Effect of Internet Services on Customer’s Online Purchase Intention (Case Study: Behpahksh Pharmaceutical Company)

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Abstract

This study aimed at examining the effect of the internet services on online purchase intention of customers in Behpakhsh Company. The variables of this study included transaction services, pre-purchase services, Navigation experience, Attitude to the web, online purchase intention. Descriptive-survey method was used to examine hypotheses and respond to the questions. Statistical population consisted of customers of Behpakhsh Company. The statistical sample size obtained to 384 members. This study was implemented in Behpakhsh Company. To collect the required data, researcher-made questionnaire was used. Moreover, regression analysis was applied in this research. Data analysis and hypothesis testing were done through SPSS Software. Findings obtained from this study indicated effect of internet services on customers’ online purchase intention in case of Behpakhsh Company.

Keywords: Transaction Services, Pre-purchase Services, Navigation Experience, Attitude to the web, Purchase Intention.
1. Introduction

Online services have been developed as a sector without any substitute in case of commercial and business fields so that quality of online services has been more considered. In this regard, companies provide online services as a substitute for traditional offline services [1]. The reason for such shift is that those businesses that provide top value, excellent services, and high quality products can obtain customer loyalty [2]. This case explains the increased level of transaction-based e-services and we should know how services can obtain customer satisfaction considering operational and financial scopes [3]. According to [4], rapid development of Information and Communication (ICT) and E-commerce allowed customers to purchase service and products online. Meanwhile, rapid growth of online sale has created an intense competition between e-commerce sellers who see customer experience as a vital factor [4]. Average success of many online service providers indicates a wide range of issues about customer behavior in field of online services. [5] has established the study of customer recognition and customers’ experiences through TIER (research priority 1) during 2014-2016. In particular, how digital technology changes customer’s experiences and path? According to [6], “there are insufficient experimental researches in this field since it is not determined that whether previous factors of behavioral intentions created in offline situations could explain real and unexpressed behaviors of customers when these behaviors become compatible with online texture”. [2] believe that web-based services are not enough developed and they should be more examined. In this regard, although after-purchase services are important, companies should think of previous steps of services that help customers improving their experiences making them focus on attitude toward network and purchase intention [7]. Quality of e-services has been expanding and most of organizations are active in a competitive, dynamic and changing environment since customers’ satisfaction leads to increased efficiency, effectiveness and profitability of economic organizations. Under such circumstances, organizations pay attention to improved quality of e-services in order to increase purchase rate and customer satisfaction. According to evidences, use of e-services and modern technologies in customer retention has a considerable effect on profit rate, growth of market contribution, reduce in costs, growth of stock price, decrease in customer escape, time saving, and simple access to services [8]. In other words, it can be stated that satisfied customers are profitable sources for organization and promoted level of customers’ satisfaction leads to increased profitability. Considering importance of e-services’ quality and its effect on customer purchase, this study was conducted to examine effect of e-services on customers’ online purchase intention regarding case study of Behpaksh Company.
2. Theoretical Literature

2.1) Purchase Intention

Purchase intention is one of the main indicators to evaluate consumer behavior, which can indicate the probability of buying a product by consumers. The higher purchase intention depicts greater consumer readiness for a product [9]. The term can be as a structural key in marketing research in various fields such as consumers’ attitude, perceived value, perceived risk, usefulness, and ease of use [10].

A consumer-brand engagement reveals the strong relationship between a brand and the consumer. The strength of this relationship determines the amount of resources which a consumer wants to allocate to a particular brand. Consumer-brand engagement is for human beings to develop physical relationships with specific individuals or objects as such the individuals then adapts themselves to the relations. Consumer-brand engagement and the level of resistance specify the link between consumer's self-image and how much the brand meets the individual's needs—either in the form of applied or experimental methods. As an example of this relationship, we can observe how relationship power affects positive thinking and feelings toward a brand and its relationship with personality. For consumers to develop a consumer-brand engagement, they need to identify a brand distinguishing them from their competitors [11].

Consumer-brand engagement is assumed to show a strategic necessity for generating superior organizational performance outcomes, including increased consumer loyalty, enhance in sales growth, superior competitive advantage, and increased profit; thus leading to greater competence in the future [12].

