 3 months	12



# CHAPTER I INTRODUCTION

### 1.1 Background of the study

In these recent decades, the internet technology has become a common use in Thailand, hence, online shopping became an alternative way of purchasing goods for Thai internet users. Due to development in online payment system and changing in consumer behavior, Thailand is one of the fastest growing e-commerce countries in Southeast Asia. The number of Thai online consumers has increased in percentage from 2011 to 2012 by 9.4%. The percentage of Thai consumers shopping online has increased 9.4% from 47.8% in 2010 to 57.2% in 2011(NECTEC, 2013). The market growth attracts more players to penetrate this market, both small and large-sized enterprises, which creates more intense competition. So it is necessary for entrepreneurs to understand consumer behavior to meet consumers' changing needs and expectations.

As the number of online users in Thailand is growing, social media is generally used as marketing tools to raise awareness of products, to give product knowledges through contents on fan page, and to convince customers to press like in order to become a part of customer base. According to Nielsen Wire 2010, Facebook has the highest users and maintains the largest international market share among social network providers. However, many Thai SMEs, who sell products online, also use it as a touch point to receive orders from customers. Because the social network application can be used to communicate directly between retailers and customers, which the retailers can identify names and orders from the social network accounts. There are more benefits for SMEs when compare to building a website or building a webpage on ready-to-make websites, for instant, Facebook is free of charge, easy to use, and retailers can build trust from number of likes.

Majority of studies related to the determinants that affect consumer behavior in online shopping, are not focused on situations in which transactions were created on social network, and the questions were not specific to uses in social network cases. So this study is created to measure the factors which affect consumers who shop through social network, which is different from buying from E-commerce websites. So it is useful to identify which factors are critical factors that might affect online consumer behavior, either positively, or negatively.

## 1.2 Aims and objective

This study aims to investigate factors which affect consumer behavior of those who purchase online through social network in Thailand, and to develop the local SMEs (small-medium enterprise) social network sales and marketing strategies. The objectives of this study as follows:

- 1. To find out important factors attracting customers to purchase products through social network.
- 2. To find out the major factors impeding online consumer from purchase products through social network.

To help SMEs who sell products through social network to better understand potential of online customers.

# CHAPTER II LITERATURE REVIEW

### 2.1 Online Purchase Behavior

Park et al. (2003) stated that online shopping contexts such as product information quality, information satisfaction by creating context relative to the real world service and user interface design, are important factors for customers' online purchase decisions. In addition, service information quality, security perception and site awareness also served as important factors for online purchase behavior. Garbarino and Johnson (1999) supported that satisfaction, trust and relational behavior affected customer's commitment on online purchasing.

# 2.2 Online Decision Making Process

The online purchase decision-making process can be separated into five stages: problem recognition, information collecting on service quality, evaluation of alternatives base of product quality and price, actual purchase decision, and post purchase evaluation on customers' trust. Bulter and Peppard (1998) suggested that the problem recognition is caused from internal factors such as personal financial situation, and external factors, such as advertisement, which drive customers' needs and problems. Next stage, customers collect information from websites to make decisions. According to Bakos (1997); Peterson et al (1997), Price-related and product information lower customers' search cost. The extensive and high quality information available on websites lead to a higher buying decision and satisfaction. Dennis et al. (2002) stated the positive effects on customers shopping attitude and intention for online shopping and internet usage. Later, customers evaluate the collected information and compare to the alternative ways which influenced by security of transactions, privacy, responsiveness of online merchant, product quality and price and

relational behavior. According to Sheth and Parvatiyar (1995), relational behavior has a positive link to purchase decision-making and reduce information processing.

### 2.3 Subjective factors

#### 2.3.1 Individual demands

Customers demand online shopping, due to time saving from selection, convenience and reduced dissatisfaction risks (Wolfinbarger and Gilly, 2001). Flexible time on social network channel allows customers to shop at anytime with full-time operation from morning to night (Harrell el al., 1992). Another study from Wu (2003), showed that purchase motivation and preferences based on online shopping benefit and satisfaction align with personal's needs or wants. Opinions influence customers toward individual's demands.

