



**International Journal of Biology, Pharmacy
and Allied Sciences (IJBPAS)**

'A Bridge Between Laboratory and Reader'

www.ijbpas.com

**THE EFFECT OF THE PRODUCT AND EXPECT THE PLAN TO BUY ONLINE
DUE TO THE PERCEPTION BY THE CONSUMER**

TAYEBEH RAMEZANI

Master of International Marketing, Shahid Beheshti University, Iran

Received 25th Oct. 2016; Revised 20th Dec. 2016; Accepted 21st March 2017; Available online 1st August 2017

ABSTRACT

In this research has been paid to investigating the effect of product positioning role and expected trust on online purchase intention due to perceived risks by the consumer. Research has been done among students of Islamic Azad University, Science and Research of Tehran who have had experience of online purchasing, That all branches of education at the University, All ages and both sexes (male and female) which is included in it. available sampling method has been used in this research and 385 questionnaires have been distributed among desired students, which 344 questionnaires has been collected as usable and correctly. In this study due to being Single indicator of dependent variable, to answer Research hypotheses structural equation modeling (SEM) has been used by using Partial Least Squares (PLS) with the help of software SMARTPLS Version 2. Results of this research showed that Product positioning involvement has direct and positive impact on perceived risks in all dimensions. The results also showed that social danger, delivery and performance have impact on expected trust and Mental and financial risks doesn't have impact on expected trust. Other results of this study showed that Product positioning involvement has direct impact on expected trust and expected trust has direct and positive impact on purchase intention from an electronics retailer. Results of this research for the traders who are working in the field of online trade is beneficial. Of course has been paid to investigate research among students of Azad University of Science and Research Branch of Tehran who have had online purchasing experience that this issue has been led to limiting statistical population of research. This problem can be named as one of the limitations of the research.

**Keywords: product positioning involvement, perceived risk, trust, online purchase
intention**

INTRODUCTION

At the entrance to New Millennium, Changes are happening at rapid pace. Nowadays is unlike yesterday, and tomorrow will be different from today. So successful companies in various fields will have to pay attention to three certainties expanding globalization, Amazing technology developments irregularities in economy and trade by environmental pressures. In the last decades planning and design of marketing models have been used in order to organize current issues in complex network of factors influencing on competitive environment that enables people to think about them in simple manner and adopt effective decisions. With the development of communication and exchange information methods in the current era, circumstances have been provided that has made work smoother for research and development of science and technology. Access to large databases of books and articles makes with the study on relevant field, achieved comprehensive information from past research activities on that subject. Study of the background of research has important for several reasons. First banish us from passing duplicate routes unnecessary try and errors. Hence will produce knowledge and avoid duplication. Secondly lead to complete understanding of the subject and gives very

well vision to us from research in that field and finally, is measure that accuracy of results, their precision and innovation are evaluated by comparing its work with the predecessors. Consumers are different in purchase method. a person may be interested in music, take bold decisions (but serious), to buy a home theater system at the highest model, but it may does not have interested in replace his old machine. On the contrary, Individualistic who is interested in car, it may cost tens of thousands of dollars to replace a new Jaguar, while it is possible dose not have little concern for his outdated hybrid systems. In this context, product involvement, points to the extent that a consumer sees important a product (Zaichkowsky, 1985), which could help to explain such differences between people in terms of their purchasing goals. Product involvement is an important factor that has significant influence in consumers decision to buy. Consumers with high actively involvement prefer to collect and disseminate information about the products or services that they are interested in that, while consumers with low complexity are not like this. It is recognized that product involvement has significant impact on variety of consumer reactions, Such as verbal communication (Bloch and Richins,

