

**CUSTOMER PURCHASE DECISION PROCESS IN
PURCHASING ONLINE FASHION PRODUCT:
THAILAND'S PERSPECTIVE**



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THAILAND'S PERSPECTIVE**

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ABSTRACT

E-commerce is one of the most effective ways for fashion retailers to gain more customers and generate sales. Some businesses perform well, and gain high profit from online transactions, while others fail. This researcher believes that studying the behavior of online consumers might help sellers understand customers more as they might have unexpected criteria for purchasing goods that online sellers had not noticed.

The researcher has designed interview questions based on Consumer Purchase Decision Process Model by Kotler to extract customers' experiences in buying online fashion products, and also the reasons behind those behaviors. MustarD, an online scarf shop, was selected as a case study. 9 out of 30 MustarD's customers were interviewed face-to-face, while 21 out of 30 interviews were conducted by telephone.

The findings from this paper show that customers followed the purchase decision steps in buying online fashion products, but there were some differences in some stages. For example, online customers tended to read a lot of reviews from the Internet since it was convenient. Additionally, online consumers use certain important criteria during the Post-Purchase stage, which does not happen in offline transactions.

Moreover, the researcher provides suggestions to improve online performance for online shops and indicates interesting aspects that have not been analyzed in details in this paper but is worth studying further.

KEY WORDS: ONLINE/ FASHION/ CONSUMER/ BEHAVIOR/ PURCHASE

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CHAPTER I INTRODUCTION

Fashion is normally defined as a dress or adornment but it is actually any object, behavior, way of life, or phenomenon, that changes from time to time based on the environment, season, and so on, that reflects on individuality or collective preferences (Burns, 1999). Fashion can be considered a global language, an effective tool with which people can easily communicate. Fashion designers and fashion lovers of different nationalities can understand each other better as they are interested in the same thing.

The fashion industry is one of the biggest industries at this time, and it shows high potential to grow in the future. A number of new designers who are talented and creative have increased across the world so that the fashion industry has become a very competitive market. In addition, many cities or countries are trying to promote themselves as the fashion leaders in order to draw more attention and gain better reputation, which could attract more travelers to their countries with the belief that their economies will grow as a consequence.

Thailand's fashion market is respectable at this moment in time. It ranks in the top 5 industries in Thailand in terms of size and potential that the government is trying to push its growth worldwide because Thai fashion industry has a lot of advantages such as skilled labors, creative designers, and quality materials (Textile Digest, 2013). Unfortunately, many Thai brands were closed down due to their inability to integrate inventive design with innovative brand management.

The export figure in the first 5 months of this year, January-May 2013, shows huge growth in the clothing section as Thailand generated 34,000 million Baht, or 36.96% of Thailand's exporting fashion industry. Focusing only on the ASEAN market, this equals a 1,900 million Baht or 1.96% increase compared to the same period of last year (Than Online, 2013).

To help Thai entrepreneurs, the Thai government has created the annual fair BIFF & BIL, in order to promote Thai brands to the global market. Thai

entrepreneurs, who are interested in exporting their brand, can attend this event. Besides, the Commerce Department has set up Thailand Designer Club and Asian Designer Club in order to support Thai designers to be competitive internationally (Panam-ouppathum & Wayuphak, 2011). Aimed especially at the AEC market, the Thai Department of Commercial Promotion has created this fashion industry development project in order to improve the competitive capability and leverage of the fashion industry in Thailand (Than Online, 2013).

In recent years, the scarf market in Thailand has shown a rapid expansion. Thai women tend to use a scarf as an accessory in order to add class to an ordinary look. In addition, scarves can be used as headbands, or for tying on their bags. A lot of entrepreneurs saw this opportunity and started competing in this market. However, the key success driver in this market segment is differentiation, so producers have to try to develop their products in terms of quality of textile to be soft and sheer to match Thailand's weather, as well as to have unique and interesting prints.

However, e-commerce has become attractive to new entrepreneurs who want to start small businesses with small budget. Consequently, the number of online scarf shops is increasing every day. The most popular online channel in Thailand is the social media such as Facebook and Instagram because they do not require a lot of skills or money as websites do. However, it is not easy to make a shop well-known in the social network unless you have effective marketing strategies such as Facebook advertising.

In this research, MustarD, an online scarf shop was chosen as a case study in order to study the behavior of online customers. Researcher would like to retrieve in-depth information regarding online scarf buying based on Customer Purchase Decision Model to see whether they followed the steps of this theory or not. Also, this paper studies the factors that encourage scarf buyers' decisions both pre-purchase and post-purchase.

The study starts with a survey of previous researches in order to understand the key concepts and avoid repeating existing researches. This is followed by the research questions, which are statements that indicate the goal of this research. Next is research methodology, which explains the process of problem solving. The researcher describes which tools are used to collect data, and why, including who are

involved in this process. After gaining the data, interpretation will be applied for analysis followed by the discussion. Then, the researcher will conclude whether this study aligns with the theory under consideration or not, what the suggested theory would be in the case that it does not match, and how to improve online shop's performance in the future. However, limitations will also be stated in order to provide suggestions for further research. The last part of this paper will conclude the entire study.



CHAPTER II

LITERATURE REVIEW

At this moment, the Internet plays a very important role in human society. Among the Thai population, 35.9% or 24,000,000 people use the Internet (Numnonda, 2013), and the number of Internet users is likely to see accelerated growth in the future. Besides, in this digital era, with the introduction of smart phones, tablets, together with high speed Internet, online shopping is more accessible than it has ever been.

