AN EMPIRICAL RESEARCH ON PURCHASE BEHAVIOR OF ONLINE CONSUMERS: BASED ON REGULATORY FOCUS THEORY

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ABSTRACT

In this paper, we divided online consumers’ motivation orientations into Promotion focus and Prevention focus based on regulatory focus theory, regarded product features as moderator, and combined Internet trust, perceived Internet risk, and perceived usefulness of mobile Internet to verify the impacts of these variables to online consumers’ purchasing intention. The results showed that the impacts of different motivation orientations on Internet trust and perceived Internet risk are significantly different, thus indirectly affect online consumers’ purchasing intention. We expect those results could help e-businesses to formulate effective marketing strategies.

INTRODUCTION

Related reports showed that the number of global Internet users is still on the rise, and more and more users participate in online transactions. However, the time delay and the distance or separation in space in online shopping compared to shopping in the physical world is still a hindrance to some consumers to participate in e-commerce. It is, therefore, necessary, for researchers to have a deeper understanding of the intention and behaviors of online consumers. In the face of those characters of e-commerce, the responses vary from person to person. Cognitive psychologists believe that the focal points of individuals and the ways individual dealing with tasks depend on individual’s cognitive style. In general, those consumers who dare to take risks or are more innovative in such novel undertaking as purchasing on the Internet are usually those who pay more attention to the benefits that online shopping brings (such as saving money and time) rather than possible uncertainties or risks. On the contrary, those individuals who act in a more conservative, more cautious, and more risk-avert manner are those who concentrate on the risks that online shopping may bring, and who consider whether time delay degree of online shopping is beyond their limitation of tolerance. Thus, exploring how the differences of consumers’ motivation orientation affect purchasing intention is extremely meaningful. This paper will conduct an in-depth investigation on how consumer’s motivation orientation affects online purchasing intention, based on a new psychological motivation theory – regulatory focus theory, combined with commonly accepted factors such as perceived Internet risks, Internet trust, perceived usefulness of mobile Internet, and product features.
Exploring consumer behavior means to analyze consumer’s mental process in purchase decision and the related impact factors. Blackwell et al (1993)[1] examined consumer behavior from a holistic perspective: The behavioral intentions of a consumer in the choice of commodities/services, in the process of use/consumption, and in disposal of the commodities or services, involve not only the mental activities before purchase, but also the assessment to the commodities/services after use/consumption. So we give an explanation of online consumer purchase behavior in this paper, namely, we believe consumers would show different response and purchase intention degree when they choose commodities or services, consume in the Internet. In this study, we adopted Blackwell’s perspective in exploring the behavioral intentions of the individual consumer. At present, the studies on online consumer behavior are abundant. Since consumer behavioral intention is an important bridge between consumers themselves and their behavior in future, most studies tend to discuss the purchase willingness of online consumer, and conduct experiments mainly from the three perspectives or theoretical models: consumers, external environment information, and acceptance model. In the perspective of the study on consumers, Ponte et al. (2015) [2] approached from the antecedents of trust, found online purchase intention depends on consumer trust and perceived value; Anderson et al. (2014)[3] verified experimentally, through the use of RFP (retail Facebook pages), that consumer’s hedonic/utility motivation affects consumer’s online purchase loyalty and intention. From the external environment information perspective, there are also some interesting findings. Heijden (2003) [4] held that the information content of the website has a significant impact on online consumer purchase behavior. In addition, Badrinarayanan et al. (2014)[5] explored the impact on consumers’ attitude and perceived trust to online stores by the consistency of consumer self-image and the perceived image of online stores.