1983). Intellectual engagement is as a motivational state from interest and stimulation that is created by external factors such as location, product and communication and also internal factors such as individual conscience and core values. In fact, consumer intellectual engagement is defined as perceived personal importance, or interest related to the acquisition, consumption and withdrawal of goods, service or idea (Kim, 2005). Therefore, product involvement is seen as a key effective stimulus for getting purchase decisions (Richins and Bloch, 1986). There are researches that focus on the effect of product involvement and perceived risk on consumer reactions before and after the decision. In this regard, the present study due to this need, pay to how a consumer chooses his online shopping based on the role of product involvement and perceived risks customers are loyal when supply and maintain their trust. Recently, with an increase in e-commerce, importance of satisfying, trust and loyalty also are increased in the field of online. For example, it is suggested that loyalty of consumers has become a key success factor in competitiveness and an economic sense for providers of e-commerce (Semeijn et al, 2005). Electronic retail is a website of company where products and services are sold in it. The store can belong

to manufacturing factory or related to retailer's or a person who wants to sell his appliances. How to decide a consumer about a trader in e-commerce is an important issue for research. This could give us the opportunity to know what makes merchants selection by consumer's and what prevents their selection and offer useful insights into the ways to attract online potential customers. The results of such research ultimately provide concepts for strategic development to increase income from a business. When it becomes clear what needs to be bought, the next question that must be answered by a prospective consumer is that from whom be purchased. The decision about a merchant is largely derived from purchase intention that has influenced multiple factors including value, brands, trust, among others (Hong and Cho, 2011). In this article, we have assumed according to a provided online purchase sample that consumer choice for an online merchant between a electronics retail and an electronic market indirectly depends on perceived risk by the consumer, and directly depends on with the expected level of trust from an online merchant. a consumer in online trade, when the perceived risk of online purchase is high, needs more confidence, and thus selects electronic retail instead of an e-market place.

PROBLEM STATEMENT

The purpose of this article is to understand the process of choosing an online merchant by a consumer through investigate the effects of product involvement, perceived risk, and expected consumer confidence to accomplish the purpose of this study, we have done empirical study to investigate the relationship between product positioning involvement, different types of perceived risk, expected trust, and purchase intention from electronic retailers (Eg. prefer to buy electronics retailers than electronic markets). In our research model, expected trust has been considered as a background for purchase intention from electronic retailers and as a result of position involvement and perceived risk. The rest of this article has been organized as follows: In a part has been a review of the variable literature, the research model and hypotheses have been discussed in other part. In a part to analyze the data, and the suggestions for future research have been discussed in the final part. This research help to understand the factors affecting in consumer decisions to choose the online merchant in e-commerce. On the other hand consumer behavior is a comprehensive effective factor in stagnation or boom of all commercial activities in the economy with consumer trends. Understanding consumer behavior is a key

point of strategic success both in terms of science, both from the local and global aspects. Present article examines role of involvement position, expected risk and trust by consumers in choosing an online merchant. The research focus on interpersonal relations in e-commerce environment between involvement position and various types of perceived risk. In this research divide risks according to Jacoby and Kaplan (1972) into five categories: financial, product performance, physical, mental and social. Based on previous research, our speculation is that product positioning involvement depending on the class of product, most likely has impacts on five types of perceived risk. According to what was said, if a consumer is faced with a high level of risk in online transactions, after that reduced the level of trust in that transaction. This shows that the only thing that creates the incentive for a consumer to buy, Select a reliable merchant. So, this research pay to examine the effects of different types of perceived risk, involvement position, in required level of trust consumers to a merchant. Also expected level of trust by consumer is considered as a factor to predict consumer in selecting an online merchant, between electronic retailers and an electronic market. Researches have shown, consumers more trust in electronic retailers. Since the

electronic market somewhat reluctant to have a higher risk than electronic retailers (Hong & Cho, 2011), consumer decision to buy from them likely depends on their expected trust. Accordingly, we have paid in first hypothesis and its Sub assumptions into relationship between involvement position and five types of perceived risk, in the second hypothesis and its sub assumptions have paid into relationship

between five perceived risk and expected trust, In the third hypothesis, the impact of involvement position on the expected trust and In forth hypothesis have paid to impact of expected trust on intention to purchase from an electronics retailer. We have provided a research model for this study in Figure 1.