Online shopping is becoming an alternative for customers because it delivers more convenience than conventional shopping, which is sometimes associated with a crowd, traffic jam, or limited time and parking spaces. So, the Internet is not only a networking media, but is also a transaction media for worldwide consumers, and it is likely to become the dominant retail channel in the near future (Yulihastri, Islam, & Ku Daud, 2011).

E-commerce is a trade that occurs on the Internet where sellers interact with their buyers, followed by ordering, and making a payment for the selected product. Goods are finally delivered to customers mostly via post mail. Apart from websites, the social media channels such as Facebook, Instagram, and Twitter are popular among retailers as well. The businesses consider that social media could generate real and measurable benefits since they can generate high returns with low investment. In addition, social media bring more benefits to a company as they could help increase the company's branding, brand awareness, customers' loyalty and trust. It is likely that companies will hire a full-time social media manager to handle social media tasks in the future.

Wolfenbarger and Gilly (2000) stated that online buyers did not consider transaction on the Internet to be shopping but think of it as buying. This means that online buyers decided to go shopping online only when they had a specific purchase in their mind, or planned purchase. There are four factors to making a decision:

convenience and accessibility, unique and broad selection, availability of accurate and comprehensive information, and lack of sociality from sales people or retail workers.

A study of factors that influence customer's buying intention in online shopping were collected through survey questionnaire from a total of 300 Malaysian students who had experience with online shopping in diploma degree, Masters degree, and Ph.D. Program. The questions were closed-ended, which means they could limit the fixed responses. They found that the most significant factor influencing students' attitudes for online shopping is usefulness. Usefulness refers to the utility of the online transaction, which is the degree of individual perception on benefits and advantages when using web-based online transaction. Usefulness also has an impact on students' acceptance. Besides, normative-belief, which constitutes the underlying determinants of subjective norms, is considered an influence on student's intention for shopping on the Internet (Yuliharsi, Islam, & Ku Daud, 2011).

A lot of offline fashion retailers also created sites in order to boost their sales revenue since the Internet is widely used by their targeted customers. The fashion category has been a huge industry worldwide for a long time, and is still growing since men are becoming more concerned about their apparel these days. Spending on men's apparel is growing faster than spending on women's (Gardner, 2006). Both men and women prefer to buy clothing that highlight their physical attributes. However, women are focusing on their own satisfaction first, followed by comfort and function, unlike the men who focus on comfort first, then satisfaction and quality (Azevedo, Pereira, Ferreira, & Pedroso, 2008).

In recent years, online fashion products have been booming globally. For example, according to EMarket Services (2013):

- In the United Kingdom, e-commerce clothing market of 2012 had high stages of maturity as almost half of the adult population shop for clothing online.
- Nearly 50% of Internet users in France shopped for clothing online last year.
- In the United States, apparel and accessory products have seen the fastest growth, and they are expected to grow by double-digit percentage in 2013.

- In Japan, the clothing category was the most purchased product in B2C e-commerce.

Thai people are likely to buy products online more as it is predicted that the e-commerce market in Thailand would reach 15,000 million Baht in 2013 (National Science and technology development agency, 2013). Specifically, Generation Y is a very important consumer group that will have a big impact on online retailers in the future as members of this generation are feeling more comfortable using the Internet for various purposes, including online shopping (Valentine & Powers, 2013). Besides, the elder online shoppers are significantly increasing since they accept more technology (Burkolter & Kluge, 2012).

There are several theories on consumer's buying behavior. A company should try to study the behavior of consumers in order to figure out how to persuade their customers to buy their products and services, which would lead to success of the company in the long term. However, Penn (2013) said that different customers might have different decision making process based on individual factors such as culture, environment, or even their personality.

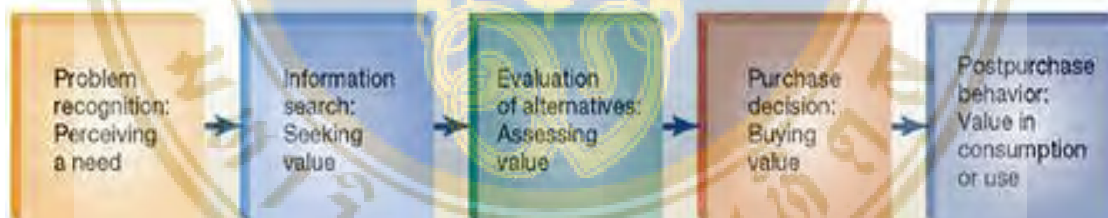


Figure 2.1: Consumer Purchase Decision Process Model (Kotler & Keller, 2009)

Matsuno (1997) stated that this model was to present the behavior of a consumer in every purchase. There are five stages according to Consumer Purchase Decision Process to explain how a person acts in purchasing products and services. First of all is the Problem Recognition process, which begins when buyers recognize their needs. The consumer's problem or need can occur at all time if there is a difference between the actual state and the desired state.

Motives of buyer's behavior can be explained with Maslow's hierarchy of needs, a widely known theory. There are five stages of human needs that need to be

fulfilled according to this theory; Physiological Needs, Needs of Safety and Security, Social Needs, Need of Recognition, and Self-Fulfillment (Veronika, 2013).

However, Veronika (2013) states that we cannot easily assume motivation from consumers since motivation is a highly dynamic process, which would change based on life experience. So, buyers in different age groups will have different motives for buying online. For example, customers between the age of 18-35 years old mostly focused on buying goods that are exclusive, special goods, or those that are cost-effective, whereas people below the age of 18 years old, and the above 35 years old were focusing on the convenience of online buying or curiosity.

