

FACTORS INFLUENCING PURCHASING DECISIONS THROUGH CROSS-BORDER E-COMMERCE PLATFORMS

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ABSTRACT

Abstract— The purpose of this research was to study online marketing factors that influence purchasing decisions through Cross-Border E-commerce platform. The study sample consisted of 385 consumers who had buy or used services through Cross-Border E-commerce platform using snowball sampling method. Online questionnaires were used as a data collection tool from consumer groups in social networking. 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, and occupation affected the purchase decision through Cross-Border E-commerce platform differently. In addition, the online marketing mix factors that influenced the purchase decision through Cross-Border E-commerce platform were marketing mix factors from the customer perspectives in term of consumer cost to satisfy, convenience to buy, and communication with statistical significance at 0.05 level. While online marketing mix factors from the customer perspectives in term of consumer needs did not affect the purchase decision through Cross-Border E-commerce platform.

Keywords— Cross-Border E-commerce, Marketing mix, Purchasing decisions

INTRODUCTION

Under the context of a rapidly changing world in almost every aspect, especially the rapid changes in information and communication technology in the past two decades. As a result of globalization which has had a significant effect on important to the model of operation. It has changed the way of thinking, work, communication channels, and interaction in human society makes everyone in the world able to connect to each other more and receive information equally. At the same time, the popularity of Internet network services has spread all over the world. It also caused the phenomenon of large databases, which is an enormously valuable resource for businesses and agencies involved in both the use of information to determine strategy and use as a product to generate income for the business. For example, Google and Facebook have combined their own database with others to create business value. Including the phenomenon of the Internet of Things caused by the integration of information technology with communication, resulting in users being able to operate tools various appliances via the mobile phone network (Electronic Transactions Development Agency, 2021).

In addition, the aforementioned supporting factors are also conducive to facilitate the expansion of conducting electronic transactions in daily life, such as searching for information, data transmission, online communication, online financial transactions and online shopping, etc. These activities have become important factors affecting the growth of electronic commerce resulting in buyers and sellers can communicate more easily. Even though buyers and sellers are far from each other in different countries, it also makes trading more accessible to the general public, causing trade patterns to change from business to business (B2B) is a business-to-consumer trading (B2C), especially in the form of cross-border e-commerce more (Department of International Trade Promotion, 2018). The WCO Working Group on E-Commerce (WGEC) has jointly defined the definition of cross-border e-commerce means trading transactions done digitally through a computer network and as a result the movement of goods which must go through customs clearance. (WCO Working Group on E-Commerce, 2018).

According to the eMarketer Report (2018), it was found that consumers prefer to buy products through cross-border e-commerce increasing with 62% market share of business-to-consumer e-commerce (eMarketer Report, 2018). In this regard, doing international e-commerce business that is an online seller from abroad creates different values from e-commerce that is a domestic online seller, especially credibility and offers better selling prices. 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. 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 plan to increase their online spending instead of traditional retail channels during the next 12 months (Information Center for Thai Business in China, 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).

However, because online shopping behavior is different from traditional shopping and research studies on the relationship of factors affecting consumer attitudes and purchase intentions through international e-commerce still exists limited in Thailand. Therefore, this research aims to study the relationship of factors influencing purchasing decisions through cross-border e-commerce platforms which show empirical data and the relationship of factors influencing purchasing decisions through cross-border e-commerce platforms in the context of Thailand and can use the research results to plan strategies, online marketing and conducting marketing activities in line with the behavior of the target group including being able to extend the research by adding appropriate variables and statistics for further development.

LITERATURE REVIEWS

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:

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.

Consumer cost 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.

Convenience to buy is the reverse of 4P's marketing mix in terms of distribution channels 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.

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.

According to a study by Hunter & Wilson (2015), it was found that Policy on selling products online that emphasizes that consumers can see the quality of the product before making a purchase decision. Including the ease of contacting online sellers when the goods they ordered have problems were all positively correlated with consumer attitudes and intent to purchase online from international e-commerce sites (Suwunniponth, 2013). The process of purchasing online goods from overseas requires time to transport and emphasize on the safety of the condition of the goods to be delivered to the end consumer, expecting to receive the goods in a short time. The transportation is safe and does not cause damage to the products from abroad. The majority of consumers preferred to track the status of the shipment through a tracking application. Hunter & Wilson (2015) found that optimum shipping costs were positively correlated with consumer attitudes and online purchase intentions from international e-commerce sites. Cho & Lee (2017) also pointed out that the cost of shipping, the reliability of the shipping carrier, and international delivery times influence consumer attitudes and intent to purchase online from international e-commerce sites. In addition, the purchasing intentions of cross-border e-commerce is the consumer's desire to purchase physical or non-tangible goods online through the international e-commerce website. 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. Kotler (2003) describes the consumer purchasing decision process as having 5 steps, respectively, as follows: Recognition of a problem or need means, Information seeking, Evaluation alternatives, Purchasing decision, and Post-purchase behavior. In addition, the purchasing intentions of cross-border e-commerce is the consumer's desire to purchase physical or non-tangible goods online through the international e-commerce website. The study of Phuthong (2018) found that the purchase intention increases when consumers have a positive attitude to the purchase decision process. Including the positive attitudes of consumers towards purchasing decisions through international e-commerce has a positive effect on the level of purchasing decisions through international e-commerce websites that are higher accordingly (Nasution & Azmin, 2018).

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 0.885, 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 0.82 and 0.91, 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, 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 31-40 years old, marital status, educational level at the bachelor's level, worked as employees of private companies, monthly personal income between 20,001-30,000 baht.

The level of online marketing mix found that the respondents gave the most importance to the online marketing mix in terms of convenience in purchasing, followed by consumer needs, consumer cost to satisfy, and communication, 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 $F=26.45$. All 5 variables could explain the variance of shopping decisions through Cross-Border E-commerce platform (R^2) at 57.15 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, convenience to buy and communication, while the online marketing mix that did not influence shopping decisions through Cross-Border E-commerce platform is consumer needs. The online marketing mix in term of consumer cost to satisfy ($\beta=0.312$) had the most positive influence, followed by convenience to buy ($\beta=0.251$), and communication ($\beta=0.203$) 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 Pattarasakchai (2018) found that different demographic factors of age and average monthly income resulted in significantly different intentions to buy clothes from China through online channels. Including the study of Susakulsingh & Rerkwararak (2020) found that the personal factors of age and different occupations affect purchasing behavior differently on the decision-making behavior of fashion clothing through electronic commerce websites. 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. This is not suitable for all groups of customers with different demographic factors.

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 Muangthong (2018) found that the factors of marketing communication influencing the decision to buy product through online channels under the SHEIN brand. Including the study of Wang (2021) found that online marketing mix with place dimension, personalization dimension, and lifestyle affect the intention to buy products in live streaming e-commerce. Moreover, the results close to some of the findings of Pattarasakchai (2018) found that image of technological advancement in the country of origin, risk cognition for products and service, distribution, opinion-related risk cognition, image of the country of origin in terms of production potential, trust, price and promotion, and service.

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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