

## **Impact of Different Determinants on e-commerce consumer purchase decision: In case of E-Commerce website (1000zahia.com)**

<sup>1</sup>Molomjamts Batbayar (Electrical engineering), <sup>2</sup>Uranbaigal Ariunbold (IBM),  
<sup>3</sup>Enkhbileg Tsendsuren(IBM), <sup>4</sup>Altanturuu Erdenetsog(IBM), <sup>5</sup>Uyanga  
Tumurkhuyag(IBM)  
<sup>1,2,3,4,5</sup>Da-Yeh University

**ABSTRACT:** *Last decades, e-commerce websites has been become more popular in so many countries. Most of modern people lifestyle busy and also, they don't have enough time for offline shopping. In recent years, domestic e-commerce websites started to become broader and useful its business in Mongolia. it's reported that domestic consumers purchasing increased and the market developed recent years. One of the most successful Mongolian e-commerce websites is 1000zahia, and its online purchase increased to 2 billion ₮ (Mongolian currency) a year in 2018. In this study defines Mongolian e-commerce consumers behaviour and what factors most important for online purchasing. According to the survey, ease of use, tidiness of the store and specials with fair price have a direct impact on consumer fulfillment. The study suggests 1000zahia should focus on adopting new changes to create regular consumer base and reshape its strategies.*

**KEYWORDS :** *Purchase Decision, E-commerce factors*

### **I. INTRODUCTION**

Recently years shopping online can be a lot more convenient than heading out to a shopping Centre to find what consumer want. Instead, consumers usually prefer merely sit at home with access to the internet and order away. E-commerce website's that run online are consistently available at all hours providing there are no technical difficulties. Ordering an item online through an e-commerce site takes a lot less time when compared to traveling to the nearest store. This is a significant advantage for those who finish work late and don't have the time to run down to their nearest outlet to find the product they desire as they can know merely order online. Those who suffer from disabilities, whether they are physical or mental, or old age can often struggle to go shopping in a regular shopping mall. This can become more of a problem when living greater distances from town centers. Gefen, David (2000) Online shopping allows these individuals to stay in the comfort of consumer's own home when ordering the products and services they desire. When going out shopping consumers usually only have the availability of the products that are there.

This differs when compared to shopping online. Firstly, it is highly likely that consumers can find the product their want to from multiple different sites. Also, when purchasing from a bricks and clicks organization, it is possible that the product you are after isn't available at your nearest store, but instead it can be delivered from a store based elsewhere. E-commerce merely is the buying and selling of various products and services over the internet. Anyone with access to the internet can engage with e-commerce trading also e-commerce has become a prevalent method of trading amongst businesses and organizations.

The introduction of e-commerce over the past 15 to 20 years has had a significant impact on society and the way business is done on a global scale. This has had many positive effects on both the business and on consumers. In the world, about 2 million e-commerce websites are existing, and their retail e-commerce sales worldwide were 2290 billion US dollars and are expected to rise to 2774 billion in 2018. Turban, Efraim, et al. (2002) defined e-commerce has two types of trading, and that is a business to customer (B2C) and business to business (B2B). This study belongs to B2C e-commerce website 1000zahia in Mongolia and defines their success factors. Also, e-commerce most companies main issue is how to keep customers and increase their repurchase. Accordingly, those companies need to know their consumer's special characterize and demands. This study helps to research consumer's special characterize of 1000zahia e-commerce website, what factors most important for consumer's purchase decision and which things they need to pay more attention.

