

# FACTORS INFLUENCING CONSUMER DECISIONS TO BUY PRODUCTS VIA MOBILE APPLICATIONS

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## ABSTRACT

The purpose of this research was to study the factors influencing the decision to purchase products via mobile applications of consumers in Thailand. The samples used in this study were 400 people from social media groups by using cluster random sampling. Data was collected using the generated questionnaires with the validity and reliability tested. Statistics used in data analysis were frequency, percentage, mean and standard deviation, as well as the statistics used to test the hypothesis were Pearson correlation coefficient analysis and multiple regressions analysis. The results of the study revealed that online marketing mix factors in term of product, price, distribution channel, marketing promotion, personalization and privacy, overall were at high level. Moreover, the hypothesis testing results revealed that online marketing mix factors influenced purchasing decisions via mobile applications were marketing promotion (.000), product (.000), price (.015) and distribution channel (.046) while the aspect of personalization and privacy had no influence on the decision to purchase products via mobile applications of consumers. All online marketing mix variables could affect the decision to purchase products via mobile applications at 51.25 percent.

**Keywords**— Decisions to buy, Mobile applications, Online marketing mix

## INTRODUCTION

Online trading business, also known as Electronic commerce business (E-Commerce), which is a business channel that allows entrepreneurs to reach customer groups more quickly by using the Internet as a medium. The e-commerce business has started to gain more attention in Thailand over the past few years. Due to the advancement of communication technology, people have access to more products and services on the Internet. Whether it is a Facebook channel, Line, Instagram or others store websites, therefore, entrepreneurs in today's era need to know how to use social media to benefit their business. By using it as a tool to generate more sales. If used properly, it will become a channel that can grow the business. Nowadays, many entrepreneurs have started to expand their business from just having an offline storefront to creating an online storefront at the same time. While most new generation business owners only have online storefronts. Because this online channel does not require a high investment like doing an offline storefront and can also open sales 24 hours a day. What helps the e-commerce business in Thailand to grow rapidly is the development of telecommunication and the development of the speed of the Internet. This makes communicating information between each other via the Internet much more convenient and faster than in the past. Together with devices used to access the Internet such as smartphones or computers have a lower price, make

it easy for consumers to buy and own. As a result, consumers can access the Internet at all times, causing the e-commerce market in Thailand to expand continuously.

Doing online trading business via smartphone or through the mobile phone network (M-Commerce) for the new generation that focuses on selling products directly to consumers around the world (Business to Consumer: B2C), which is the only marketing and communication channel that marketers use to reach customers in the online world. Nowadays, various mobile applications are not just social media to communicate and increase the relationship between family, friends and acquaintances according to the initial objectives that were created. But it has moved on to build relationships, discover, share and learn more than a shortcut that is to create a close relationship between consumers and brands. It is also a new way to reach customers who are efficient in commodities trading as well (Hongyont, 2019; Pithuk, 2022).

The epidemic of coronavirus disease 2019 (COVID-19) has led to changes in consumer behavior. It was found that more and more people have switched to e-Commerce and faster. Consumers are forced to get used to and adjust to buying everyday necessities and other goods online instead. In the face of the COVID-19 pandemic, it has resulted in lockdowns and social distancing which when shopping online has become a daily routine for consumers. It makes them more open to spending via e-Commerce, affecting traditional entrepreneurs who have to accelerate adaptation by turning to do e-Commerce to support this need, and resulting in the value of e-Commerce growing step by step since 2019. It reassures that the desire to buy goods and services online will become an increasingly important purchase channel for consumers. Even in the era after the epidemic of COVID-19, it is a new normal. According to a survey by Tofugear, a digital solution provider for retail stores, it found that on average 45% of consumers across Asia plan to increase their online spending instead of traditional retail channels in the next 12 months (ETDA, 2023).

The impact of the COVID-19 pandemic has resulted in many retailers and department store owners rushing to plan and adjust strategies to find ways to maintain their business or department stores in the new normal era. There is a tendency to adjust to persuade or keep the customer base coming back. In addition, government agencies in the country have issued various policies, standards and laws, and communicated existing ones. That can promote and support entrepreneurs to move through the situation that is occurring more, such as financial business support policies, standards and laws to support online transactions, technology support policy projects to promote and educate entrepreneurs in doing business through online, etc. (Revenue Department News, 2020).

Due to the technology and Internet plays a role in daily life It will be the part that affects consumer behavior and buying behavior that has changed. As a result, it affects the business sector that will have to adapt to more online marketing. Therefore, it is necessary to adjust various strategies, offering products and services, and communicating so that consumers can access more products and meet the needs of customers. The business sector therefore needs to adapt to keep up with changes in technology in order to be able to operate its business. The researcher therefore sees problems and opportunities in order to study the factors influencing consumer decisions to buy products via mobile applications with using 6P online marketing mix factors to conduct research on consumer attitudes affecting online purchases in order to

develop a better online sales process within the organization, especially through distribution channels sold through applications.