Beyond the hedonistic principle, Higgins (1997) [6] proposed regulatory focus theory. In his view, there is a tendency changing with different types of target states (ideal/ought) in every individual, resulting in stimulating the different corresponding self-regulatory systems: promotion focus systems and prevention focus system. The two are distinct in three aspects: First, promotion-focused individuals usually consider have growth as their action target, while prevention-focused individuals would underline responsibilities and safety (Liberman, et al, 2005) [7]. Second, promotion-focused individuals are more concerned about positive outcomes; on the contrary, prevention-focused individuals pay more attention to the negative outcomes (Idson, et al. 2000)[8]. Finally, promotion-focused individuals prefer to eagerness-approach strategy, while prevention-focused individual are more likely to use vigilance-avoidance strategy when pursuing goals. For example, Lai (2014)[9] probed the differences of the Internet word of mouth (IWOM)’s persuasiveness on consumers of different regulatory focuses, prevention-focused individuals are more likely to be convinced by negative comments; but for promotion-focused individuals, they are more easily convinced by positive reviews. Chung et al (2013)[10] were concerned about the influences of the interaction of individual’s regulatory focus and information framework. On a parallel line, Remi et.al (2012)[11] found that consumer satisfaction of the prevention-focused type is higher than that of promotion-focused type when negative experience resulted; on the contrary, if positive experience resulted promotion-focused consumers’ satisfaction is higher than prevention-focused individuals’. In addition, consumers with different regulatory focus have significantly different recognition for the brand extension, different focus of attention (Wu et al, 2012) [12] and different brand experience (Li et al, 2012) [13]. In summary, the existing research on regulatory focus theory has rich findings; yet there are few studies
involving the purchase intention of individual users/consumers. Therefore, we would discuss how different individual’s motivation orientations affect consumer purchase intention, as well as the relationships between other related factors, based on regulatory focus theory and combined with some structural factors.

METHODOLOGY

Fotsythe & Shi (2003) [14] considered that the perceived Internet risks were the expectation that may occur when consumers shop online. As compared with traditional shopping, online shopping poses more risks, such as personal information leak, bank card number or password theft, and so on (McKnight et al., 2002)[15]. It can be seen that the influence of perceived Internet risks on consumers’ purchase intention cannot be ignored. So we hypothesized that:

H1: Perceived Internet risks negatively influence the online consumer’s purchase intention.\ns\n
Traditional trust and Internet trust is consistent in the source; their biggest difference is in the media for the transactions: when consumers shop through electronic commerce, they face a two-dimensional graphic interface rather than the traditional 3-D physical space, and cannot touch the physical commodities. In that case, the consumers will perceive greater uncertainty. At this point, the consumer's trust in the Internet will greatly affect the confidence to buy, and thus affect their purchase intention. So we hypothesized that:

H2: Internet trust positively influences the purchase intention of online consumers.

H3: Internet trust negatively influences the perceived Internet risks.

Based on the theory of TAM, we adapted the concept of the consumers’ perceived usefulness, in the context of online shopping, as a perceived improvement in the utility of the purchase process. So we have the following hypothesis:

H4: Perceived usefulness positively affects the online consumers’ purchase intention.

In the process of online shopping, consumers' regulatory focus systems drive them to spend more energy to focus on specific information framework (positive vs. negative) or specific outcome, and preference to a particular behavior strategy (desire-risk vs. safety-conservative). To a large extent, the speediness and convenience, and the large range for choice of products and services in online shopping usually promote confidence of promotion-focused consumers. However, the virtuality of the Internet and the relinquishment of personal information will all make the prevention-focused consumers worry about the risk. So we hypothesized that:

H5: Individual’s motivation orientation have effects on perceived Internet risks of online consumers; Compared to promotion-focused individuals, the perceived risk for prevention-focused individuals is stronger.

H6: Individual’s motivation orientation have effects on Internet trust of online consumers; Compared to prevention-focused individuals, the Internet trust of promotion-focused individuals is stronger.

In order to explore the link between the product features and consumer behavior, Voss(2003)[16] categorized product features into hedonic and utility. Researching from the perspective of user behavior, it can be found that consumers’ purchase intention rises when the consumer’ demands match the product features. Sengupta & Zhou [17] point out that promotion-focused consumers tend to choose more hedonic products, while prevention-focused consumers tend to choose products that emphasizes on functionality or practicality. So we hypothesized that:

H7a: Comparing promotion-focused-hedonic products to promotion-focused-utility products, the former generate less perceived Internet risks than the later.

H7b: Comparing promotion-focused-hedonic products to promotion-focused-utility products, the
former lead to more pronounced Internet trust than the later.

H8a: Comparing prevention-focused-utility products to prevention-focused-hedonic products, the former generate less perceived Internet risks than the later.

H8b: Comparing prevention-focused-utility products to prevention-focused-hedonic products, the former lead to more pronounced Internet trust than the later.

This study adopted survey method to test the above model through hypothesis testing, designed virtual shopping websites which provide different shopping information frameworks and used cell phones as the target product the consumers will buy. Then, we developed the corresponding variable scales through adaptation some survey instruments found from the literature (Yao et al (2008) [18]; Zhao, et.al (2009) [19]). Our research subjects were 180 college students in a major Chinese university in eastern China.