## **II. RESEARCH OBJECTIVE**

The objective of this research paper is to define the following factors that have the most effective impact on the consumer purchase decision of online shopping . To find out which of the following factors provide the most purchase decision to e-commerce website consumers:

- Visual appearance
- Load time
- Payment condition
- Money back guarantee
- Shipping policy
- Customer support
- Discount and coupons

The impact of the following factors is checked in this research paper. So the objectives are:

- To propose the way to increase consumer purchase decision rating of 1000 zahia e-commerce website in Mongolia
- To define the most effective factor on consumer purchase decision in 1000zahia Mongolian e-commerce website by applying regression analysis on all the factors

## **III. LITERATURE REVIEW**

The purchase decision is the thought process that leads a consumer from identifying a need, generating options, and choosing a specific product and brand. Some purchase decisions are minor, like buying toothpaste, while other purchases are significant, like buying a house. The more dominant the purchase decision, the more effort is typically put into the process. That process by which consumers identify their needs, collect information, evaluate alternatives, and make the purchase decision. These actions are determined by psychological and economic factors and are influenced by environmental factors such as cultural, group, and social values. While making purchase decisions, consumers are often unable to evaluate all available alternatives in great depth and, thus, tend to use some processes to reach their decisions. At the first stage, consumers typically screen a large set of available products and identify a subset of the most promising alternatives. Subsequently, they evaluate the latter in more depth, perform relative comparisons across products on essential attributes, and make a purchase decision. One of the most popular studies of the consumer purchasing decision is Häubl, G., & Trifts, V. (2000) and they defined a unique characteristic of online shopping environments is that helps for basic study of consumers

allow vendors to create retail interfaces with highly interactive features. In our study research included influencing the main factors of consumers to purchase decision in e-commerce which is visual appearance, load time, payment condition, money back guarantee, shipping policy, customer support, discount, and cuppons. The first websites showed up; people have been diligently working on making them look more appealing. Nowadays, many sites are brilliantly designed, attracting visitors and keeping them on the page. Kim, S., & Stoel, L. (2004) defined “While the common web user will usually tell you the most important part of any webpage is the visual appearance.” Wilson, C. L., & Miller, C. J. (2005) study defined Page load time is a web performance metric that directly impacts user engagement and a business’s bottom line. It indicates how long it takes for a page to fully load in the browser after a user clicks a link or makes a request.

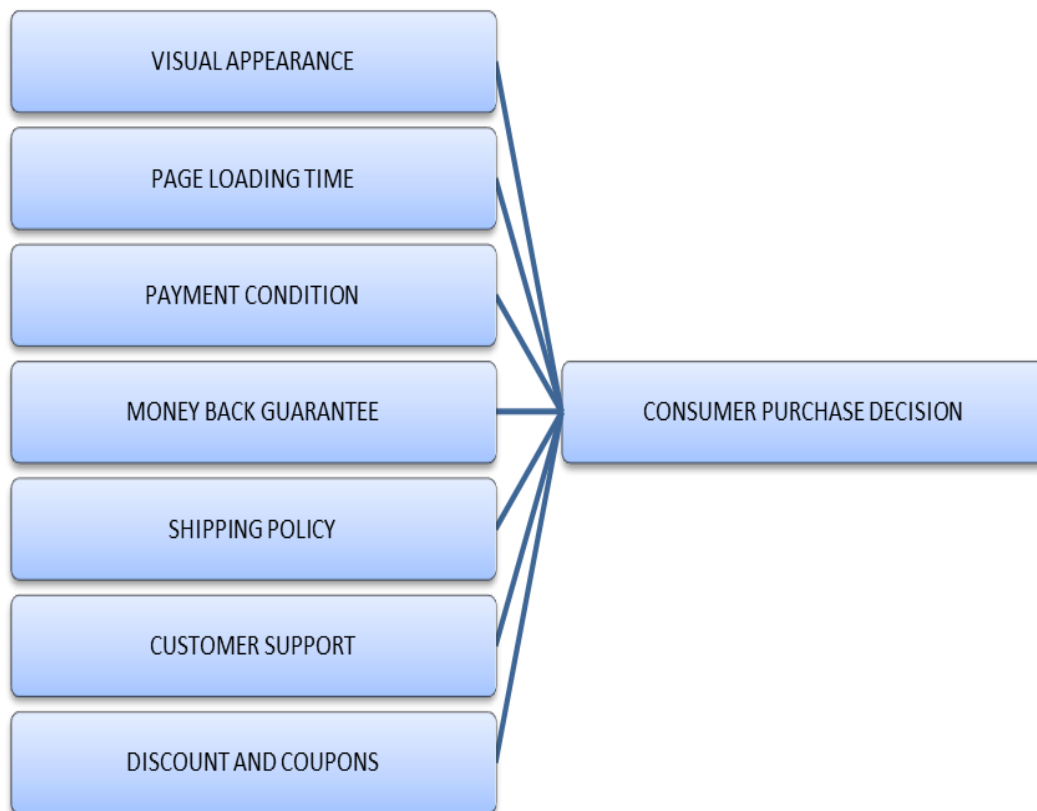
On our find out there are many different factors that affect page load time. The speed at which a page load depends on the hosting server, amount of bandwidth in transit, and web page design – as well as the number, type, and weight of elements on the page. Other factors include user location, device, and browser type. Also, the most important factors for e-commerce consumer purchase decision is payment options and safety. That means how many ways a consumer can pay their payment and is this how safety explained by a money-back guarantee. Garber, A. M., & McClellan, M. B. (2007) A money-back guarantee, also known as a satisfaction guarantee, is necessarily a simple guarantee that, if a buyer is not satisfied with a product or service, a refund will be made. After the payment consumers find out the most convenient condition for shipping and about shipping is the process of transporting an item, usually through the mail. Shipping is a very basic, conventional way of getting an item from one place to another, or from one person to another. Also, there is some kinds of problems happened in e-commerce which is after the payment or during the buying process. Thus, e-commerce companies need to solve their customer’s problem, and every companies have their customer support department.