Organizations are increasingly seeking for consumer engagement and interaction with their brands. Despite the great interest of experts, detailed investigations of the concept ‘consumer-brand engagement are only noticed in recent studies, causing a limited understanding of its current meaning. Recent research studies indicate that the consumer engagement is expected to develop an understanding of the consumer experience. Successful individuals can successfully engage consumers, create customer loyalty, and make benefits in predetermined classes, and provide further explanations of the growing professional interest in consumer engagement and their potential partnerships. In spite of a large number of advances in the professional environment, the scientific study of consumer engagement is lagged behind, providing a limited understanding of its current meaning [13].
2.2) On-Line Internet Services

Internet has created a market in which, buyers and sellers develop transactions directly and mutually within a time beyond the physical scopes of traditional retails [14]. Developed use of IT in different parts of society, in particular in business scope, is resulted by IT capabilities. Ease of use of web-based electronic systems and reduced costs can be mentioned as some reasons for development of e-services [15]. According to [14], current studies have estimated a triple increase in number of internet users from 300 million to more than 1 billion in 2003 considering new technologies with online capabilities such as wireless phones and digital TVs. Despite the statistics related to internet development, there are both successful and unsuccessful options in internet marketing [16]. In opinion of [14], purchase behaviors and online sellers play a vital role in success of retailers. If we are able to identify factors affecting purchasing decision of customer, retailers can design marketing strategies in order to maximize customer experience and total sale. Customer service is not a new concept, but also modern companies can use new technologies to improve e-services experiences [17]. Although there are some studies that increase customer experience providing online services, majority of these studies have confirmed effect of individual factors [18]. In opinion of [19], majority of these studies applied traditional scales such as SERVQUAL. However, as researchers express, such scales are not enough to measure quality of services in all industries and situations or to define quality of online services. These tools ignore some important aspects of online services quality. Accordingly, this study was conducted based on the plan designed by [2] to examine effect of online services’ levels in some textures without any transaction. For this purpose, two main dimensions of online services are introduced as initial points including pre-purchase services and transaction services. According to mentioned authors [20], delivery of services through websites is related to an area in which, website facilitates effective sale, purchase, and delivery of products and services. The significant point to achieve success in virtual world is providing better online services. As [21] and [18] express, qualitative delivery of services through websites is the main strategy for success that is possibly more important than lower price and website existence. These researchers showed that some service such as services related to navigation capabilities, efficiency, site beauty, and price information were important in online space besides some other significant dimensions in offline sale such as reliability, accountability, availability, insurance, customization, and characterization [22]. This case directs provided online sale services toward an integrated model to explain all effects that enables such services to concentrate and simulate online purchase intentions. According to [23], numerous theories have been proposed to explain why and how customers tend to use web-based services. Majority of mentioned theories add determinant structures to traditional models; in other words, [23] added familiarity and intimacy to the model of expectation-approval. Studies about e-services quality applied adjustments of measurement tools for services’ quality that had been adopted from framework of traditional services’ quality and developed them [24].
However, a new vision should be provided in terms of important factors for web-based services’ quality emphasizing on the issue how customers see services’ quality before transaction [25]

2.3) Internet Services and Purchase Intention

As it was mentioned, organizations should underpin a long-run strategic view to be present in international scenes. All organizations tend to sell their products or services considering customers’ purchase intention [26]. In other words, customers should have purchase intention then organizations can sell their products or services. Therefore, awareness of factors affecting customers’ purchase intention is a significant point in success of companies and organizations. One of factors affecting customers’ purchase intention is e-services provided by the company. It should be stated that internet services and sale as well as electronic business will become first choices of companies in future considering facilitated sale operation and increased sale speed based on anticipations [27].

Online services have been developed to a sector without any alternative in business and commercial field; in this regard, quality of online services should be considered undoubtedly. Hence, corporations provide online services as a substitute to traditional offline services [1] since those businesses that deliver top value through excellent services and qualified products will gain customer loyalty [2]. This point can explain rapid increase in transaction-based e-services and it is essential to know how services can achieve customer satisfaction, while organizations consider operational and financial areas in practice [3].

3. Related Work

[4] States, rapid development of Information and Communication (ICT) and E-commerce allowed customers to purchase service and products online. Meanwhile, rapid growth of online sale has created an intense competition between e-commerce sellers who see customer experience as a vital factor [4]. Average success of many online service providers indicates a wide range of issues about customer behavior in field of online services. [5] has established the study of customer recognition and customers’ experiences through TIER (research priority 1) during 2014-2016. In particular, how digital technology changes customer’s experiences and path? According to [6], “there are insufficient experimental researches in this field since it is not determined that whether previous factors of behavioral intentions created in offline situations could explain real and unexpressed behaviors of customers when these behaviors become compatible with online texture”.[2] believe that web-based services are not enough developed and they should be more examined. In this regard, although after-purchase services are important, companies should think of previous steps of services that help customers improving their experiences making them focus on attitude toward network and purchase intention [7].
[28] in his study entitled "The Impact of Social Network Marketing on Purchase Intention and Brand Loyalty" presented some evidence from Indonesia’s banking industry in order to detect the impact of social network marketing on purchase intention and brand loyalty. Retailing was considered in this study, and 721 participants responded a questionnaire. Then the data were analyzed using structural equations with LISREL software. The results suggested that social network marketing led to purchase intention and brand loyalty.