#### 2.3.2 Consumers' attitude

Online customers have higher risk bearing ability with audacious attitude than traditional customers (Martinsons M.G., 2008). Jayawardhena (2004) concluded the studies to understand online shopping attitude from technology acceptance model (TAM). The result showed that users' acceptance such as ease of use and individual attitude are positively correlated. According to Childers et al. (2001), hedonic aspects influence customer' online shopping decisions. For example, pleasure from online shopping and useful informations from social network websites. Lui (2012) stated that factors toward online shopping attitude are the passion and uniqueness; passivity sociality; online deal search and product class involvements. Shim et al., (1998), stated that merchandising attributes and service attributes lead to customer's enjoyment. And, self-achievement value will influence customers' attitudes.

### 2.4 Objective factors

#### **2.4.1 Price**

Previous studies showed the benefit of value fulfilment effect toward product purchasing (Kahle an Kenedy, 1989). A study from Widrick and Sorce, 1991, showed that customers use price memories to evaluate the product price. Upper price limit, price that is higher than customers' expectation considered as expensive or belong in other categories of goods. On the other hand, lower price limit refers to price below expectation considered as low quality. The suitable price range is in between the two limits. Price significantly affect on customers' buying behavior and company's sales and benefit (Han et al, 2001). Internet allows customers to easily access to price information, and, results in price sensitivity than other channels (Ellison et al., 2009). Shankar et al., (1999) added that price sensitivity has an impact on online shopping.

### 2.4.2 Product Quality

Online shopping is different from offline store, in which customers rely on the images, and informations provided by the online merchants to evaluate the product. They also rely on reviews from other customers, products' quantity and variety, and product warranty to judge product quality. (Lala, Vishal, el al, 2002). The informations from online merchants offer more extensive product informations. For example, price comparison, product testimonial, and product demonstrations.

### **2.4.3** Service Quality

Lohse and Spiller (1998) stated that customers desire a careful, continuous, and useful communication from the merchants. Customers want to be assisted with product selection, gift services, immediate answer for inquires related to products, shipping costs, promotion and product-related tips (Kolesar and Galbraith, 2000). Wu (2003) showed that service quality, and delivery speed have significant effects on customers' attitudes. Shim et al., (2001) added that a quick purchase process and

creating pleasant experiences such as amiable conversation chat for customers would add into customer's enjoyment values. Customers' decisions to purchase may not fully based on price; however, the decision may come from combination factors such as service, purchase conditions, and online store reputation (Verbeke and Bagozzi, 2000).

### 2.4.4 Credibility

3081

Customers make online purchasing decisions based on relational behaviors with online company to reduce perceived risks in the future (Sheth and Parvatiyar, 1995). A study from eMarketer(2012) showed that the "Like" function on Facebook has been known as an useful way to maintain relationship with customers. Other Facebook functions designed to assist SMEs to interact with customers are, comment function where questions and opinion can be posted publicly, insight function which helps sellers to track the number of "likes" on Facebook fan-page, and advertising products and promotions. Customers use comments and opinions from other users to make decisions. The study from Wu(2003) showed that customers' preferences are based on other's customers' online shopping ratings. The interactions on Facebook help developing relationships of trust and support continuous visiting. It builds up trust and reliability perceptions (Lin et al., 2011).

# CHAPTER III RESEARCH METHODOLOGY

The study focuses on proving hypothesis of the factors that are based on the view from literature. The quantitative research method was used by collecting questionnaire surveys that conduct with online shoppers between 18 and 50 of age via social network from 14th February to 28th February 2015. Then, the data from respondents were analysed by SPSS program in cross tabulation function and multiple-regression function. The result shows that whether it accepts the hypothesis and correlation of each factors.

### 3.1 Discussion a research method

Previous studies showed a list of variables that significantly affect consumer behavior in online shopping; however, this paper focuses on determining the critical factors on social media. Quantitative research methods were used to prove hypothesis on each factors. The statistical technique, multiple regression, which use several explanatory variables to predict the outcome of dependent variables. This technique figures the relationship between consumer behavior and factors. In addition, cross tabulation method links between factors and demographic information to better explain consumer behavior.

## 3.2 Questionnaire design

In order to collect the quantitative data, the questionnaire consists of 5 parts, total of 30 questions. The first part is screening questions, to verify that the respondent has an experience in online shopping through social network. The second part is about subjective factors. The third part contains questions about objective

factors that explain 4 factors. The fourth part has questions about purchasing behavior of online consumers when shopping through social network. The last part is demographic information and background of respondents.

## 3.3 Survey sampling

Target samples of the survey were customers who have experiences in online shopping through social network. Questionnaires were distributed via social network from 14th February to 28th February 2015, and counted only respondents who pass screening question.