The quality of a Web-based customer support system involves the information it supplies, the service it provides, and the characteristics of the system itself; its effectiveness is reflected by the satisfaction of its users. (Negash, S., Ryan, T., & Igbaria, M. 2003) Therefore e-commerce companies focus is on website process and services that has an influence on the consumer purchase decision.

#### IV. RESEARCH FRAMEWORK

As u can see from Figure 1 explained the theoretical framework of this study. There are two variables discussed in this study, i.e., independent and dependent variables. The dependent variable of this study is Consumer purchase decision, and there are independent variables influencing it. Independent variables include visual appearance, load time, payment condition, money back guarantee, shipping policy, customer support, discount, and coupons.

Figure 1: Theoretical Framework of the study



#### V. METHODOLOGY AND DATA ANALYSIS

As this research is focused on consumer purchase decision of e-commerce industry of Mongolia. Accordingly, our research based on one of the most successful Mongolian e-commerce websites 1000zahia consumers who purchase experience from that website. The respondents were targeted on a timely basis through nonprobability sampling. The Likert scale questionnaire was designed for collecting of data on online from the mention respondents in above mentioned 1000zahia Mongolian e-commerce website. The number of respondents who were contacted online was 350. The response rate was 90% and qualifying 300 response analyzed by SPSS software.

**Descriptive Statistics :** Total 300 Valid Questionnaires were recorded. Sample characteristics and consumption patterns of consumers are shown in below table. Table 1 is an analysis of the respondent's profile. Male was dominant with a response rate of 62%. The most frequent age group was group no.1, i.e., 18-22 and age groups 23-25 and 26-30 above 30 was, i.e., 26% and 12% respectively. Mostly Respondents were Employed (43%).

Table 1: Descriptive statistics of Respondents

Variables	Frequency	Percent
Gender		
Male	115	38%
Female	185	62%
Age		
18-22	94	31%
23-25	90	30%
26-30	79	26%
Above 30	37	12%
Occupation		
Student	112	37%
Employed	128	43%
Own business	25	8%
Others	35	12%

**Regression analysis**

Table 2: Regression Model Summary

Model	R	R Square	Adjusted R Square	Std. error of the Estimate
1	.785 <sup>a</sup>	0.621	0.412	2.63525

Multiple linear Regression analysis is applied. Table 2 is regression model summary. This table shows that R Square is 0.621 which explains that our independent variables explain 62.1 percent variation in the dependent variable and we can say that the model in this research paper is a good fit.