[29] published an article entitled ‘How smartphone’s social network advertising affects consumers’ purchase intentions’, in which they researched the impact of smartphone’s advertising on consumer purchase intentions in Portugal. They collected 303 questionnaires, and the data were analyzed using PLS software. They found out that social media advertising had a positive effect on consumers’ shopping.

[30] presented a paper entitled ‘Social Media Usage, Electronic Word of Mouth, and Purchase-Decision Involvement’. This study aimed to examine the effects of social media usage and electronic word-of-mouth with regard to the mediating role of trust in purchase-decision involvement. In this study, 212 questionnaires were collected; and the data were analyzed using structural equations. The results revealed that social media usage and electronic word-of-mouth had a positive effect on purchase decision.

Considering the mentioned points and important role of e-services in position of companies and effect of customers’ online purchase intention on success of companies in sale, this study was conducted to examine effect of online services on customers’ online purchase intention. The significant issue of this study is to respond this question: can internet services effect on customers’ online purchase intention in Behpakhsh Company?

4. Methodology

This is an applied study in terms of objective and a descriptive-survey research in terms of methodology. To collected required data about theoretical literature, library study was used. To collect data, questionnaire of effect of internet services on customers’ online purchase intention was applied. Statistical population of study consisted of customers (unlimited members) of Behpakhsh Company, sample size obtained to 384 members. Simple random method was used as sampling method in this research. The questionnaires were distributed among statistical sample members then the data obtained from gathered questionnaires were analyzed through SPSS Software using regression correlation test to examine research questions and hypotheses.
5. Research Hypotheses and Model

To examine effect of internet service on customers’ online purchase intention in Behpakhsh Company, the model presented by [31] was used. Depicting model in the following part, hypotheses adopted from the model were presented.

5.1) Hypotheses:

5.1.1) Main Hypothesis:
Internet services can effect on customers’ online purchase intention in Behpakhsh Company.

5.1.2) Secondary Hypotheses:
- Attitude to the web can effect on online purchase intention.
- Navigation experience can effect on Attitude to the web.
- Transaction services can effect on Navigation experience.
- Transaction services can effect on Attitude to the web.
- Pre-purchase service can effect on Navigation experience.
- Pre-purchase services can effect on Attitude to the web.
6. Results

Regression test was used to examine hypotheses and questions.

5-1- Hypothesis 1: effect of Attitude to the web on online purchase intention

H₀: Attitude to the web cannot effect on online purchase intention.
H₁: Attitude to the web can effect on online purchase intention.

Table 1. Effect of Attitude to the web on online purchase intention

<table>
<thead>
<tr>
<th>Variable</th>
<th>R</th>
<th>R²</th>
<th>F</th>
<th>P</th>
<th>B</th>
<th>β</th>
<th>t</th>
<th>P</th>
</tr>
</thead>
<tbody>
<tr>
<td>Attitude to the web</td>
<td>0.728</td>
<td>0.529</td>
<td>429.659</td>
<td>0.0001</td>
<td>1.107</td>
<td>0.728</td>
<td>20.728</td>
<td>0.0001</td>
</tr>
</tbody>
</table>

According to table 1, Attitude to the web can predict online purchase intention so that 52.9% of variance of online purchase intention is explained by Attitude to the web and Attitude to the web can predict online purchase intention. Considering correlation coefficient of R=0.728, t value above 1.96 and sig level of P<0.05, hypothesis 1 was confirmed; therefore, it can be stated that Attitude to the web can effect on online purchase intention.

5-2- Hypothesis 2: effect of Navigation experience on Attitude to the web

H₀: Navigation experience cannot effect on Attitude to the web.
H₁: Navigation experience can effect on Attitude to the web.