### 3.4 Sample size

The study applied random sampling method due to time constrain, and 250 questionnaires were distributed to guaranteed that 200 of sampling were valid.

### 3.5 Data analysis method

After the data from respondents were collected and recorded onto the database. Then, SPPS (Statistical Product and Service Solution) program was used for statistical data analysis to clarify relationship between factors and to prove the hypothesis.

Linear regression function was used to analyse factors by developing the linear equation and evaluate from R-square value. The coefficient of each factor was showing how strong relationship of each factors is to the dependent variable. R-square value shows how well the model can explain the dependent variable and R-square error shows deviation.

# 3.6 Conceptual model

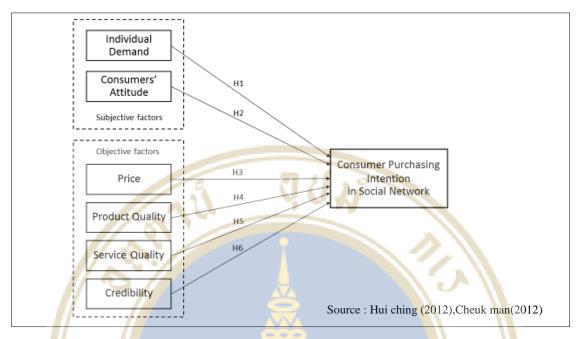


Figure 3.1 Conceptual model

H1: Individual demand has a positive influence on consumer purchasing intention in social network.

**H2**: Consumers' attitude has a positive influence on consumer purchasing intention in social network.

**H3**: Reasonable price has a positive influence on consumer purchasing intention in social network.

**H4**: Product quality has a positive influence on consumer purchasing intention in social network.

**H5**: Service quality has a positive influence on consumer purchasing intention in social network.

**H6**: Sellers' credibility has a positive influence on consumer purchasing intention in social network.

# CHAPTER IV FINDING AND DATA ANALYSIS

In this chapter, the finding of the research are shown. Demographic information is presented first, following by general finding. The results of hypothesis and correlation of factors are in the last part. The result from data collecting is, 250 questionnaires were distributed and 34 of which were rejected, due to incompletion. Therefore, only 216 sets of data were employed in data analysis process.

## 4.1 Demographic Profile

### 4.1.1 Gender

As survey sampling in social network which related to consumer behavior, there were 49 male respondents and 167 female respondents, accounted for 23% and 77% of the respondents respectively.

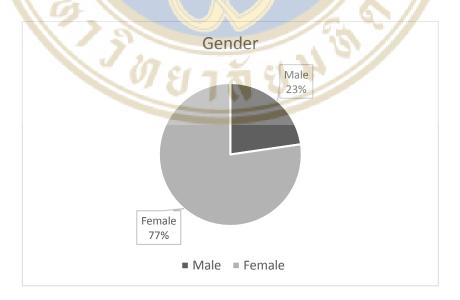


Figure 4.1 Gender of respondents

### 4.1.2 Age

Generation Y was the target group of this study, which aged between 21-30 years old. Hence, more than a haft of all respondents were in this group. There were 21 respondents aged under 20 years old, 180 respondents aged between 21-30 years old, 12 respondents aged between 31-40 years old and 3 respondents aged between 41-50 years old. About 83% of all respondents were the people aged between 21-30 years old.

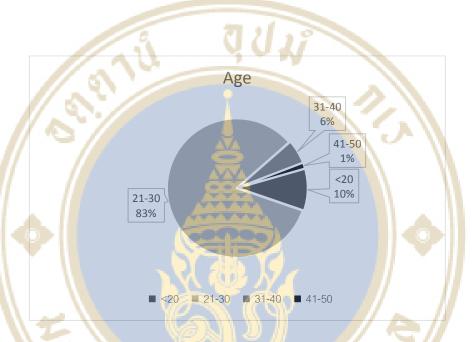


Figure 4.2 Age of respondents

### 4.1.3 Monthly income

66 respondents earn less than 10,000 Baht a month, 72 respondents earne between 10,000-20,000 Baht and 51 respondent earn between 20,000-30,000 Baht. They accounted for 31%, 33%, and 24% of all respondents respectively. These three groups accounted for over 80% of all respondents.