The next stage is Information Search. Buyer will try to gather information regarding shops, products, or services, although there is an increase in the safety of online shopping these days (Veronika, 2013). Consumers would check by visiting stores, asking friends, or reading reviews from experienced customers in the magazines and on the Internet.

Valentine and Powers (2013) found that there were significant differences by gender regarding online purchase behavior. Both male and female college students normally use the internet for product research and also product purchase. However, there were some differences in terms of the types of product they researched and purchased. The college students could make educated purchases in terms of product price and information. Besides, they tried to reduce the risk from buying product online by reading customer reviews about products they were interested in. Researching the price of a product before making a decision gave the students reference prices so they knew how much to spend if they would like to buy that product in the store. Based on price consciousness, female students were more concerned than the male.

Senecal, Kalczynski, and Nantel (2003) found that the unique characteristic of the Internet, which offers information accessibility with very low cost, may change consumers' behavior in that consumers would search more for information before making a decision.

Evaluation of alternatives is the third step that buyers would take before making a decision. There is no single evaluation criterion or process that can be applied to all situations. It depends on individuality, and also the particular situation.

However, buyers tend to focus on the benefits that they would get from a product. They consider a product as a bundle of attributes with different levels in terms of delivering the benefits to satisfy their needs (Matsuno, 1997).

For example, the study of Valentine and Powers (2013) found from a survey of 116 undergraduate college students with open-ended questions that male wanted to negotiate the price first when they made a purchase. On the contrary, female needed personal assistance in their shopping process.

Next is Purchase Decision, which would happen after consumers perceive the buying value. They are sure about which brand to buy, which model or size, and where to buy it from. Besides, they agree with the price, and payment method (All Business, 2000).

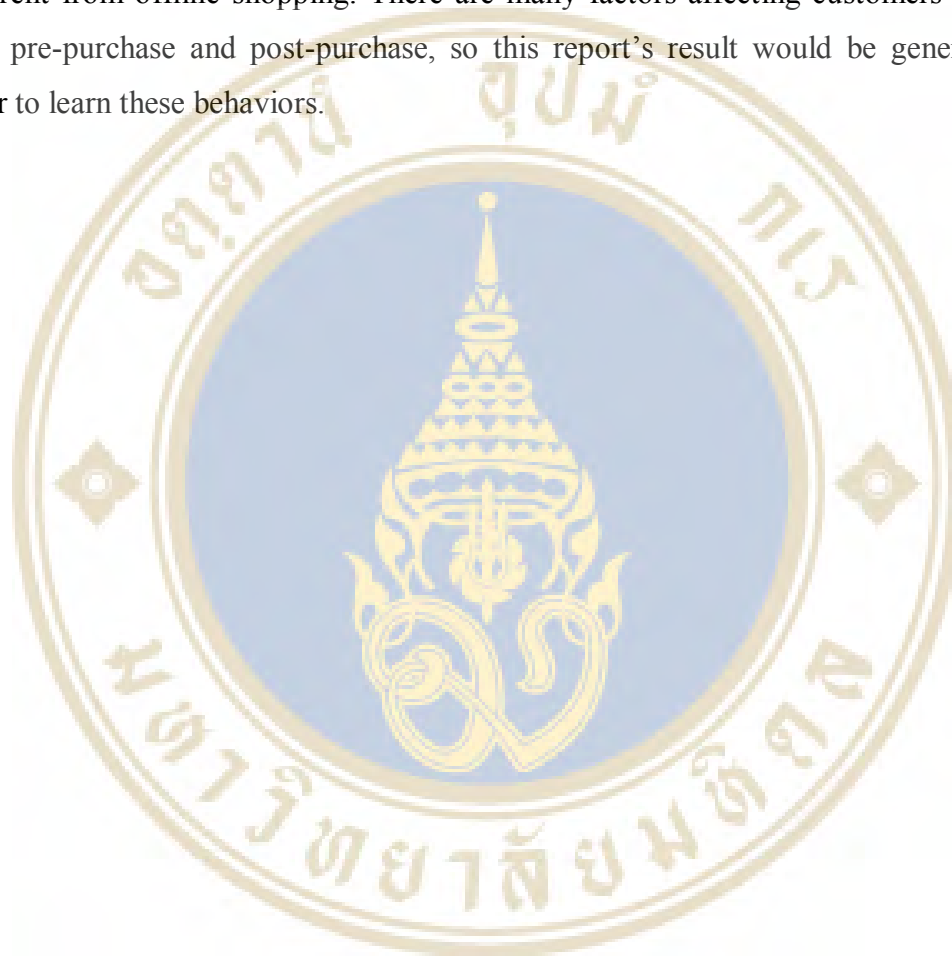
The last step is Post-Purchase Evaluation, which is a stage that buyers would evaluate products after usage. People normally want to feel good regarding the purchased product but sometimes they do not, so they might blame the fact that they should have waited to get a better price, purchased something else, or even gathered more information before buying. We call this post-purchase dissonance, which might lead to disposal of the product, so sellers try to prevent this problem with strategies such as offering a money back guarantee (Saylor, 2013).

There is one important research of Cho, Hiltz, and Fjermestad (2009) that evaluates the effects of Post-Purchase Evaluation factors on both online and offline customer complaint behavior which asked open-ended questions to 161 students concerning their negative experiences and complaint behavior resulting from dissatisfaction over online and offline purchases. This study suggests that although online customers express more sensitivity to the benefit and cost of complaining, they tended not to complain when they feel dissatisfied with their purchases compared to offline customers in same situation. However, female seemed to return products more often than their counterpart (Valentine & Powers, 2013).