Table 2. Effect of Navigation experience on Attitude to the web

<table>
<thead>
<tr>
<th>Variable</th>
<th>R</th>
<th>R²</th>
<th>F</th>
<th>P</th>
<th>B</th>
<th>β</th>
<th>t</th>
<th>P</th>
</tr>
</thead>
<tbody>
<tr>
<td>Navigation experience</td>
<td>0.591</td>
<td>0.349</td>
<td>205.130</td>
<td>0.0001</td>
<td>0.366</td>
<td>0.591</td>
<td>14.322</td>
<td>0.0001</td>
</tr>
</tbody>
</table>

According to table 2, Navigation experience can predict Attitude to the web so that 34.9% of variance of Attitude to the web is explained by Navigation experience and Navigation experience can predict Attitude to the web. Considering correlation coefficient of R=0.591, t value above 1.96 and sig level of P<0.05, hypothesis 2 was confirmed; therefore, it can be stated that Navigation experience can effect on Attitude to the web.
5-3- Hypothesis 3: effect of transaction services on Navigation experience

$H_0$: transaction services cannot effect on Navigation experience.
$H_1$: transaction services can effect on Navigation experience.

<table>
<thead>
<tr>
<th>Variable</th>
<th>R</th>
<th>$R^2$</th>
<th>F</th>
<th>P</th>
<th>B</th>
<th>$\beta$</th>
<th>t</th>
<th>P</th>
</tr>
</thead>
<tbody>
<tr>
<td>transaction services</td>
<td>0.844</td>
<td>0.713</td>
<td>946.937</td>
<td>0.0001</td>
<td>1.227</td>
<td>0.844</td>
<td>30.772</td>
<td>0.0001</td>
</tr>
</tbody>
</table>

According to table 3, transaction services can predict Navigation experience so that 71.3% of variance of Navigation experience is explained by transaction services and transaction services can predict Navigation experience. Considering correlation coefficient of $R=0.844$, t value above 1.96 and sig level of $P<0.05$, hypothesis 3 was confirmed; therefore, it can be stated that transaction services can effect on Navigation experience.

5-4- Hypothesis 4: effect of transaction services on Attitude to the web

$H_0$: transaction services cannot effect on Attitude to the web.
$H_1$: transaction services can effect on Attitude to the web.

<table>
<thead>
<tr>
<th>Variable</th>
<th>R</th>
<th>$R^2$</th>
<th>F</th>
<th>P</th>
<th>B</th>
<th>$\beta$</th>
<th>t</th>
<th>P</th>
</tr>
</thead>
<tbody>
<tr>
<td>transaction services</td>
<td>0.538</td>
<td>0.289</td>
<td>155.522</td>
<td>0.0001</td>
<td>0.484</td>
<td>0.538</td>
<td>12.471</td>
<td>0.0001</td>
</tr>
</tbody>
</table>

According to table 4, transaction services can predict Attitude to the web so that 28.9% of variance of Attitude to the web is explained by transaction services and transaction services can predict Attitude to the web. Considering correlation coefficient of $R=0.538$, t value above 1.96 and sig level of $P<0.05$, hypothesis 4 was confirmed; therefore, it can be stated that transaction services can effect on Attitude to the web.

5-5- Hypothesis 5: effect of pre-purchase services on Navigation experience

$H_0$: pre-purchase services cannot effect on Navigation experience.
$H_1$: pre-purchase services can effect on Navigation experience.
Table 5. Effect of pre-purchase services on Navigation experience

<table>
<thead>
<tr>
<th>Variable</th>
<th>R</th>
<th>R^2</th>
<th>F</th>
<th>P</th>
<th>B</th>
<th>β</th>
<th>t</th>
<th>P</th>
</tr>
</thead>
<tbody>
<tr>
<td>pre-purchase</td>
<td>0.582</td>
<td>0.339</td>
<td>165.871</td>
<td>0.0001</td>
<td>0.783</td>
<td>0.582</td>
<td>13.995</td>
<td>0.0001</td>
</tr>
</tbody>
</table>

According to table 5, pre-purchase services can predict Navigation experience so that 33.9% of variance of Navigation experience is explained by pre-purchase services and pre-purchase services can predict Navigation experience. Considering correlation coefficient of R=0.582, t value above 1.96 and sig level of P<0.05, hypothesis 5 was confirmed; therefore, it can be stated that pre-purchase services can effect on Navigation experience.

5-6- Hypothesis 6: effect of pre-purchase services on Attitude to the web
H_0: pre-purchase services cannot effect on Attitude to the web.
H_1: pre-purchase services can effect on Attitude to the web.