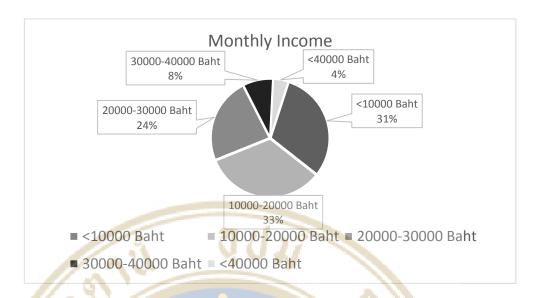


Figure 4.3 Number of times shopping through social network last 3 months

## 4.2 Respondents experiences

96 respondents shopped between 0 to 1 time in last three months, and 78 respondents shopped between 2 to 3 times in last three months. These two group accounted for 44% and 36% which is over 80% of all respondents.



Figure 4.4 Number of times shopping through social network last 3 months

## 4.3 Multiple regression analysis

# 4.3.1 Relationship between objective factors and consumer purchasing intention in social network

Table 4.1-4.3 are the SPSS results generated from multiple regression analysis which showed relationship between objective factors and consumer purchasing intention in social network. The objective factors consist of individual demands, consumers' attitude, reasonable price, product quality, service quality and credibility.

**Table 4.1 Model Summary** 

**Model Summary** 

Model	/		Adjusted R	Std. Error of
	R	R Square	Square 🤚	the Estimate
1	.750°	.563	.555	.52486

a. Predictors: (Constant), Credibility, Consumer\_Attitude, Price, Service\_Quality

**Table 4.2 ANOVA** 

**ANOVA**<sup>b</sup>

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	74.891	4	18.723	67.965	.000ª
	Residual	58.126	211	.275		
	Total	133.016	215			

- a. Predictors: (Constant), Credibility, Consumer\_Attitude, Price, Service\_Quality
- b. Dependent Variable:  $CB\_Average$

**Table 4.3 Coefficients table** 

#### Coefficients<sup>a</sup>

Model		Unstandardized Coefficients		Standardized Coefficients		
		В	Std. Error	Beta	t	Sig.
1	(Constant)	.092	.228		.404	.687
	Consumer_Attitude	.478	.054	.428	8.851	.000
	Price	.113	.055	.109	2.075	.039
	Service_Quality	.195	.054	.206	3.632	.000
	Credibility	.278	.062	.272	4.461	.000

#### a. Dependent Variable: CB\_Average

The result of the multiple regression analysis indicated one of subjective and three of objective factors that significantly affect the consumer purchasing intention in social network with p-value of the F-test less than 0.05 (p<0.05).

The coefficient of determination R-square is 56.3 percent, shown in Model Summary Table. This indicated that <u>Consumer attitude</u>, <u>Price</u>, <u>Service quality</u> and <u>Credibility</u> variables can explain 56.3 percent of consumer purchasing intention variable.

The p-value of F-test is less than 0.05 in the ANOVA table; Hence, this rejected the null hypothesis that coefficients are zeros. From the coefficients table, the p-value of t-test of each variable are 0.000, 0.039, 0.000 and 0.000, respectively.

- P1<0.05, Consumers' attitude has a significant linear relationship with consumer purchasing intention, and beta is positive. Hence, it failed to reject H2 that consumers' attitude has positive influences on consumer purchasing intention in social network.
- P2<0.05, Price has a significant linear relationship with online purchasing consumers, and beta is positive. Hence, it failed to reject H3 that Reasonable price has a positive influence on consumer purchasing intention in social network.

- P3<0.05, Service quality has a significant linear relationship with consumer purchasing intention, and beta is positive. Hence, it failed to reject H5 that service quality has a positive influence on consumer purchasing intention in social network.
- P4<0.05, Credibility has a significant linear relationship with consumer purchasing intention, and beta is positive. Hence, it failed to reject H6 that sellers' credibility has a positive influence on consumer purchasing intention in social network.

The variable p-value of t-test greater than 0.05 indicate a random relationship, and was deducted from the regression model. Then, the null hypothesis was rejected, as the coefficient are zeros.

- H1, that Individual demands has a positive influence on consumer purchasing intention in social network is rejected.
- H4, that Product quality has a positive influence on consumer purchasing intention in social network is rejected.

To explore more details in relationship between objective factors that failed to reject, and consumer behavior. The multiple regression analysis was used to find relationship between variable factors and consumer purchasing intention.