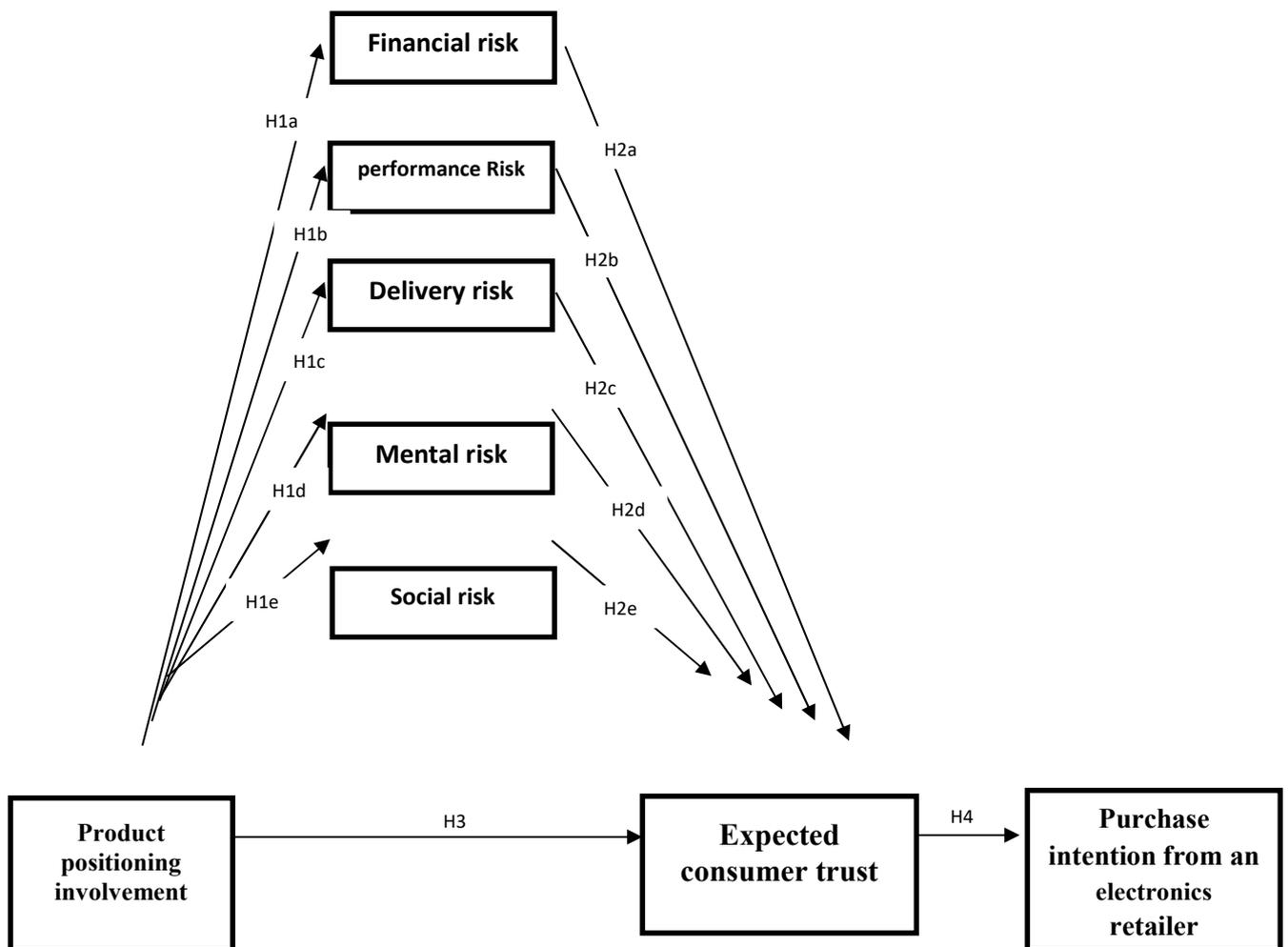


Figure 1: Conceptual Model

METHOD AND SAMPLE

Present research in terms of subject is in the realm of consumer purchases behavior in

online purchases. The time of Collection of statistical data is October of 2016. Domain place of research which actually refers to

statistical population, have been Azad University Science and Research Branch of Tehran. Each participant was asked the first Did you ever has done online shopping? Only if the participants had done the online shopping experience, was asked to him to answer a questionnaire. University students may generally have differences with some e-commerce consumers. Firstly, the income level is different. Since e-commerce consumer usually earn or have enough money to buy, but students likely have a limited amount of money for online purchase. Second, undergraduate university students usually live in their twenties, while general online consumers have between 2 to 60 years or even 70 years old. Despite these differences, students normally are proficient at using the Internet, and have confidence in online purchase. In addition, a growing number of today's college students regularly use online store (Comegys *et al.*, 2009). For these reasons, university students can, to some extent, reflect general population of consumers of electronic commerce. The available sampling method has been used to select sample. It should be noted that nearly 385 questionnaires have been distributed between desired students,

the number of 344 questionnaires have been collected as usable and correctly.