However, customers do not need to go through all the five steps. This will depend on the level of involvement. Low-involvement product is a product that creates low risk to a buyer in the case of dissatisfaction. Consumers normally engage in routine response behavior when they buy low-involvement products as they would automatically purchase them based on limited information (Fish, 2009). On the

contrary, a high-involvement product entails high risk. It is normally a high-price product, which can cause a buyer a great deal of post-purchase dissonance, which is regret in the customer's mind after buying the product (Abranddayout, 2010).

From all the information from previous researches that are presented in this literature review, the researcher intends to find out the behavior of online customers regarding drivers of fashion product purchase on e-commerce that might be different from offline shopping. There are many factors affecting customers' feeling both pre-purchase and post-purchase, so this report's result would be generated in order to learn these behaviors.



CHAPTER III RESEARCH METHODOLOGY

3.1 Materials and Methods

This study is to find out how a model called Consumer Purchase Decision Process drives customers' decision making in buying fashion products online. There are five stages according to this theory; Problem Recognition, Information Search, Evaluation of Alternatives, Purchase Decision, and Post-Purchase Behavior; which customers normally pass through when purchasing products though they might not realize themselves that they already follow those steps. In this case, the researcher would create new and useful knowledge regarding online consumer behavior towards fashion products, which can be useful for further study.

The processes of data collecting, analyzing, and interpreting to generate final findings are generally used in doing research. There are two types of research, which are quantitative and qualitative. The quantitative method is used to quantify data from an interested sample population under controlled conditions. The result of this method is generalizable findings that can be applied to other populations. On the other hand, the qualitative method is used to understand and interpret social interactions with wide-angle lens, examining the depth of phenomena. The final result is specialized findings in narrative report form with contextual description (Xavier University Library, 2012).

The descriptive research will be used in this report in order to understand particular phenomenon; how customers process a purchase decision behind the visible acts of making a purchase. An unstructured enquiry of qualitative research is used to utilize research questions for the data collection process in order to retrieve information from customers because, to investigate in its natural setting a particular behavior of human, the researcher should be flexible and opened to answers. However, it remains problematic as the data of customer behavior that were collected are wide-ranging and difficult to control.

The data collection method of this paper is to randomly interview 30 female customers who have bought scarves online. Only 9 people were interviewed

Face-to-Face, the rest of them were interviewed by telephone. Face-to-Face interview is the most common and easiest tool of qualitative research method. In conducting a Face-to-Face interview, interviewees can also give a lot of extra information through social cues such as intonation, body language, and voice. However, there are some disadvantages of this tool such as the interviewer might disturb the interviewee with guiding behavior (Opdenakker, 2006). On the other hand, a telephone interview does not offer access to the interviewee's body language, so some extra information is discarded. However, voice and intonation are still available. Based on the political problem in Bangkok at this time, the telephone interview is the best choice since it is not convenient or safe to travel in the Bangkok area.

All interviews are audio-recorded with permission of the interviewees. The interviewer would take notes, together with audio recording, in order to check whether all questions are asked and answered, and also to prepare against the case of recorder malfunction.

In this case, to study consumer behavior, the researcher decided to create a set of open-ended questions to be presented to all interviewees for answers because open-ended questions can encourage full and meaningful answers generated by their own knowledge and feelings. The customers who have online shopping experiences might have different thoughts towards their decision making process due to several factors affecting customers' decisions. For example, they had different initial needs such as buying for themselves or as a gift. Besides, some did not do research before buying a product, whereas others read a lot of reviews on the Internet before making a purchase. Asking open-ended questions allow unlimited possible answers with self-expression, creativity, and richness of detail. In addition, unexpected findings could be discovered.

However, Socratic technique is adopted to ensure the validity of the data. Probing questions were asked during Socratic procedures in order to gain deeper information, reveal more meanings and beliefs, clarify information, keep the conversation on track, and identify past experience behavior (M. Hakan Türkçapar, 2012).

The questions were created based on Consumer Purchase Decision Process Model, which was the core of the research problem. All questions were developed to

collect as much quality information from customers' experience in buying online product as possible in a natural manner. A summary of useful data retrieved from customers will be stated in the analysis part of this paper. The researcher will also recommend solutions to improve online performance.

3.2 Company

MustarD online shop was chosen as a case study for this paper. All of the interviewees have been MustarD's customers. The researcher focused on current customers concerning their own buying criteria in order to learn the customers' thoughts in every stage of the decision making, together with the factors that motivated them to make an online scarf purchase.

The MustarD Brand was established two years ago on Facebook to represent the sweet but trendy style of ladies. The owner only focuses on scarves, which are made from good-quality imported textile from Japan and France. They offer several sizes of scarves to match different uses. The target group is women between the age of 15-60 years old, especially students and office workers, which accounts for approximately 2,200,000 people in Thailand (Mahidol University Institute of Population and Social Research, 2009).

According to SWOT Analysis, MustarD has several strengths such as its stock's variety, good-quality imported material, and membership offering. Besides, there are many opportunities in this market. For example, the Thai government is trying to support Thai brand to go international.

However, they still have some weaknesses that decelerate their growth. Since they have a small budget, expansion has been very slow compared to competitors. In addition, their products are easily copied because they do not create their own print. The instability of the economy, low barrier in this industry, and high competition are threats to this business.