STATE T

# 4.3.2 Relationship between variable factors and consumer purchasing intention in social network

Table 4.4-4.6 are the SPSS results generated from multiple regression analysis which showed relationship between variable factors and consumer purchasing intention. The variable factors consist of number of likes, risk-taker personality, lower pricing, convenience, price comparison, shopping enjoyment, and fast delivery.

**Table 4.4 Model Summary** 

**Model Summary** 

Model		2/ /	Adjusted R	Std. Error of the
	R	R Square	Square	Estimate
1	.785ª	.617	.6 <mark>0</mark> 4	.49511

a. Predictors: (Constant), Credibility\_NumberLike, CA\_RiskTaker,

Price\_Lower, CA\_Exhaust, Price\_Important, CA\_Entertain,

ServiceQ\_FastDelivery

**Table 4.5 ANOVA** 

**ANOVA**<sup>b</sup>

Model	12	Sum of Squares	e df	Mean Square	/F	Sig.
1	Regression	82.029	7	11.718	47.805	.000ª
	Residual	50.987	208	.245		
	Total	133.016	215	- 1	31//	

a. Predictors: (Constant), Credibility\_NumberLike, CA\_RiskTaker, Price\_Lower, CA\_Exhaust,

Price\_Important, CA\_Entertain, ServiceQ\_FastDelivery

b. Dependent Variable: CB\_Average

Table 4.6 Coefficients table

#### Coefficientsa

Model		Unstandardized Coefficients		Standardized Coefficients		
		В	Std. Error	Beta	t	Sig.
1	(Constant)	.072	.207		.350	.727
	CA_RiskTaker	.218	.039	.287	5.617	.000
	CA_Entertain	.103	.037	.143	2.766	.006
	CA_Exhaust	.111	.033	.156	3.347	.001
	Price_Important	.086	.042	.105	2.069	.040
	Price_Lower	.128	.035	.168	3.613	.000
	ServiceQ_FastDelivery	.143	.042	.184	3.365	.001
	Credibility_NumberLike	.2 <mark>3</mark> 7	.047	.270	5.060	.000

a. Dependent Variable: CB\_Average

The result of the multiple regression analysis indicated eight of variable factors that significantly affect the consumer purchasing intention in social network, with p-value of the F-test less than 0.05 (p<0.05).

The coefficient of determination R-square of 61.7 percent, shown in Model Summary Table, indicated that number of likes, risk-taker personality, lower pricing, convenience, price comparison, shopping enjoyment, and fast delivery variables can explain 61.7 percent of consumer purchasing intention variable.

The p-value of F-test is less than 0.05 in the ANOVA table; hence, it rejects the null hypothesis that coefficients are zeros. From the coefficients table, the p-value of t-test of each variable are 0.000, 0.006, 0.001, 0.040, 0.000, 0.001 and 0.000, respectively.

- P1<0.05, Number of likes has a significant linear relationship with consumer purchasing intention. And, beta is positive.
- P2<0.05, Risk-taker personality has a significant linear relationship with consumer purchasing intention. And, beta is positive.
- P3<0.05, Lower pricing has a significant linear relationship with consumer purchasing intention. And, beta is positive.

- P4<0.05, Convenience has a significant linear relationship with consumer purchasing intention. And, beta is positive.
- P5<0.05, Price comparison has a significant linear relationship with consumer purchasing intention. And, beta is positive.
- P6<0.05, Shopping enjoyment has a significant linear relationship with consumer purchasing intention. And, beta is positive.
- P7<0.05, Fast delivery has a significant linear relationship with consumer purchasing intention. And, beta is positive.

The variables in p-value of t-test being greater than 0.05, indicate that random relationship was deducted from the regression model.



# CHAPTER V DISCUSSION AND CONCLUSION

In this chapter, the aim is to discuss the major finding and to draw a conclusion with the implication of this study. The relationship between underlying factors, variables and online consumer behavior in social network, were discussed in the first part. The next part will discuss implications, and limitations of this study. Finally, a conclusion of this study will be drawn.

### 5.1 Factors affecting online consumer behavior in social network

The critical factors affecting consumer behavior in online shopping through social network can be explained by ranking of standardized coefficients in regression model, the higher standardized coefficients indicates the more important the factors are. From ranking standardized coefficients of factors, the critical factors are consumers' attitude, credibility, service quality and price, respectively.