ANALYSIS OF RESEARCH FINDINGS

In this study due to being Single indicator of dependent variable, to answer research hypotheses structural equation modeling (SEM) has been used by using Partial Least Squares (PLS) with the help of software SMARTPLS Version 2. PLS estimation method determines parameters in such a way that resulting model has maximum power of interpretation and explanation. This means that the model can predict final dependent variable with highest precision and accuracy. Partial Least Squares that in discussing regression modeling, it also introduce with the PLS, is considered one of multivariate statistical methods that can model by its despite some limitations, such as: The uncertainty of the distribution of the response variable, existence of Small number of observations or existence of strong auto correlation between explanatory variables; one or more response variables at the same time for several explanatory variables.

THE RESULTS OF STRUCTURAL EQUATION (RESEARCH HYPOTHESES):

Table 1: Path coefficients (beta), statistic t, determination coefficient and the result of research hypothesizes

Direction	Status	R ²	Structural equation coefficients		research hypothesizes
			T	beta	
+	Confirm	0.121	8.32	0.348	Financial risk ← Product involvement
+	Confirm	0.109	7.395	0.341	performance Risk of Product ← Product involvement
+	Confirm	0.135	8.161	0.367	Delivery risk ← Product involvement
+	Confirm	0.139	7.395	0.373	Mental risk ← Product involvement
+	Confirm	0.128	8.011	0.357	Social risk ← Product involvement
+	Confirm	0.148	4.261	0.276	Expected trust ← Social risk
+	Confirm		2.011	0.152	Expected trust ← Delivery risk
Rejection			1.471	0.076	Expected trust ← Mental risk
+	Confirm		5.405	0.281	Expected trust ← performance Risk
Rejection			0.714	0.056	Expected trust ← Financial risk
Rejection			1.762	0.108	Expected trust ← Product involvement
+	Confirm		0.053	4.964	0.230

$|t| > 1.96$ Significant at $P < 0.05$, $|t| > 2.58$ Significant at $P < 0.01$,

DISCUSSION

Our research results show Product positioning involvement has positive relationship with all five types of perceived risk (financial, product performance, delivery, Mental and social). As discussed in literature review, consumers with high level of position involvement likely, temporarily feel associated risks with online purchase of products. This finding is consistent with results of previous studies which have been done by Ayo Bi Hang in 2015 is Alignment and same direction. in fact that's mean when the consumer has Purchase intention faces with the uncertainty and the importance of risk in relation with the purchase. Deholakya (2001) has provided empirical evidence that shows position involvement has positive effects on practical risks mental and social. Their research model only includes these three components of perceived risk,

and therefore their findings in no way don't cover risks of delivery and financial. In addition, social risk, delivery and product performance has positive relationship with expected trust. This issue shows that a consumer fears product that delivered with the ordered product is different in terms of quality or performance, he likely to reduce the perceived risk is demanding high level of trust in online trading. Even consumer is worried about it that purchased goods is inappropriate in terms of family and friends, so he buy from a merchant who has the knowledge and enough information to introduce the product, Puts in priority. As well as a consumer is worried that purchased goods may be not match with his expectations, then most likely must ensure that buy product from an online merchant which has good will and believes only sell the high-quality product. Our research findings only in relation to the risk of