RESULTS AND ANALYSIS

Our research collects 174 questionnaires, then we get away with 12 useless questionnaires, we finally attain 162 available questionnaires, the effective rate of questionnaire is 90%. In the sample, 44.44% are female and 55.56% are male. It is in accordance with the ratio of schools that be selected. In addition, the reliability and validity analysis of the scale described the questionnaire is reliable and valid.

The T test of the independent sample

We carry out the statistical analysis about the difference between perceived internet risks and internet trust of different types of regulatory focus participants. Then, we carry out T test on the independent sample of perceived internet risks and internet trust, it turns out that the two samples of Promotion focus and Prevention focus have homogeneity of variance(F=0.341, P=0.61>0.05), the result of T test about perceived internet risks is t=2.866, df=153, sig = 0.003<0.05, which shows that there are significant variations between perceived internet risk of the Promotion-focused consumers(M=4.03) and the Prevention-focused consumers, and perceived internet risks of Prevention-focused consumers (M=4.61) is apparently higher than Promotion-focused consumers(M=4.03), so H5 is proved. The result of T test about perceived trust is t=2.685, df=176, sig = 0.004<0.05, it accounts for that there are significant variations between purchase intention of Prevention-focused consumers and Promotion-focused consumers, and perceived trust of Promotion-focused consumers (M=4.56) is distinctly higher than Prevention-focused consumers (M=3.98), so H6 is supported.

Variance Analysis

With the results of the variance analysis, the main effect on perceived internet risks caused by regulatory focus(F=8.43, P=0.000) is significant, the influence on perceived internet risks caused by interaction item—regulatory focus * product feature is significant on the P value level of 0.01. According to the descriptive statistics, Perceived internet risks of Promotion-focused consumers under hedonic product feature (M=4.03) is less than utility product feature (M=4.82) (F=52.92, P<0.01), so H7a is acceptable. In a similar way, Perceived internet risks of Prevention-focused consumers under utility product feature (M=4.16) is less than hedonic product feature (M=4.54) (F=67.54, P<0.01), so H7b is supported. The main effect on internet trust caused by regulatory focus (F=9.65, P=0.000) is significant, the influence on Internet trust caused by the
interaction item—regulatory focus * product feature is significant on the P value level of 0.01. According to the descriptive statistics, Internet trust of Promotion-focused consumers under hedonic product feature (M=5.09) is more than utility product feature (M=3.65) (F=54.64, P<0.01), so H8a is acceptable. In a similar way, internet trust of Prevention-focused consumers under hedonic product feature (M=2.97) is less than utility product feature (M=4.35) (F=69.32, P<0.01), so H8b is supported.

Correlation analysis

After correlation analysis, the results showed that, the Pearson correlation index between perceived internet risks and online purchase intention is -0.432<0, it shows that there is a negative correlation between perceived internet risks and online purchase intention (index=-0.432, P=0.000), so H1 is proved; Meanwhile, the Pearson correlation index between internet trust and online purchase intention is 0.576>0, it turns out that there is a positive correlation between internet trust and online purchase intention (index=0.576, P=0.000), so H2 is acceptable. We conclude that internet trust has a significantly negative impact on perceived internet risks (index=-0.4590, P=0.000), so H3 is proved. As well, the Pearson correlation index between perceived usefulness and online purchase intention is 0.188>0, and p=0.000, so H4 is supported.

CONCLUSION

As a successful and established business application on the Internet, e-commerce has broken the traditional purchasing mode and has been in fast growth facilitated by the development of technology. In addition, effective network marketing strategy aroused consumers’ enthusiasm. The effectiveness of network marketing strategy lies in whether the consumers are regarded as the center of strategy. Because of the indirect influence on consumers’ online purchase intention from consumers’ consumption motivation, online merchants need to pay more attention to the different emphasis on information caused by consumers’ motivation orientation and the product features’ moderation effects during communicating with consumers before purchasing. To enhance Internet trust of consumers, merchants should introduce the product’s utility function when facing the conservative consumers; on the contrary, merchants had better show more hedonic information of product when the consumers are fashionable and audacious. In addition, perceived Internet risks, Internet trust and perceived usefulness directly influent online purchase intention, so it’s necessary to build a reasonable security mechanism and carry out friendly interactions, for example, efficient distribution system, perfect credit mechanism and friendly communication.

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