CHAPTER IV

DATA ANALYSIS AND DISCUSSION

4.1 Data Analysis

According to the data from interviews, which were retrieved from MustarD customers' experiences concerning online scarf purchase, the researcher found that customers followed the steps of Consumer Purchase Decision Process Model of Kotler but put different level of importance on each stage compared to offline scarf shopping. The first stage of this theory is Problem Recognition, which explains the motivation and need of customers. The results from 30 interviewees indicate that 23% of them needed scarves to warm their body, whereas 77% said that they bought scarves to create a fashionable dressing style. In addition, 23.33% of all used to buy scarves to give as presents.

According to the interviews, 33.33% bought their scarves from regular shops. Some customers focused on the product first as 66.67% changed shops almost every time they buy scarves. However, 33.33% had shops in their mind; 30% tried to find and buy scarves from those shops, whereas 70% said that they would switch to other shops if they could not find ones they are satisfied with.

All interviewees read reviews from the Internet, and 96.67% said that the reviews affected their relationship with the shop; 58.62% would not buy from shops with bad feedbacks from customers but 41.38% would continue to keep those shops as a choice. Only one person or 3.33% claimed that the reviews did not affect her decision. Besides, 66.67% of all interviewees asked friends about their experiences with particular shops, and 84% were influenced by references from friends.

The page design and layout of online shops are critical to customers' attention in terms of their interests and trust in the shops. 90% of all interviewees relied on shops with good design, while 10% did not pay attention to the design. Besides, all 100% said that photos of products have an impact on their interest.

Regarding internal search, which is the customers' own experiences brought to bear on their considerations, 94% of them would not give a second chance to a shop they had bad experience with, while 6% would still give one more chance to the shop.

According to information on the Evaluation of Alternatives stage from 30 interviewees, 30% of all did not think that comparing products to other shops was necessary, so they never compared them to any shops. On the contrary, 70% of interviewees wanted to compare products to other shops before making a decision. Besides, 66.67% approximately compared 1-3 shops, while the rest, 33.33%, needed to compare at least 3 shops to ensure that they got the best, and lowest price products.

Apart from online to online comparison, 43.33% of the interviewees did not try to find offline shops to compare products. 3.33% would compare products with those from other offline shops, and the rest, 53.34% of the interviewees, said that it depended on the offline shop's location and time available.

Product characteristic is the first criterion for scarf customers. However, the researcher also listed other critical factors in online scarf purchase such as price, promotion, packaging, refund policy, and so on, in order to gain deeper information. All of the interviewees were concerned about the price of scarf. 60% of them might stop or postpone a purchase if the price were over-estimated. In contrast, 40% were frustrated but made the purchase finally. In addition, promotion had an effect on their decision, as 86.67% of them would check out the products with discount first, whereas 13.33% were not interested in any promotion. However, only 16.67% of all interviewees paid attention to products' packaging. 83.33% of them did not consider packaging.

Service from online scarf shop is also an important factor in customers' views. Comparing to offline shop with sales person, 76.67% claimed that they preferred not to have sales person, whereas 23.33% said that they did not consider this point. However, in terms of sales person's influence on decision-making, 43.33% of interviewees claimed that sales person's reaction helped them make decisions, whereas 56.67% said that they would make decisions on their own. Moreover, refund policy, return policy, and after-sale service also came into customers' consideration.

The study shows that those services affected 76.67% of all interviewees while 23.33% did not care about it.

Online customers are also concerned about delivery expense, and transaction fee in case of money transfer. Another service factor is the delivery expense. Only 20% of the interviewees were willing to pay this cost. 33.33% would try to negotiate first, and 46.67% might switch to other shops if they had to pay for shipping. Referring to payment, all of the customers used the money transfer method to pay. 40% of them said that transaction fee were acceptable. 60% felt frustrated when paying this additional expense.

For the Purchase Decision Process, 76.67% of interviewees said that response time from sellers after ordering affected their feelings. On the contrary, 23.33% did not care about this.

This paper studies 2 points of Post-Purchase Evaluation, which are product's waiting time (service) and the product itself. Firstly, 90% of them would complain to the seller if they had been waiting for a product for more than 3 days after making the payment, while 10% would not ask the seller unless they had been waiting for 7 days already. Second, 83.33% of them would return or refund severely defected scarves but 16.67% of them would keep them because products did not cost a large amount of money. In addition, any bad experience regarding products and services would affect shoppers' feelings. However, there were 83.33% of 30 people refused give another chance to shops, while 16.67% would still give one more chance.

4.2 Data Discussion

The findings indicate that online scarf shoppers followed Kotler's model of purchasing steps. As the Internet offers more convenience to today's customers, so there are some differences in terms of online consumer behavior compared to offline. This part will describe the rationale behind online scarf consumer behavior, which the researcher has already concluded in the Data Analysis part.

4.2.1 Problem Recognition

First of all, the purchasing process starts from needs and motivation of consumers, which is known as Problem Recognition. In Maslow's hierarchy of needs model, the lower stage has to be satisfied before achieving the upper stage (Juniorbiz, 2013). So after online scarf customers' basic needs are fulfilled, they tend to be motivated to desire scarves in order to fulfill their safety and security level, which is the second level in the hierarchy of needs. Some scarf customers used scarves to warm their body, protecting themselves from the cold. Apart from this, most scarf users from the interview bought scarves out of their social needs, which is a trendy dressing style. In addition, some of them selected scarves as gifts for their loved ones. One interviewee said that she bought scarf online for her best friend's birthday because scarves have no size, so they are more suitable as a gift than clothing.