### 5.1.1 Consumer attitude and online consumer behavior

The online customers have a higher risk-bearing ability with audacious attitude than traditional customers. And, shopping through social network also has higher risks than shopping through websites of well-known companies. This is why consumers' attitude is the most critical factor. Consumers' attitude is one of the subjective factors which depend on individual customer not the sellers. "Risk-taker personality", "convenience", and "shopping enjoyment" are regarded as variable factors that significantly affect consumer behavior. This finding supports that perceived risk of shopping through social network is the main reason determining whether the customers would shop or not. Convenience and shopping enjoyment are

also vital attitudes that drive consumers to shop through social network. Both attitudes influence people's intention to shop through social network, but, still less than the perceived risk.

### 5.1.2 Credibility and online consumer behavior

From the analysis, credibility is the secondly critical factor that affects consumer behavior. The positive relationship showed that the higher sellers' credibility is, the better it attracts consumers to shop through social network. The sellers who sell products through social network can easily cheat consumers more than those who sell through other online channels, because, there are no fraud-checking system or identifying the sellers from government organization for trading in social network as the e-commerce websites. "Number of likes and/or followers" is the only variable in credibility that significantly affect online consumer behavior. Number of likes and/or followers can explain credibility in term of number of people who want to keep in touch with the online shop, which only a like or a following can give to page per an account. Hence, consumers tend to trust the sellers with high number of likes and/or followers on their pages. But, there are no significant relationship between number of posts, number of positive comments, and ratings of pages. The high number of likes and/or followers is also harder to make up than high number of positive comments and high ratings which can be cheated by few fake accounts.

### 5.1.3 Service quality and online consumer behavior

Questionnaire result showed that service quality has a significant impact on online consumer behavior. Consumers concern about service quality when shop through social network. As they have to communicate with the sellers directly through chat application. The quality of conversation, politeness of sellers and delivery options were surveyed to establish a relationship, but the only variable that has a significant effect is "fast delivery". The fast delivery is critically affect consumers' satisfactions. As there are variety of options that each seller provides through service agreement, for example, next-day shipping, or free shipping via EMS. The differences between options can be a delay for 2-3 days, or more if the package has to wait for weekend.

#### 5.1.4 Price and online consumer behavior

Based on finding and analysis, price was the least critical objective factor that affects online consumer behavior. As price is one of the main reason people shop online. "Price importance" and "price lowering" are variables that have significant effects on online consumers behavior. This finding supports that a lower price for the same product may be an advantage in this case. However, price factor has less effect on consumer behavior than consumers' attitude, sellers' credibility, and service quality. That means the sellers in social network may charge for a higher price as if they have better credibility or service quality.

### 5.2 Implication

From the result, both subjective factors and objective factors have influences on online consumer behavior in social network. Hence, if the seller who sells through social network platform wants to be successful, he/she needs to understand those factors and implement the appropriate strategy.

### 5.3 Limitations

The finding of this study may not generalize the entire Thai online shopper population, as the number of respondents was limited to only 218 respondents. Also, the finding of this study mainly came from Thai people who aged between 21-30 years old, which count as over 80% of all respondents, thus the result may not truly represent the whole population of Thai online consumers.

### **5.4 Conclusion**

Based on the literature review, subjective factors and objective factors were identified as factors influencing online consumer behavior. From the result of the survey which focuses on online consumer behavior in social network, both subjective factor and objective factor are relevant in affecting the consumer behavior. Consumers' attitude which is a subjective factor, and three factors from the objective factors, including credibility, service quality and price are found to significantly affect the online consumer behavior in social network.

Among all the factors, consumers' attitude is the most critical factor that affects online consumer behavior. Risk-taker personality, convenience of channel, and shopping enjoyment are the factors that can explain a group of consumer's attitude that tend to shop through social network. That means online sellers need to put effort into penetrating consumers who have these attitudes for online shopping, and maintain them on customers bases.

Credibility is the secondly critical factor that has an effect on online consumer behavior. Number of likes and/or number of followers has a significant effect on consumers' trust. Thus, online sellers should pay more attention to gain larger customers bases on their pages to increase credibility of sellers, which can be done by launching campaigns or advertising through social network companies.

Moreover, service quality and price are the least critical factors. Fast delivery is the factor that represents service quality, and has a significant effect on online consumer behavior. Online sellers should adopt a faster outbound process or provide EMS shipping as one of the shipping options. However, as well as other online channels, lower price and price importance are found to be factors that have significant effects on online consumer behavior in social network. The finding supports that the seller should search for rival's pricing and make sure that they implemented the appropriate pricing strategies.