Table 3: ANOVA Results

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	1000.354	7	200.037	135.354	.000b
	Residual	320.098	293	1.371		
	Total	1320.452	300			

Table 3 is the ANOVA test for testing the overall prediction of the model. The F-ratio in the ANOVA table tests whether the overall regression model is a good fit for the data. The table shows that the independent variables statistically significantly predict the dependent variable,  $F(6,31) = 135.354, p = 0.000005$  and the hypothesis of normality is accepted. Hence it is concluded that the data set is healthy and the assumption of regression analysis is satisfied, so the regression analysis can be applied to the data set.

Table 4: Regression coefficients

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	16.632	.223		14.545	.006
	Visual appearance	.425	.043	.178	2.335	.020
	Load time	.211	.021	.134	2.324	.000
	Payment condition	.253	.075	.210	3.532	.019
	Money back guarantee	-.134	.088	-.291	-2.437	.045
	Shipping policy	.323	.094	.268	2.058	.003
	Customer support	.234	.077	.231	2.288	.022
	Discount and cuppons	.045	.069	.199	2.1	.000

**Dependent Variable: Consumer purchase decision:** Table 4 is the coefficients table. Unstandardized Coefficients indicate how much the dependent variable varies with an independent variable when all other independent variables are held constant. Among seven predictors, Money back guarantee most vital because it has high beta value -0.291 which is greater than all other beta's But it has a negative relationship with the dependent variable, i.e., consumer purchase decision. Shipping policy, Customer support, Payment condition is also high beta value each equal to 0.268, 0.231, 0.210 and it means this three predictors positive influencing highly for a consumer purchase decision. And the other three predictors visual appearance, load time, discount and coupons have a positive relationship with the dependent variable

## VI. CONCLUSION

Our research is on the things that are considered as most important before consumer purchase decision of e-commerce. The research based on Mongolian top e-commerce website 1000zahia. The selected variables are Visual appearance, load time, payment condition, money back guarantee, shipping policy, customer support, discount, and coupons. We have found out that the money back guarantee the most important factor for consumer's purchase in Mongolia. Money back guarantee it is ideal determinant for increasing the repurchase level of E-commerce website 1000 zahia. Also shipping policy, customer support, payment condition is highly effective for a consumer purchase decision. Visual appearance, load time, discount and coupons are positive relationship with dependent variable, but it's not enough compared to other 4 factors. Thus, these four factors should be considered when formulating a marketing strategy.

## REFERENCES

1. Garber, A. M., & McClellan, M. B. (2007). Satisfaction guaranteed—"payment by results" for biologic agents.
2. Chang, Z., Xia, S., Zhou, C., & Zhou, W. (2006). *U.S. Patent Application No. 11/087,861*.
3. Peterson, G. L. (1967). A model of preference: quantitative analysis of the perception of the visual appearance of residential neighborhoods. *Journal of Regional Science*, 7(1), 19-31.
4. Nicosia, F. M. (1966). CONSUMER DECISION PROCESSES; MARKETING AND ADVERTISING IMPLICATIONS.
5. Kim, D. J., Ferrin, D. L., & Rao, H. R. (2008). A trust-based consumer decision-making model in electronic commerce: The role of trust, perceived risk, and their antecedents. *Decision support systems*, 44(2), 544-564.
6. Negash, S., Ryan, T., & Igbaria, M. (2003). Quality and effectiveness in web-based customer support systems. *Information & Management*, 40(8), 757-768.
7. Hsin Chang, H., & Wen Chen, S. (2008). The impact of online store environment cues on purchase intention: Trust and perceived risk as a mediator. *Online information review*, 32(6), 818-841.
8. Kim, Myung-Ja, Namho Chung, and Choong-Ki Lee. "The effect of perceived trust on electronic commerce: Shopping online for tourism products and services in South Korea." *Tourism Management* 32, no. 2 (2011): 256-265.
9. Rose, S., Hair, N., & Clark, M. (2011). Online customer experience: A review of the business-to-consumer online purchase context. *International Journal of Management Reviews*, 13(1), 24-39.
10. Shiau, W. L., & Luo, M. M. (2012). Factors affecting online group buying intention and satisfaction: A social exchange theory perspective. *Computers in Human Behavior*, 28(6), 2431-2444.