product performance with expected trust with results of studies which has been done by Ayo Bi Hang in 2015 is alignment and same direction. In addition, there isn't positive relationship between position involvements with expected consumer trust. This issue shows that a consumer does not consider high importance for product involvement to buy any product with different levels of involvement, with a proven approach to doing their shopping. It is most likely only if the merchant has high level of trust, buys from him their desired product. Our research findings only in relation to the risk of product performance with expected trust with results of studies which has been done by Ayo Bi Hang in 2015 is not Alignment and same direction because in research of Ayo Bi Hang in 2015 has been mentioned to lack of positive relationship between involvement position with expected consumer trust. Finally, there is strong relationship between expected trust and purchase intention from electronic retail, this shows that consumers need high level of trust to merchant in online purchase. Hence most likely buy from an electronics store (or electronic retail) prefer to buy from an e-marketplace, because, as we have said before, in terms of consumers, an electronic retail seems to be more reliable than an electronic market. Even though online consumers generally are

concerned about the legitimacy of sellers and authenticity of the products or services, but buyers who use from electronic market than those who use electronic retail, most likely more exposed to the risks associated behavior such as opportunistic of sellers (Pavlou & Gefen, 2004).

CONCLUSION

Product involvement has been defined as a consumer perception from relationship or importance of a product class, Based on their inherent needs, values and interests and it reflects intrinsic motivation consumer mode that includes some arousal, interest or caused by product class. The perceived risk has been known as one of the key motivations in consumer behavior. On the other hand trust is involved in many social interactions with uncertainty and dependency, is considered an important factor. Hence purpose of this research is that will increase our understanding of the impact of involvement position on Perceived risks, Perceived risks on expected trust, involvement position on expected trust, expected trust on Purchase intention from electronics retailer. Present research findings involve important theoretical implications. First, they show that the involvement position and perceived risk (As determining an online merchant to buy the product from him) act as an important stimulus for consumer behavioral

response. Secondly, some of the special components or types of perceived risk may be more useful, when examining sources of consumers risk perception, for structure a research from overall perception of risk and can provide valuable insights for researchers in relation to the specific concerns of consumers as obstacles to make a purchase (Eg decisions about purchase). An online merchant can determine effective ways to deal with the risks which consumers are faced with it in online transactions with identify key areas of risk perception, to be able attract full trust of consumer in performing and her online shopping. Active seller's in electronic market must increase ways to reduce amount of risk of product performance that Perceived by online buyers. Time decrease these risks should reduce the expected trust, to the extent that consumers are willing to engage in online transactions with minimal worry. In this research found that the involvement position has an impact on all dimensions of perceived risks. So an administrator can create with abundant advertising mentality for their consumer which this product is very important to them and facilitating their work, can increase intellectual engagement consumer than their product by putting awards in exchange buy their product for their consumer. Also in this research it was

determined that involvement position can not have an impact on expected consumer trust. So an online merchant must in all circumstances and products with different involvement, create background of trust for their buyers in this research it was determined that social risks, delivery and performance can have an impact on expected consumer trust. So an online merchant must reduce these desired risks in terms of consumer with solutions including commitment to product delivery at desired place of consumer, commitment to quality assurance to the consumer, and also give correct and adequate information to them, to increase their trust than buy that product. In this research it was determined that expected consumer trust can have direct and positive impact on intention of online purchase (select a online merchant). So managers must increase their trust about the product with deliver the goods according to consumer expectations, goods delivery undesired time and place of consumer, provide honest advertisements than quality and performance of their product for the consumer up in it can have positive impact on purchase intention of consumer and consumer in their future purchases willing to use the online merchant.