## **LITERATURE REVIEWS**

Office of Electronic Commerce Department of Business Development, the Ministry of Commerce states about the 6Ps of E-Commerce marketing principles or about marketing mix strategies for selling products through E-Commerce channels, with details that are different from offline marketing (Kotler & Armstrong, 2017). Online marketing mix is a new marketing component consisting of 6 P's: Product, Price, Place, Promotion, Privacy and Personalization in which every online marketing mix is related and is extremely important in online marketing operations, which has the following components. 1) Product is something that is offered for sale to meet the needs of target customers. The key problem of electronic product trading is customers cannot try the product first even though our products are really good. On online shopping, customers can't need to choose the products first, they can just look at the pictures and descriptions must provide clear images and details of the products. For information in decision-making should as much as possible but must not be exaggerated. Descriptive writing must be written to be concise and inviting. 2) Price is what determines the value of the product in terms of currency or is worth accepted in exchange for the products offered which need to take in account the factor in setting the price of the product. The market price must be taken in account assessment of transportation costs. Cheap products may not always be sold but will focus on the convenience of ordering. Items that are too cheap may be sold bundled or in bulk. 3) Place or Distribution is the process of moving products from producers to consumers or target markets. It is a method of bringing products or services to the market, consisting of activities that make the product or easy-to-find services for consumers when he wants to buy at any time and wherever. The distribution of products through the electronic commercial system, including Website, Line, Tiktok, Facebook and Instagram, etc., which should be considered. Various factors include the website must be easy to use, fast access to websites or downloads, information presented is clear and interesting and data security, etc. 4) Promotion is a communication tool to create satisfaction for a brand, service, idea or person by using it to persuade to create a need, remind, notify news or recommend products or services that meet the needs of consumers. The public relations must be made first, for example, complete information must be provided, and the distinctive feature of the website can be easily remembered and create a lively atmosphere by customers participating in activities. There are many methods of public relations such as getting to know and being aware of the product or service, need to use, decide to buy and buy more based on different tools. 5) Privacy is a policy that entrepreneurs or organizations have announced to the public about how they will protect personal data collected. Entrepreneurs should set policies to build credibility with sellers. Customer confidentiality must be maintained. Website administrators need to establish a reliable security system that information will not be stolen. The seller must specify the privacy policy of the customer clearly on the website and abide by that rule strictly. 6) Personalization is an interactive service between entrepreneurs and specific customers. It's called one-to-one marketing to offer what customers want to facilitate customers, create a friendly and

impressions on customers. The need for individualized service is because each group of customers has different interests in different products. Therefore, introducing the product and services should be recommended accordingly interests of each customer as well.

From past research, the study of Kajonsakwongwai et al. (2021) revealed that gender, age, occupation, income level, educational level, and marital status affect online buying behavior of international products via application of consumers in Bangkok. It is also found that Product Buying Motive has an impact on the frequency of buying behavior of international products via online application of consumers in Bangkok. In addition, Panya (2019) studied on online marketing mix factors affecting the decision to buy fashion clothing through online (Facebook) of students in Amphoe Muang, Chiangmai Province, found that personal factors affecting the purchase of fashionable clothes via the online network (Facebook) were gender, age and income. Online marketing mix factors affecting the purchasing decisions consisted of products, prices, distribution channels, marketing promotion, privacy factor, and personal service factors with a statistical significance of 0.1. Moreover, Ronsiri et al. (2021) studied on online marketing mix (6Ps) affecting the purchasing decision of silver jewelry on Facebook application in Bangkok, the results showed that there is no difference between demographic factors including gender, age, occupation and monthly income and decision to purchase silver jewelry via Facebook channel in Bangkok. While different levels of education had difference in decision to purchase silver jewelry via Facebook application in Bangkok. In addition, the marketing mix factors including product, price, distribution channel, marketing promotion and customized services effected consumers' decision to purchase silver jewelry via Facebook application in Bangkok with a statistical significance of 0.05.

## METHODS

The population and the sample group were those who have shopped through online applications and live in Bangkok. The sample size using Taro Yamane's formula (Yamane, 1973) with unknown exact population at a 95% confidence level, therefore, the sample size was 385 individuals. The sampling method was cluster random sampling and convenience sampling, whereby only those who had shopped through online applications in Bangkok.

The tools used for data collection in this quantitative research were questionnaires with closed-ended. It consists of questions divided into Part 1, a general information of respondents such as gender, age, income, and usage behavior. Part 2, questions about online marketing mix factors which a measurement of data is the interval scale. Part 3: Questions about purchasing decisions which a measurement of data is the interval scale. The researcher used a questionnaire created for the study and testing for validity and reliability of the questionnaire. For checking the quality of research tools, the researcher conducted a validity test with 3 relevant experts who obtained the Index of Item Objective Congruence (IOC) higher than 0.6 for all questions. Demonstrate that the question meets the objectives of the research for which it is applicable. Before proceeding with the actual data collection, the research tool was tested for reliability by finding the Cronbach's alpha coefficient and the confidence level of the questionnaire was 0.89 within the acceptable range, so it could be used for data collection (Cronbach, 1990). The statistics used in the data analysis are descriptive statistics and inferential statistics was used to

test research hypotheses by using Independent Sample t-Test, One-Way ANOVA, and Multiple Regression Analysis.