4.2.2 Information Search

Once consumers have recognized their problems, some customers seemed to select the products from their regular shops due to trust. Based on the interview, all consumers did pre-purchase information search in order to ensure that the shops were reliable enough as they wanted to reduce risks. Moreover, they searched for information of products or services that could solve those problems. Consumers could find information in several ways depending on what they are looking for. Information search can be external or internal; sometimes, it can be a combination of both.

External search is the gathered information from unlimited variety of sources outside the individual. Before buying online scarves, all of the interviewees read reviews from the Internet, both on shops' pages, and other websites because nowadays it is very easy to search for information online thanks to the availability of the Internet and also previous customers' comments. They said that good comments from customers did not affect them much but bad feedbacks really affected their decision. Some of them ruled those shops out of their consideration immediately because they were afraid that the same bad things would happen to them. However, there was one participant who did not do research on the Internet and she did not care about any comments since she thought that competitors might be discrediting the shops.

Regarding the shops, customers would check the number of the Page's fans on Facebook, shops' online advertising, and information of shop owner on the Page such as telephone number or bank accounts to confirm the existence of shops. In addition, the design and layout of the page affected customers' interest. Apart from doing a search on the Internet, some customers asked for friend's recommendations regarding interesting shops, and friends' experiences with these shops. They tended to rely on friends rather than on the reviews from the Internet. Besides, consumers' own experience, knowledge, and memory as an Internal Search had the biggest impact on their decision according to this study. Most of the interviewees tended to believe in their own experiences rather than comments from others.

4.2.3 Evaluation of Alternatives

Consumers would evaluate, and compare products and brands in their evoked set, which are the number of choices that consumers consider during purchasing process (Commons, 2013). The research shows that some scarf consumers did not compare products to other shops, both online and offline, because they thought that scarves were low-involvement products since there was little different between brands, and they were not high-price items (Ranganadh, 2011).

However, two third of the interviewees wanted to compare scarves to those of other online shops before implementing a purchase decision. They normally compared between 1-3 shops depending on the time they had in each situations. The reason they checked was that they wanted to find the lowest price for the same style of scarves.

Moreover, one customer made a comparison with offline shops because she wanted to make sure that she got the best possible product at that time. Most of the interviewees claimed that it depended on where the shops were located, in the case that those online shops also had their offline shops as well, and on how much free time they had in those situations. Some did not survey offline shops as one interviewee said that she perceived from her own experiences that online shops had a lot more choices regarding styles and prints of scarves.

4.2.3.1 The researcher also studied other critical factors in buying scarf online. All interviewees were concerned about the scarf's characteristics

such as material, size, and print design. However, there were many more factors that they considered. Beginning with the price, consumers seemed to refrain from purchasing if they found that the price was not reasonable. Some said that they would try to find brand-name scarves instead even though they would have to pay extra money. However, some shoppers tried to negotiate with the sellers first such as asking for free shipping, or bargaining over the price in the case of buying several items. From their experiences, they hardly got any deals but they claimed that it was better than doing nothing.

4.2.3.2 Promotions affected consumers' interests a lot. They said that sometimes they did not need the products that much but they bought them because of the promotions. One participant said she got membership to one scarf shop. This encouraged her to be a loyal customer to this shop because she felt special that she would be the first priority to get a new launch.

4.2.3.3 Customers tended not to be too concerned about packaging since they bought scarves for their own use. However, once they wanted to give them as presents, they would skim through the ones with packaging first.

4.2.3.4 Service is also critical to e-commerce. One reason that most of interviewees liked to shop online was that there were no sales people. Sales person sometimes put pressure on them while they were looking over products, so they felt more relaxed in the online world. Moreover, they claimed that sales person could help them by providing information, so they posted online to ask for more information. The response from sellers was very significant to their decision as they expected sellers to reply within an hour. Otherwise, they would switch to other shops.

4.2.3.5 Interviewees also considered refund policy, return policy, and after-sale service because they did not get to see the real products until they already paid. They said that online shops should show their responsibilities by providing those policies. However, due to scarves being low-involvement products, some customers did not care about this.

4.2.3.6 Delivery expense was acceptable to a small group of customers since they understood that sellers had shipping cost as well but the charge should not be more than the actual cost. Some customers said that this cost should

already be included in the product's price. So, they tended to negotiate first such as asking sellers to pay or asking for product discount.

4.2.3.7 Sometimes, buyers had to pay transaction fee because of differences between sellers and buyers' bank accounts. Some customers did not want to pay this fee, so they tried to negotiate with sellers. However, there were some interviewees who were not concerned about this. One customer said that she was willing to pay this small amount of money.

4.2.4 Purchase Decision

After gathering information, buyers would decide to order. They expected sellers to make a quick response; otherwise they might not be satisfied and tended to switch to other shops. After confirming the order, money transfer was the most popular payment method based on this study due to its ease and convenience. Besides, it was safer than using a credit card because of credit card fraud. Some doomsayers predicted that this fraud might lead to the end of online business (Niranjanamurthy, Kavyashree, Jagannath, & Dharmendra, 2013).

4.2.5 Post-Purchase Behavior

Post-purchase Evaluation of e-commerce is different from offline purchase. As consumers felt that they were left empty-handed after payment, they had to consider the product waiting time (Niranjanamurthy, Kavyashree, Jagannath, & Dharmendra, 2013). Most of the customers interviewed preferred registered shipping because they could track status and location of products. Based on registered shipping, consumers expected the waiting time to be no more than 3 days. Otherwise, most interviewees would ask the sellers immediately. However, most sellers declared tracking numbers to customers because they believed that effective logistics is a valuable tool of e-commerce business which will lead to success (Niranjanamurthy, Kavyashree, Jagannath, & Dharmendra, 2013).