REFERENCES

- [1] Applegate, L. M. (2001). Emerging e-business models: Lessons from

- the field HBS #9-801-172. Boston, MA: Harvard Business School.
- [2] Bauer, R. A. (1960). Consumer behavior as risk-taking. In R. Hancock (Ed.), *Dynamic marketing for a changing world* (Proceedings of the 43rd conference) (pp. 389–398). American Marketing Association.
- [3] Bian, X., & Moutinho, L. (2008). The role of product involvement, knowledge, and perceptions in explaining consumer purchase behaviour of counterfeits: Direct and indirect effects. *Research Memorandum*, 77.
- [4] Bloch, P., Commuri, S. & Arnold, T. 2009, “Exploring the origins of enduring product involvement”, *Qualitative Market Research: An International Journal*, Vol. 12, No. 1, pp. 49-69.
- [5] Bloch, P. H. (1981). An exploration into the scaling of consumers’ involvement with a product class. In H. Kent, & Monroe (Eds.), *Advances in consumer research*, vol. 8 (pp. 61–65). Ann Arbor, MI: Association for Consumer Research.
- [6] Bloch, P. H., & Richins, M. L. (1983). A theoretical model for the study of product importance perceptions. *Journal of Marketing*, 47, 69–81.
- [7] Byrne, B. M. (1994). *Structural equation modeling with EQS and EQS/Windows: Basic concepts, applications, and programming*. Sage.
- [8] Cases, A. S. (2002). Perceived risk and risk-reduction strategies in Internet shopping. *The International Review of Retail, Distribution and Consumer Research*, 12(4), 375–394.
- [9] Chin, W.W., & Newsted. P. R. (1999). Structural equation modeling analysis with small samples using PLS, in rick hoyle (ed), *Statistical strategies for small samples research*, sage Publications: 307-341.
- [10] Cho, J. (2004). Likelihood to abort an online transaction: Influences from cognitive evaluations, attitudes, and behavioral variables. *Information & Management*, 41(7), 827–838.
- [11] Comegys, C., Hannula, M., & Vaisanen, J. (2009). Effects of consumer trust and risk on online purchase decision-making: A comparison of Finnish and United States students. *International*

- Journal of Management, 26(2), 295–308.
- [12] Corbitt, B. J., Thanasankit, T. and Yi, H. (2003), “Trust and e-commerce”, *Electronic Commerce Research and Applications*, Vol. 2, pp. 203-15.
- [13] Dennis, C., Fenech, T., & Merriless, B. (2004). e- Retailing, *Taylor& Francis GR*, 12, 34-40.
- [14] Dholakia, U. M. (2001). A motivational process model of product involvement and consumer risk perception. *European Journal of Marketing*, 35(11/12), 1340–1362.
- [15] De Wulf, K., Odekerken-Schröder, G., & Iacobucci, D. (2001). Investments in consumer relationships: A cross-country and cross-industry exploration. *Journal of Marketing*, 65, 33–50. October.
- [16] Dowling, G. R., & Staelin, R. (1994). A Model of Perceived Risk and Intended Risk-Handling Activity. *Journal of Consumer Research*, 21(1), 119–134.
- [17] Gao, Yuan, & Wu, Xiaoyu. 2010.” A Cognitive Model Of Trust In E-Commerce: Evidence From A Field Study In China”, *The Journal of Applied Business Research*, 26(1), 37-44
- [18] Greiner, Martina E. & Wang, Hui. 2010.” Building Consumer-to-Consumer Trust in E-Finance Marketplaces: An Empirical Analysis”. *International Journal of Electronic Commerce* , 15(2), 105–136
- [19] Hong, I., & Cho, H. (2011). The impact of consumer trust on attitudinal loyalty and purchase intentions in B2C e-marketplaces: Intermediary trust vs. seller trust. *International Journal of Information Management*, 31(5), 469–479.
- [20] Houston, M. J., & Rothschild, M. L. (1978). Conceptual and methodological perspectives in involvement. In S. Jain (Ed.), *Research frontiers in marketing: Dialogues and directions* (pp. 184–187). Chicago, IL: American Marketing Association.
- [21] Ilyoo B. Hong, (2015), Understanding the consumer’s online merchant selection process: The roles of product involvement, perceived risk, and trust expectation, *International Journal of Information Management* 35 , 322–336
- [22] Jacoby, J., & Kaplan, L. B. (1972). The components of perceived risk.