### **5.5 Recommendations**

As consumers' attitude is the most critical factor, social influence, which is one of the factors in TAM model, was recommended to impact consumers' attitude, which effect through social network. Launching marketing campaigns that aim to become word-of-mount through social network would make brand become a brand repertoire of customers who connect to our consumers base and increase opportunity to sell.

For credibility, the number of likes shows that we cannot gain customers' trust if we have low number of likes. Hence, the sellers have to focus on creating number of likes by lucky drawing, which motivate to like page to get a chance to get rewards, which is one of the common uses. DBD verified and registration to the government organization, are other options that can improve the credibility.

Service quality and price are traded off of each other. So we have to compare to competitors' strategies and ensure that our service quality and price give better value for consumers and obviously when the customer compare us with the rivals.

373018



# Appendix A: Example of questionnaire

# Consumer Behavior in Online Shopping through Social Network.

Please select the most appropriate choice to represent the level of agreement for each statement.

While 1 is Strongly Disagree; 2 is Disagree; 3 is Neutral; 4 is Agree; 5 is Strongly Agree.

1.1) Shopping through social network save my time than visit physical store.
1 2 3 4 5
Strongly Disagree S Strongly Agree
1.2) Shopping through social network is more convenient than visit physical store.
1 2 3 4 5
Strongly Disagree Strongly Agree
1.3) Shopping through social network is more flexible time than visit physical store.
1 2 3 4 5
Strongly Disagree Strongly Agree
1.4) Product that available in social network is more match with my personal
preference.
Strongly Disagree Strongly Agree
2.1) I am a risk taker.
1 2 3 4 5
Strongly Disagree O O O Strongly Agree

2.2) Shopping throug	gh	soc	ial	netv	wor	k is entertain to me.
1	1	2	3	4	5	
Strongly Disagree						Strongly Agree
2.3)Visiting physical	sł	nop	is e	exh	aust	ed to me than shopping through social network.
1	1	2	3	4	5	
Strongly Disagree				0	0	Strongly Agree
2.4) I like to ask for i	inf	orr	nati	on i	in s	ocial network rather than asking at physical shop
	1	2	3	4	5	300
Strongly Disagree	)	0	0	0	0	Strongly Agree
3.1)Product price is i	mj	por	tant	t to	me	when I shop through social network.
	1	2	3	4	5	
Strongly Disagree			0			Strongly Agree
11 /1	_	_				mation when shopping in social network.
	1	2	3	4	5	
Strongly Disagree				0	•	Strongly Agree
3.3) The lower price	of	saı	me j	prod	duct	t is an advantage when shopping through social
network.						
	1	2	3	4	5	าลัยห
Strongly Disagree			0		0	Strongly Agree
3.4) The bargain-able	e p	ric	e is	an	adv	antage of shopping through social network.
1	1	2	3	4	5	
Strongly Disagree						Strongly Agree

4.1) The image of se	lle	er in	dic	ates	pro	oduct quality when shopping through social
network.						
	1	2	3	4	5	
Strongly Disagree						Strongly Agree
4.2) When I shop thr	ou	ıgh	soc	ial 1	netv	work, more positive comments and reviews
indicates better	qu	alit	y of	pro	oduo	et.
	1	2	3	4	5	
Strongly Disagree	)	0	0	0		Strongly Agree
4.3) When I shop thr	OU.	ıgh	SOC	ial ı	netv	vork, product warranty indicates better quality of
product.		8				, oran, product management quantity
. // 🖼	1	2	3	4	5	
//						Character A sure a
Strongly Disagree						Strongly Agree
4.4) Product variety	ino	dica	ites	bet	ter o	quality of product when I shop through social
network.					6	
	1	2	3	4	5	
Strongly Disagree						Strongly Agree
	ì	'n.			W	
	er	for	inc	quir	es i	ndicates service quality when I shop through
social network.			7			7 11 6
	1	2	3	4	5	77885
Strongly Disagree			0			Strongly Agree
5.2) Amiable conver	sa	tion	ch	at iı	ndic	eates service quality when I shop through social
network.						
	1	2	3	4	5	
Strongly Disagree						Strongly Agree

network.
1 2 3 4 5
Strongly Disagree   Strongly Agree
5.4) Fast delivery service indicates service quality when I shop through social
network.
1 2 3 4 5
Strongly Disagree O O Strongly Agree
6.1) When I shop through social network, more likes in fan-page or followers indicate
higher credibility.
1 2 3 4 5
Strangh, Diseases Co. Co. Charach, Asses
Strongly Disagree Strongly Agree
6.2) When I shop through social network, more interaction from seller indicate higher
credibility.
1 2 3 4 5
Strongly Disagree Strongly Agree
6.3) When I shop through social network, more positive comments from other user
indicate higher credibility.
1 2 3 4 5
Strongly Disagree  Strongly Agree
6.4) The seller who get higher rating from other customer has higher credibility when I
shop through social network.
1 2 3 4 5
Strongly Disagree

