

Online Marketing Factors Influencing Shopping Decisions Through Cross-Border E-commerce Platform

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ABSTRACT

Abstract—This research aimed to study online marketing factors that influence shopping decisions through Cross-Border E-commerce platform. The study sample consisted of 400 consumers who had buy or used services through Cross-Border E-commerce platform using cluster random sampling and convenience sampling. Online questionnaires were used as a data collection tool. The statistics used in the data analysis were frequency, percentage, mean, standard deviation, Independent sample t-test, One-way ANOVA and Multiple regression analysis. The results showed that different demographic factors including gender, age, education, occupation and income affected the purchase decision through Cross-Border E-commerce platform differently, including consumer behavior in term of purchase frequency different affected the purchase decision through Cross-Border E-commerce platform. In addition, the online marketing mix factors that influenced the purchase decision through Cross-Border E-commerce platform were online marketing mix factors in term of consumer cost to satisfy, convenience to buy, and communication with statistical significance at 0.05 level. While online marketing mix factors in term of consumer needs did not affect the purchase decision through Cross-Border E-commerce platform.

Keywords— Cross-Border E-commerce, Online marketing factor, Shopping decision

INTRODUCTION

During the past period, the trend of global trade has come online and continues to grow every year. Technology and the Internet are essential for entrepreneurs to understand and apply them to benefit their business. Running a business on an E-Commerce platform has gained attention to increase efficiency in business operations and is a channel where SME entrepreneurs can compete with big companies. Businesses on e-commerce platforms are growing steadily, especially in China, where technology is rapidly progressing, and the purchase of goods via electronic media has become one of the main channels. Making E-Commerce businesses in China grow by leaps and bounds to be the world's top (Electronic Transaction Development Agency, 2021).

Considering the E-Commerce market in 2020, China's trade volume reached \$1 trillion us dollar. It is the country with the largest E-Commerce market value in the world due to the advancement of technology and the better status of the Chinese people including changing consumer behavior from offline to online (Business Learning Center for SMEs, 2020). Moreover, Chinese e-commerce trading is not only domestic trading, but buyers from other countries also buy goods from China through Cross-Border E-commerce (CBEC), which facilitates consumers to buy goods online without the need for strict inspection of incoming products. It is also a business-to-consumer (B2C) and business-to-business (B2B) trading (Department of International Trade Promotion, 2018).

Due to the COVID-19 epidemic situation, lockdowns and social distancing have led to significant changes in consumer behavior. Shopping online has become a daily routine for consumers, making businesses increasingly interested in selling through e-commerce. Including traditional entrepreneurs must adapt to support the needs of consumers in this area. As a result, the value of trading on e-commerce platforms has grown exponentially and it is believed that the demand for online trading will become an increasingly important channel for consumers. Even in the post-COVID-19 era, the new normal found that the average of 45 percent of consumers across Asia plan to increase their online spending instead of traditional retail channels during the next 12 months (Electronic Transaction Development Agency, 2021).

Marketing competition in the changing digital era, therefore the concept of the 4P's from the marketing mix has been adjusted to develop into the marketing mix through the consumer's perspective or 4C's, which focuses on consumer perception which consist of customer needs, consumer cost to satisfy, convenience to buy and

communication (Kotler, 2016; Lauterborn, 1990). If the business has developed an appropriate 4C's marketing strategy, it will affect the purchase decision of consumers. Consumer behavior will consider purchasing products from two or more channels and are related to decision making process both mentally and physical behavior. There is a sequential purchase decision process consisting of recognizing the problem, searching for information, alternative evaluation, purchase decision and post-purchase behavior (Kotler, 2003).

The results of the study can be applied to formulating strategies and marketing activities in line with business on Cross-Border E-commerce platforms. The purpose of this study was to study the factors of online marketing mix that influence shopping decisions through Cross-Border E-commerce platform.

LITERATURE REVIEWS

Online Marketing Mix

The online marketing mix concept is a marketing mix that is viewed from a consumer perspective to make it easier for marketers to reach today's consumers and can communicate with consumers more effectively (Kotler, 2016). Lauterborn (1990) defines online marketing mix as an important element in marketing operations. It is a factor that businesses can control to find out what consumers want, how they think, and to deliver more relevant value and experience to them. It presents the 4Cs marketing mix from the consumer's point of view instead of the 4Ps marketing mix from the seller's point of view. It is more appropriately applied to the marketing situation in the digital era. Online marketing mix consists of 4 components as follows:

1. Consumer needs is the reverse of the 4p's marketing mix in term of products. From the customer's point of view, the product or service that the customer demand must solve the customer problem. Businesses must offer the value their customers want and must study and truly understand consumers because today's consumers learn to choose their own products.