Table 6. Effect of pre-purchase services on Attitude to the web

<table>
<thead>
<tr>
<th>Variable</th>
<th>R</th>
<th>R^2</th>
<th>F</th>
<th>P</th>
<th>B</th>
<th>β</th>
<th>t</th>
<th>P</th>
</tr>
</thead>
<tbody>
<tr>
<td>pre-purchase</td>
<td>0.915</td>
<td>0.837</td>
<td>1963.650</td>
<td>0.0001</td>
<td>0.762</td>
<td>0.915</td>
<td>44.313</td>
<td>0.0001</td>
</tr>
</tbody>
</table>

According to table 6, pre-purchase services can predict Attitude to the web so that 83.7% of variance of Attitude to the web is explained by pre-purchase services and pre-purchase services can predict Attitude to the web. Considering correlation coefficient of R=0.915, t value above 1.96 and sig level of P<0.05, hypothesis 6 was confirmed; therefore, it can be stated that pre-purchase services can effect on Attitude to the web.

5-7- Main Hypothesis: effect of internet services on customers’ online purchase intention
H_0: internet services cannot effect on customers’ online purchase intention.
H_1: internet services can effect on customers’ online purchase intention.
According to table 7, internet services can predict customers’ online purchase intention so that 80.9% of variance of customers’ online purchase intention is explained by internet services and internet services can predict customers’ online purchase intention. Considering correlation coefficient of $R=0.899$, $t$ value above 1.96 and sig level of $P<0.05$, main hypothesis was confirmed; therefore, it can be stated that internet services can effect on customers’ online purchase intention in Behpakhsh Company.

7. Conclusion and Recommendations

Since online purchases and internet services have been using increasingly over the recent years, those individuals who use this communicational channel as a tool for marketing and selling products and services have found that delivery and quality of services as an important factor in this field. In this regard, following recommendations are proposed based on the obtained results in order to improve internet services and impact on customer purchase:

- All customers of internet stores tend to know the certain time of product delivery; hence, certain time of product delivery should be explained in website. For instance, you can present a separate page and explain about the mentioned details.

- Product sending and returning policies should be transparent since such transparency in policies related to sending or returning products of every physical or online store is related to product returning policies and rules and such rules are important in online shopping. The importance of product returning in an online store is a guarantee provided to user so that if the sent product is different from seen product in store in terms of appearance and specifications then the delivered product can be returned. Therefore, such policies should be determined precisely to strengthen credit of store. In addition, some specifications such as returning the product during a certain time interval or in case of customer dissatisfaction can be an incentive plan for customers of online store. Online shopping or selling is beyond adding a product to the website.

- The website should notify of changes related to delivery time and other changes. website should be designed in a way that purchaser feel secure when buying online; in this regard, conditions of filling out purchase process and forms should be determined and website should be designed in a way that purchaser feel comfortable.
• Some specific products should be introduced in different events preparing a special package of products. This action makes your website dynamic and introduces you as an active store from customers’ perspective. This method makes the customer uses specific services of your website voluntary.

• Many of customers tend to order some products that can be delivered as soon as possible paying the cost of such speed; however, this should be a reasonable cost. Some tend to receive the product at the lowest price and time is not an important factor for them. Hence, a perfect online store should design both models for customers signing contracts with companies that consider both methods of low cost and low time.

• Free product delivery is one of the most significant discount methods in online store. Some other methods include sending gift and discounting cards for repurchase besides delivered products, use of a discount percent for a collection of products.

• When a product is showing to a customer, complementary products should be also shown. The best place and time for such collection is the certain time registered by the customer when is reading details of primary product.

• Appreciating the customer for his/her purchase is a positive reaction so that such appreciate should be shown to customer. In case of online sale of products or service, it should be done as discount given in next purchases, sending specific gifts besides the main product and other actions. Appreciate the customers and remain in their minds.

• The screen of website is responsible for the product despite the different path selected by customer to find considered product; in this regard, the website should give a suitable explanation to reviewer making him/her a customer. Some options such as exact explanation of facilities, proper display of features, and use of high-quality images to make customers aware play a vital role in this field. Virtual environment of purchase may show images more highlighted so it is recommended using video.

• A successful e-commerce is directly related to trust ratio of customer. Creation of an honest communication between you and your customers plays a vital role in your business. Some presented methods consist of correct details without any exaggeration in profile pages of organization. A link entitled “about us” exists in many of websites that is not correctly used unfortunately. There are some pages that make a mutual trust between customers and website owners; these pages can be named as contact information, customer services, response to questions, and many other options.

• In every business, in particular e-commerce, opinions of users is the most important factor affecting that business. You should respect users’ opinion preparing better conditions for them. Many of advanced commercial websites have focused on effect of services provided in site and analysis of positive or negative feedbacks of users.

• Finally, you should know that quality of services and products is the fundamental basis in every e-commerce. In fact, quality is a factor that helps you to sell your products or services.
References