5.3) Assist with product selection indicates service quality when I shop through social

demand.						
	1	2	3	4	5	
Strongly Disagree						Strongly Agree
.2) I tend to shop	tho	ugh	soc	ial 1	netv	work because it is entertaining.
	1	2	3	4	5	
Strongly Disagree	0	0	0	0		Strongly Agree
3) I tend to shop						work when the price is lower than physical shop
	1	2	3	4	5	
Strongly Disagree		0	0	0		Strongly Agree
.4) I tend to shop	thou	ugh	soc	ial 1	netv	wor <mark>k whe</mark> n product quality i <mark>s h</mark> igh.
	1	2	3	4	5	
Strongly Disagree					0	Strongly Agree
.5) I tend to shop	tho	ugh	soc	ial 1	netv	wor <mark>k when servi</mark> ce quality is <mark>h</mark> igh.
	1	2	3	4	5	
Strongly Disagree		0	0	0	0	Strongly Agree
.6) I tend to shop	tho	ugh	soc	ial 1	netv	work from high credibility seller.
	1	2	3	4	5	17887
Strongly Disagree					0	Strongly Agree

# Part

t2:	General information
1.	Age
(	) Under 20 ( ) 21-30 ( ) 31-40 ( ) 41-50
2.	How many times you shop through social network last 3 months?
(	) 0-1 time ( ) 2-3 times
(	) 4-7 times ( ) 7-8 times
(	) Over 8 times
3.	Monthly income
(	) Less than or equal to 10,000 THB ( ) 10,001-20,000 THB
(	) 20,001-30,000 THB ( ) 40,001-50,000 THB
(	) More than 50,001 THB

#### REFERENCES

- Bakos, J. Yannis. "A strategic analysis of electronic marketplaces." MIS quarterly (1991): 295-310.
- Childers, Terry L., et al. "Hedonic and utilitarian motivations for online retail shopping behavior." *Journal of retailing* 77.4 (2002): 511-535.
- Dennis, Charles, isa Harris, and Balraj Sandhu. "From bricks to clicks: understanding the e-consumer." *Qualitative Market Research: An International Journal* 5.4 (2002): 281-290.
- Ellison, Glenn, and Sara Fisher Ellison. "Search, obfuscation, and price elasticities on the internet." Econometrica 77.2 (2009): 427-452.
- Garbarino, Ellen, and Mark S. Johnson. "The different roles of satisfaction, trust, and commitment in customer relationships." *the Journal of Marketing* (1999): 70-87.
- Han, Sangman, Sunil Gupta, and Donald R. Lehmann. "Consumer price sensitivity and price thresholds." *Journal of Retailing* 77.4 (2002): 435-456.
- Harrell, Gilbert D., and Diane M. McConocha. "Personal factors related to consumer product disposal tendencies." *Journal of Consumer Affairs* 26.2 (1992): 397-417.
- Jayawardhena, Chanaka. "Personal values' influence on e-shopping attitude and behaviour." *Internet research* 14.2 (2004): 127-138.
- Kahle, Lynn R., and Patricia Kennedy. "Using the list of values (LOV) to understand consumers." *Journal of consumer marketing* 6.3 (1989): 5-12.
- Kolesar, Mark B., and R. Wayne Galbraith. "A services-marketing perspective on eretailing: implications for e-retailers and directions for further research." *Internet Research* 10.5 (2000): 424-438.

- Lala, Vishal, et al. "The impact of relative information quality of e-commerce assurance seals on Internet purchasing behavior." *International Journal of Accounting Information Systems* 3.4 (2002): 237-253.
- Lin, Kuan-Yu, and Hsi-Peng Lu. "Intention to continue using Facebook fan pages from the perspective of social capital theory." *Cyberpsychology, Behavior, and Social Networking* 14.10 (2011): 565-570.