2. Consumer cost to satisfy is the opposite of the 4P's marketing mix in terms of price. The cost of the consumer must be taken into rather than the cost of the business. Consumer costs are calculated from various expenses that consumers have to pay out to buy products in which consumers will assess the money paid is worth the product or service received from the point of view of the consumer.

3. Convenience to buy is the reverse of 4P's marketing mix in terms of distribution channels (place) because in the era of online communication, consumers choose convenience over having to travel to buy goods or services. Therefore, businesses must create channels for consumers to find products easily and quickly as well as provide necessary and sufficient product information to meet the needs of customers. Including payment and delivery methods must be simple and easy.

4. Communication is the reverse of 4P's marketing mix in term of promotion which has changed to communication instead. Because good communication will build trust in products and services resulting in increased sales. Therefore, it is necessary to communicate to the target group to achieve a pertinent understanding. Businesses must provide appropriate media especially the communication that corresponds to the needs according to the lifestyle of consumers. and value or other privileges that consumers will receive.

Purchasing decisions Refers to the process of choosing to do something from the options available, where consumers are always required to make decisions about the choice of goods and services. Consumer will choose a product or service based on the information and limitations of the situation. Decision making is an important process in the consumer's mind. Kotler (2003) describes the consumer purchasing decision process as having 5 steps, respectively, as follows:

1. Recognition of a problem or need means that the perception of a need that can occur must be caused by a stimulus or a need that occurs naturally where needs are physical, mental, desire, need

2. Information seeking refers to a need that is stimulated and something that can satisfy consumers, Consumers will immediately bring that to meet their own needs. But if those dividing requirements cannot be met immediately, the demands are kept waiting for sufficient stimulation by encouraging consumers to find more information.

3. Evaluating alternatives means evaluating alternatives based on the searched data. Marketers should also know how consumers are evaluating options because each consumer has a different assessment method is not the same.

4. Purchasing decision refers to purchasing decisions made after evaluating alternatives. This allows consumers to make clear, step-by-step decisions. This is a decision that consumers see as good, and able to solve problems for the customers themselves.

5. Post-purchase behavior refers to an opinion after a consumer has made decision to buy or use those products. If the consumer is satisfied, it means that the product can solve those problems. It will be expressed as a feeling of satisfaction or dissatisfaction.

METHODS

This research is a quantitative research. The target population used in this research were consumers who had shopped through Cross-Border E-commerce platform which cannot know the exact population. Therefore, the number of samples is calculated from cases where the population size is unknown. By using the W. G. Cochran formula (1953) at 95 percent confidence level, the sample size consisted of 400 consumer personnel and sampling with using a multi-stage sampling method.

Tools used in this research was a questionnaire divided into 3 parts, consisting of Part 1: Demographic information such as gender, age, status, education level, occupation, and average monthly income. Part 2, information on the online marketing mix factor. Part 3, information on the shopping decisions through Cross-Border E-Commerce platform. It is a questionnaire of the estimation scale type of Likert's 5 levels scales: strongly agree, agree, moderately agree, disagree, and strongly disagree, with a total of 45 items. The results of the content validity test from 3 experts found that the value of IOC (item-objective congruence index) was between 0.67-1.00 and the overall IOC is 0.905, which is more than 0.5 indicates that the question is consistent with the research objectives. The pilot test for reliability of 40 samples had Cronbach's alpha coefficient between 0.77 and 0.94, which was greater than 0.7 passed the criteria for which the questionnaire could be collected (Hair et al., 2010).

The statistics used in this research were descriptive statistics analysis, i.e. frequency, percentage, mean, standard deviation, and inferential statistics analysis, including independent sample t-test, one-way ANOVA, and multiple regression analysis.

RESULTS

Descriptive results

The results of the research can be concluded that the sample group is consumers who have shopped through social media and live in Bangkok, total of 400 samples. Most of them are female, age between 21-30 years old, marital status, educational level at the bachelor's level, worked as employees of private companies, monthly personal income between 15,001-30,000 baht.

The level of online marketing mix found that the respondents gave the most importance to the online marketing mix in terms of communication, followed by convenience in purchasing, consumer needs and consumer cost to satisfy, respectively.

Hypothesis testing results

The results of the hypothesis testing of differences in demographic factors affecting shopping decisions through Cross-Border E-commerce platform, found that the sample groups with different gender, age, education, occupation and income affected their decision to shop online through business e-commerce platforms differently at a significance level of 0.05.