In addition, online customers expect the real products to be the same as the photos shown online. Most of the time buyers would have to pay for the delivery fee in the case of product return, so they ignored claiming the products. However, they tended to return the product for refund rather than exchange the product in the case of

defect because they claimed that they already felt bad and had no confidence that the new ones would be perfect, or did not took the time to get new ones. Most of them would no longer give another chance to the sellers. There was a small group that intended to forgive the shops and continue considering those sellers when next buying.

4.3 Recommendation

4.3.1 Theory

With Consumer Purchase Decision Process Theory by Kotler in mind, this study found that consumer behavior in buying scarf online followed the 5 steps respectively but there were differences in some details when compared with offline purchases. First of all, in the Problem Recognition stage, consumers had the personal needs and motivation to buy scarves online based on Maslow Theory in order to fulfill safety and security, or social needs.

For the Information search, online consumers were seeking value from online shops and products in two ways: external and internal. In this digital world, searching for information from the Internet is easy and convenient, so online buyers were more likely to read comments online. These comments affected their feelings, especially the negative ones. Online customers relied on the comments because they were afraid it would happen to them. Few online customers did not pay attention to these comments and gave the reason that anybody could create those negative or positive comments to add more value or discredit shops.

In addition, the online world gives sellers invisibility, so sometimes the customers had to find out other confirmations to guarantee their existences. For example, shops would appear more reliable if they declare the seller's name, telephone number, and bank account on their sites.

However, the internal search of customers' own experiences was still the most influential factor on online customers' decision. This depended on the quantity and quality of the internal information. If past satisfaction with a brand is high, there might be no need to search for external information. The comparison could be made without external data. On the contrary, in the case of insufficient information in

consumers' memories, together with many choices in their mind, they were more likely to search for external information.

Most of the online scarf customers evaluated products by comparing them with those of many online shops since they could look through the shops at any time. This is an advantage of online shops that they are open 24 hours, 7 days a week, so anyone can come into the shops anytime. Besides, online shoppers seemed not to compare products with offline shops since they felt that online products could satisfy them.

Apart from the products themselves, there were many factors that customers took into consideration while doing online shopping. Customers were concerned about price, promotion, and packaging like with offline shopping. The service from sellers was significant to online buyers as well. Sellers should make quick responses to customers' questions. Also, the refund and return policy as well as after-sale service should be offered to online customers to show the shops' responsibility.

Next is the Purchase Decision. Online purchase is a bit more complex than offline one because consumers have to wait for confirmation from the sellers. Besides, they have to reach an agreement on payment. Based on the money transfer method, which is the most popular in Thailand's online shopping scene, sellers should provide several bank accounts to customers in order to avoid transaction fee. Moreover, delivery expense is an issue to online shoppers because they do not want to pay this additional expense.

Lastly, the Post-Purchase Behavior, which is the most important stage in online transaction, gains an extra dimension because online customers have to wait for the products, so the delay of delivery significantly affected consumers' satisfaction. However, online consumers are also looking for value in product consumption, so real products should meet consumers' expectation. Otherwise, it would affect repeat-purchase behavior.

4.3.2 Application

Based on the analysis, MustarD scarf shop could improve some operations in order to improve its performance, which would lead to increased customers'

satisfaction, and finally a boost in revenues. MustarD has the advantage that it has no limit of store opening times. Customers can come to see its products at any time, even from remote locations. MustarD should use this advantage to attract more customers to the shop such as by buying Facebook ads.

A well-designed page is critical as well. The study found that it affected customers in terms of interest and trust towards the shops. Photos of products should not be too good to be true, and have to be shown in many different angles, which could hurry them to buy the product. In addition, the product descriptions should be stated clearly. Customers should have no need to ask for more information before making a decision. Based on the price of MustarD's scarf, which is quite high, they should communicate via words efficiently. Otherwise, the customers might perceive that the price is not reasonable; consequently, they would switch to other competitors. Besides, MustarD should hire an administrator to take care of its Facebook Page because frequent updates would make the shop livelier, generate more consumers' needs and increase customers' trust.

According to the findings, promotion really affected consumers' decision. As MustarD always launches promotion, their task is to communicate this message to customers via channels such as e-mail. Besides, MustarD should declare its refund and return policy on its page to increase customers' trust.

The ordering process has to be convenient to match the character of online shoppers. Sellers should describe how to order, together with the payment method. According to research, MustarD's customers prefer money transfer to credit card. At this moment, MustarD only provides three different banks. It should provide more because customers would like to avoid transaction fee.

Delivery expense is also a concern for online buyers. Most of them feel frustrated if they have to pay for this additional charge. MustarD should include this cost in the product's price or provide free shipping. Additionally, registered mail is more suitable since customers can track the location of products.

CHAPTER V

CONCLUSION

5.1 Summary

Since the Internet is used worldwide and its number of users is likely to increase rapidly in the future, a new shopping model called e-commerce has been created. The e-commerce market is accepted among Internet users very fast because it offers more convenience than old-style shopping. Fashion retailers have started their own websites or social media channels to facilitate customers regarding buying their products.

However, it is not easy to make online shops famous unless the owners understand the consumers' behavior because online customers might have different preferences. Consumer Purchase Decision Process Model was used in this project to study whether online scarf customers follow this theory or not and what factors drive customers' thoughts in each stage.