- In M. Venkate-san (Ed.), Proceedings of the 3rd annual conference. Association for Consumer Research.
- [23] Jarvenpaa, S. L., Tractinsky, N., & Vitale, M. (2000). Consumer trust in an Internetstore. *Information Technology and Management*, 1(1), 45–71.
- [24] Kim, Sh. (2005), “Consumer profiles of apparel product involvement and values”, *Journal of Fashion Marketing and Management*, Vol. 9, No. 2, pp. 207-220.
- [25] Kim, M. S., & Ahn, J. H. (2006). Comparison of trust sources of an online market-maker in the E-marketplace: Buyer’s and seller’s perspectives. *Journal of Computer Information Systems*, 47(1), 84–94.
- [26] Laurent, G., & Kapferer, J. (1985). Measuring consumer involvement profiles. *Journal of Marketing Research*, 22(1), 41–53.
- [27] Mishra, D. P., Heide, J. B., & Cort, S. G. (1998). Information Asymmetry and Levels of Agency Relationships. *Journal of Marketing Research*, 35(3), 277–295.
- [28] Olivero, N., & Lunt, P. (2004). Privacy versus willingness to disclose in e-commerce exchanges: The effect of risk awareness on the relative role of trust and control. *Journal of Economic Psychology*, 25, 243–262
- [29] Pavlou, P. A. (2003). Consumer acceptance of electronic commerce: Integrating trust and risk with the technology acceptance model. *International Journal of Electronic Commerce*, 7(3), 69–103.
- [30] Pavlou, P. A., & Gefen, D. (2004). Building effective online marketplaces with institution-based trust. *Information Systems Research*, 15(1), 37–59.
- [31] Pavlou, P. A., Liang, H., & Xue, Y. (2007). Understanding and mitigating uncertainty in online exchange relationships: A principal-agent perspective. *MIS Quarterly*, 31(1), 105–136.
- [32] Pennanen, K. Tiainen, T. and Luomala, H.T. 2007. “A Qualitative Exploration of a Consumer’s Value-Based E-Trust Building Process: A Framework Development”, *Qualitative Market Research: An International*

- Journal, 10(1), 28-47. Retrieved: April 16, 2007, from Emerald. (is available at www.emeraldinsight.com/1352-2752.htm).
- [33] Radder, L., & Huang, W. (2008). High-involvement and low-involvement products: A comparison of brand awareness among students at a South African university. *Journal of Fashion Marketing and Management: An International Journal*, 12(2), 232–243.
- [34] Rappa, M. (2002). Business models on the web. <http://digitalenterprise.org/models/models.html>
- [35] Richins, M. L., & Bloch, P. H. (1986). After the new wears off: The temporal context of product involvement. *Journal of Consumer Research*, 13, 280–285.
- [36] Richins, M. L., Bloch, P. H., & McQuarrie, E. F. (1992). How enduring and situation involvement combine to create involvement responses. *Journal of Consumer Psychology*, 1(2), 143–153.
- [37] Semeijn, J., van Riel, A.C.R., Van Birgelen, M.J.H. and Streukens, S. (2005), “E-services and offline fulfilment: how e-loyalty is created”, *Managing Service Quality*, Vol. 15 No. 2, pp. 182-94.
- [38] Najafvand, S., & Heydari, K. B. (2017). Survey and Analysis of underground Concrete Structures Tunnel Doors, Under Explosive Loading. *Journal of Innovative Research in Engineering Sciences* ISSN, 2476, 7611.
- [39] Solomon, M. R. (1986). Deep-seated materialism: The case of Levi’s 501 jeans. In R. Lutz (Ed.), *Advances in Consumer Research*, vol. 13 (pp. 619–622). Las Vegas, NV: Association for Consumer Research.
- [40] Tan, Y. H., & Thoen, W. (2000). Towards a generic model of trust for electronic commerce. *International Journal of Electronic Commerce*, 5(2), 61–74.
- [41] Timmers, P. (1998). Business models for electronic markets. *Electronic Market*, 8(2), 2–8.
- [42] Quester, P. & Lim, A. (2003), “Product involvement/Brand loyalty: is there a link?”, *Journal of Product & Brand Management*, Vol. 12, No. 1, pp. 22-38.
- [43] Wakefield, K. & Blodgett J. G. 1994, “The Importance of Servicescapes in Leisure Service

- Settings”, *Journal of Services Marketing*, Vol. 8 No. 3, pp. 66-76.
- [44] Yousafzai, S.Y.; Pallister, J.G. and Foxall, G.R. 2003. “A Proposed Model of E-Trust for Electronic Banking”, *Technovation* 23, 847–860. Retrieved: April 13, 2007, from Science Direct.
- [45] Zaichkowsky, J. L. (1985). Measuring the Involvement Construct. *Journal of Consumer Research*, 12, 341–352.
- [46] Zaichkowsky, J. L. (1994). The personal involvement inventory: Reduction, revision and application to advertising. *Journal of Advertising*, 23, 59–70.