The results of the hypothesis testing of online marketing mix factors influencing shopping decisions through Cross-Border E-commerce platform, it was found that all factors of online marketing mix were able to predict the shopping decisions through Cross-Border E-commerce platform with a statistical significance at the value of $F=42.68$. All 5 variables could explain the variance of shopping decisions through Cross-Border E-commerce platform (R^2) at 51.98 percent. The results of multiple regression analysis found that the online marketing mix that influenced shopping decisions through Cross-Border E-commerce platform was statistically significant at the 0.05, in term of consumer cost to satisfy (Sig.=0.001), convenience to buy (Sig.=0.038) and communication (Sig.=0.001), while the online marketing mix that did not influence shopping decisions through Cross-Border E-commerce platform is consumer needs (Sig.= 0.239). The online marketing mix in term of communication ($\beta=0.511$) had the most positive influence, followed by consumer cost to satisfy ($\beta=0.240$) and convenience to

buy ($\beta=0.099$), respectively

CONCLUSION AND FUTURE WORK

Conclusion and discussion

The results showed that different demographic factors in terms of gender, age, education, occupation and income influence shopping decisions through Cross-Border E-commerce Platform differently. The findings are consistent with some of the research findings of Susakulsingh & Rerkwararak (2020) to study online marketing mix factors affecting decision-making behavior of fashion clothing through electronic commerce websites in Muang District Phitsanulok Province. It was found that the personal factors of age and different occupations affect purchasing behavior differently. Including the research by Panya (2019) found that different personal factors such as gender, age and income affect the decision to buy fashion clothes via social media (Facebook) differently. This is in the line with Sereerat (2007) stated that demographic characteristics include gender, age, family size, status, education, income and occupation, which are the criteria that marketers use to segment the market. This is because differences in demographics in each factor can result in different sub-groups' preferences for shopping and service. This may be because e-commerce purchases require expertise or knowledge to find products. It is also a product that is sold through an application and is also a fashion product. This is not suitable for all groups of customers with different demographic factors.

The results of the study revealed that different consumer behaviors in terms of ordering frequency affect their decision to shop online through Cross-Border E-commerce platform differently. When comparing the average pairs with different, it was found that consumers with purchase frequency between less than 1 time/month and more than 4 times/month, and purchase frequency between 1-2 times/month and more than 4 times/month, had a decision to shop through Cross-Border E-commerce platform is different, which represents the purchasing decision opportunity among consumers with high purchase frequency. They made more purchasing decisions than those with less purchase frequency. This is consistent with Kotler's (2003) concept of consumption behavior 6W1H, that know how to promote marketing in accordance with the purchase opportunity of consumers.

The results of online marketing factors influencing shopping decisions through Cross-Border E-commerce platform, it revealed that Online Marketing Mix factor in term of convenience to buy and communication influencing online shopping decisions through Cross-Border E-commerce platform, which is in line with related research by Suwunniponth (2013) revealed that the quality of website which is composed of the quality content of website, the quality of Website's design, the easiness of using website, the benefits of using website, and the trust ability of website affecting the success of e-commerce. The study Muangthong (2018) found that the factors of marketing communication influencing the decision to buy product through online channels under the SHEIN brand, including related research by Kaspas & Sirimongkol. (2020) found that 4C's marketing mix factors in consumer needs, consumer cost to satisfy, convenience to buy, and communication affects the decision to buy products via social media (Facebook) of consumers in Khon Kaen province. Moreover, the research of Smartjaen (2021) found that the overall online marketing mix is at a high level and online marketing mix factors in terms of marketing promotion, product, distribution channel, and price affected the decision to buy products through e-commerce channels of Generation Y.

Recommendations and future work

Recommendations obtained for applying the research results were that entrepreneurs should use demographic data to analyze different consumer needs as criteria for market segmentation and take advantage of different demographic factors to find the needs of a small market segment and to formulate marketing strategies and activities to meet the needs of target consumers appropriately. Including entrepreneurs should pay attention to consumer behavior especially in terms of the frequency of purchases. This is an analysis of purchase occasions because consumers expect the value of each purchase such as a discount or free shipping when purchasing the specified amount, promotion on special occasions or important festivals and the accumulation of points from the purchase amount to be used for the next purchase, etc. In addition, the research results show that online marketing mix in terms of consumer needs does not influence purchasing decisions therefore entrepreneurs should improve the strategy of online marketing mix in terms of consumer needs. Therefore, entrepreneurs should study and deeply understand the needs of consumers to truly support the needs of customers as Cross-Border E-commerce platform, therefore, entrepreneurs should develop products to meet the needs of target consumers and recognize

the problems that lead to the purchasing decision process in seeking information, alternative assessment purchase decision and behavior after purchase. If a business can meet the needs of consumers more, it will lead to more purchasing decisions.

For further research should be studied in conjunction with other relevant or expected factors influencing purchasing decisions in order to gain more insights covering all dimensions such as brand value, Integrated Marketing Communications, and consumer loyalty and word-of-mouth marketing, etc. In addition, it should study in other population groups or other areas to get wider and more comprehensive information and compare the differences of each area.

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