## RESULTS

The results of the analysis revealed that most of the samples were female, aged between 20 and 30 years old with a bachelor's degree, work as an employee of a private company and have an average monthly income between 20,001 – 30,000 baht. Information of consumer behavior reveals that the sample group prefer to use their phones as devices for online ordering. The frequency of using the service is less 1 time per week and the most popular products to buy are clothes and clothes. The average expenditure per time is 200-500 baht and uses the service to buy products from 8:00 p.m. onwards.

The level of opinion of the marketing mix factors towards online purchase decisions was at a high level of opinion ( $\bar{X} = 4.05$ , S.D. = 0.578), with the level of online purchase decision at the high level ( $\bar{X} = 4.11$ , S.D. = 0.542). The level of opinion of each online marketing mix factors was found that the respondents had the highest level of opinion on place or distribution channel factor with an average of 4.21, followed by product factor with an average of 4.18, price factor with an average of 4.11, marketing promotion factor of 4.06, personality factor with an average of 3.92, and privacy factor had an average of 3.84 were at a moderate level, respectively.

The results of the study revealed that online marketing mix factors in term of product, price, distribution channel, marketing promotion, personalization and privacy, overall were at high level. Moreover, the hypothesis testing results revealed that online marketing mix factors influenced purchasing decisions via mobile applications were marketing promotion (.000), product (.000), price (.015) and distribution channel (.046) while the aspect of personalization and privacy had no influence on the decision to purchase products via mobile applications of consumers. The 6 variables of the online marketing mix factor can together predict the decision to book accommodation through online hotel booking agents of tourists with statistical significance at  $F=21.238$ . All variables can explain the variability of decision to purchase products via mobile applications ( $R^2$ ) accounted for 51.25 percent.

## CONCLUSION AND FUTURE WORK

### *Conclusion and discussion*

From the research on the important factors influencing consumer decisions to buy products via mobile applications. The results can be summarized and discussed as follows.

The results of the study revealed that online marketing mix factors in term of product, price, distribution channel, marketing promotion, personalization and privacy, overall were at high level. In addition, the results revealed that online marketing mix factors in term of promotion, product, price and place or distribution channel influenced purchasing decisions via mobile applications. This is consistent with some research results of Panya (2019) and Ronsiri (2021). When considering in detail about the product, it was found that the sample group had the opinion that there were a variety of products, followed by product are different from purchasing

via Off-Line, product information and service details are provided in detail and complete, qualified according to the information presented, after-sales service and product warranty are equivalent to purchases made via Off-Line respectively. In terms of price, it was found that the sample group had an opinion that products on mobile applications can compare prices with selling products through other channels conveniently, price is worth the quality of the product, price is lower than buying products through other channels, able to negotiate the price with the shopkeeper who sells the product, respectively. As well as, in terms of distribution channels, it was found that the sample group had an opinion that products on mobile applications are convenient to buy and can use the service 24 hours a day, fast delivery service and a variety of steps to buy products from beginning to end, the process is convenient and easy, has a form that is attractive to use, multiple payment methods and have credibility and trust, respectively. Moreover, in terms of marketing promotion, it was found that the sample group had an opinion that online advertising media is easily accessible, attractive advertising and have activities to attend, always offers discounts on purchases and conditions for discounts or various coupons are appropriate and practical.

Moreover, the results revealed that online marketing mix factors in term of personalization and privacy had no influence on the decision to purchase products via mobile applications of consumers which is consistent with Panya (2019), Manopramote (2015), and Roddumrong & Rodsomboon (2016). This may be due to online trading, therefore providing information to customers and communication with staff may be inconvenient and cannot respond to and interact with customers promptly. Including customers may not trust the security systems of their transaction and personal information as well as disclosure of customer confidential information.

#### ***Recommendations and future work***

From this research, the researcher would like to suggest that online businesses should improve their marketing strategies to achieve effective market competition. This is to respond to the needs of consumers as much as possible by improving the online marketing mix in each factor as they are relevant and very important in conducting online marketing. Moreover, the communication tools should also be used to create satisfaction with a brand or service, idea or person by using them to persuade, create a need, remind, and notify news or recommend products and services that match consumers' needs. Communication tools should be available in a variety of ways and should be used since introduce product or service, create awareness of the product or service, need to use, decide to buy and buy more which based on different tools and different personal characteristics.

In addition, online businesses should improve privacy protection systems, they should set policies to build seller credibility and customer confidentiality must be maintained. Customer's information will not be published without prior permission. Website administrators need to establish a reliable security system that information will not be stolen. The seller must specify the privacy policy of the customer clearly on the website and abide by that rule strictly. Moreover, in term of personalization, should be an interactive service or one-to-one marketing between entrepreneurs and specific customers to present what meets the needs of customers, facilitate customers, create a friendly, and impressions on customers, including providing information to specific customers as well. Because each group of customers are interested in

different products. Therefore, recommending products and services should be recommended accordingly interests of each customer as well.

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