The researcher randomly selected 30 female customers from MustarD scarf shop, which has existed on Facebook for 2 years, for face-to-face and telephone interviews to extract their experiences of online scarf shopping. The result from the data collection indicates that they followed the purchase decision process as in the theory; Problem Recognition, Information Search, Evaluation of Alternatives, Purchase Decision, and Post-Purchase Behavior, respectively. However, there were some differences from conventional shopping in details since the Internet played an important role in today's business world. For example, online customers focused more on the pre-purchase as they searched for comments from websites. The post-purchase perspective was also very significant in the online world such as product waiting time, which should not exceed 3 days. Also, the real products should be the same as in the online photos.

Based on findings from this research, the researcher provides useful recommendations to online shops in order to improve online performance, which could help increase customer satisfaction and eventually sales revenue.

5.2 Limitations

The findings in this report are subject to 4 limitations. First, the sample size of this study is too small to be a representative of the population since only 30 MustarD's existing customers were interviewed. The small sample size might have narrowed the range of possible data and also formed a limited picture for analysis. The current study only examined female interviewees, so data retrieved from them was limited by gender. Besides, some of them did not have experience in buying scarves from other online shops apart from MustarD, so there is a lack of data, which limits the scope of the analysis.

Secondly, this research was not specifically designed to evaluate the international context as the researcher only focused on Thai scarf market. The findings might not be applicable to some situations. Next, there was a political problem in Bangkok, so telephone interview was conducted in the place of face-to-face interview in some cases. There are disadvantages to telephone interview. For example, it does not show the interviewees' body language, which would have been extra information.

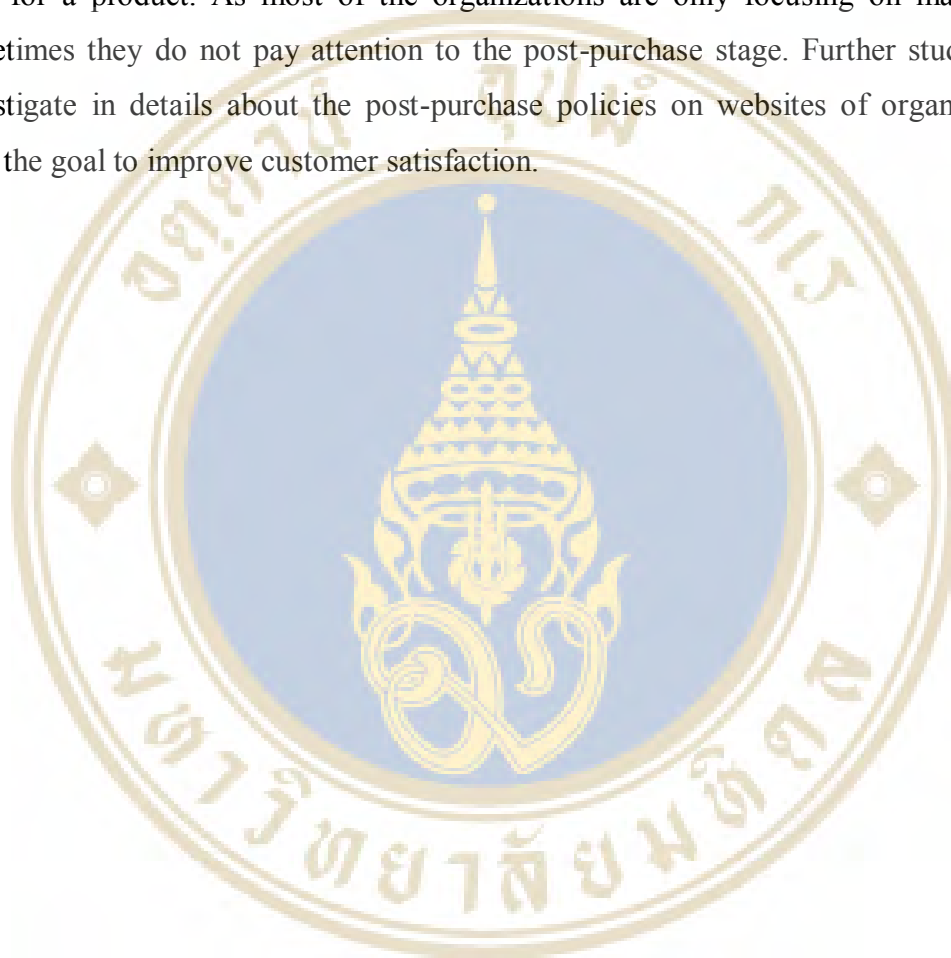
Lastly, there was a limitation with the researcher concerning the interview process, as this was the first time for the interviewer to conduct formal interviews, so there was excitement involved in the process. The interviewer was not able to ask certain detailed questions, which could have helped generate more specific analysis.

5.3 Further Research

This thematic paper studied the factors encouraging scarf customers in online purchasing. Based on the analysis, there were two types of information search: internal and external. The researcher found that comments on the Internet, especially negative ones, had big impact on customers' feeling. However, it is interesting that

one participant said that she did not rely on these comments since it might be competitors looking to discredit the shops, or the positive comments might be created by the shops themselves. This part should be studied further in the future in order to investigate whether online customers really consider this or not.

In addition, as Post-Purchase was more critical to online transaction more than offline. Online customers have one more criterion to consider, which is waiting time for a product. As most of the organizations are only focusing on marketing, sometimes they do not pay attention to the post-purchase stage. Further studies can investigate in details about the post-purchase policies on websites of organizations with the goal to improve customer satisfaction.



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