
FACTORS INFLUENCING REPURCHASE INTENTION: A CASE STUDY OF XYZ.COM ONLINE SHOPPING WEBSITE IN MYANMAR

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Abstract: This research aimed to study the factors which were related to repurchase intention towards XYZ.com online shopping website in Myanmar. Also, this research tested the relationship between factors affecting trust (in terms of fulfilment, privacy, system availability, responsiveness and contact), customer satisfaction and trust and repurchase intention. In this research, online survey questionnaires were used and data was collected from 400 XYZ.com's customers. The results indicate that factors affecting trust (in terms of fulfilment, privacy, system availability, responsiveness and contact) have a positive and significant relationship with trust, trust has a positively significant relationship with customer satisfaction and repurchase intention and customer satisfaction also has a positively significant relationship with repurchase intention towards XYZ.com online shopping website in Myanmar.

Keywords: Trust, Customer Satisfaction, Repurchase Intention, Online Shopping Website, Myanmar.

Introduction: Nowadays, the internet usage rate is growing rapidly worldwide and the highest internet usage rate region is Asia. Due to the growth of internet usage rate, countries in the Asian region are increasing business-to-consumer (B2C) e-commerce sales; so, the B2C e-commerce or online shopping market is growing speedily in the Asian countries including Myanmar, developing country.

According to the previous literature, there are a lot of significant factors affecting the intention to repurchase in online shopping. Customer satisfaction and trust in the online vendor are the main factors to build customer loyalty (in terms of repurchase intention) and maintaining a continuous buyer-seller relationship (Fang et al., 2011; Anderson and Weitz, 1989). E-core service quality scale (E-S-QUAL) consists of four dimensions, such as efficiency, fulfilment, system availability and privacy and e-recovery service quality scale (E-RecS-QUAL) which consists of three dimensions, such as responsiveness, compensation and contact (Zeithaml et al., 2000; Parasuraman et al., 2005). Moreover, Bart et al. (2005) stated that the dimensions of e-service quality (E-S-QUAL and E-RecS-QUAL) can be considered as website-related factors of trust and little research had been done to examine the relative effects of the dimensions of e-service quality on trust (in terms of factors affecting trust) in the online vendor.

This research will emphasize on the relationship between factors affecting trust (in terms of fulfilment, privacy, system availability, responsiveness and contact), customer satisfaction and trust towards repurchase intention towards an online shopping website in Myanmar.

Literature Review: Hellier et al. (2003) defined repurchase intention is an individual's judgment of repurchasing specified products or services from the

same business, taking into account his or her current position and probably consideration. Also, repurchase intention will prove the possibility of customers' behavior to continuously repurchase in the future (Serdars et al., 2005). Satisfaction is a critical factor affecting repurchase intention of the customers (Bhattacharjee, 2001). According to Kotler and Armstrong (1996) argued customer satisfaction as the extent to which a product's perceived performance matches a buyer's expectation. If the product performance was lower than the expectations, the buyer was dissatisfied. Furthermore, a direct positive relationship between customer satisfaction and repurchase intention is sustained by a wide variety of researches of product and service (Anderson and Sullivan, 1993; Bolton, 1998). These researches constitute overall customer satisfaction with a service which is strongly significant with the behavioral intention to return to the same service provider.

Trust in the online seller is a critical factor to build customer loyalty (in terms of repurchase intention) and maintaining continuity in buyer-seller relationship (Anderson and Weitz, 1989). Based on Johnson and Grayson (2005) argued trust is a psychological component, which integrities the two constructs of cognitive and affective trust. An individual has cognitive trust when he or she has good reasonable components in the aim of trust or affective trust when he or she is influenced by strong positive feelings for trust (Corritoe et al., 2003). Moreover, Lee et al. (2000) cited holding customer loyalty (in terms of repurchase intention) is critical to make internet users visit online shopping websites again. Also, the researcher found that trust and low transaction costs help to increase customer loyalty (in terms of repurchase intention). Previous researches show that trust performs an essential role in driving

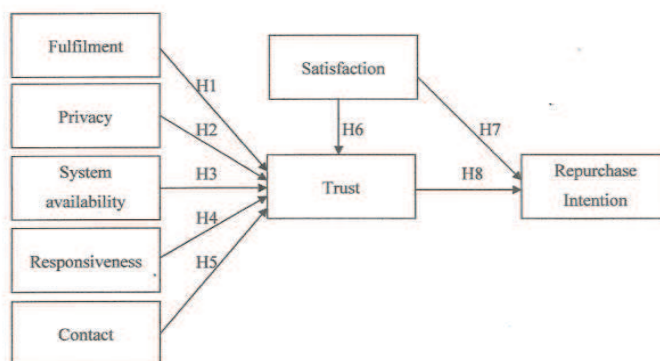
repurchase intention (Zboja and Voorhees, 2006). Geyskens et al. (1996) cited customer satisfaction is intimately related to interpersonal trust and is regarded an antecedent of trust (Garbarino and Johnson, 1999). Satisfaction and trust are strongly related constructs and formulation of trust even includes satisfaction as a factor of trust (Sahadev and Purani, 2008). In addition, e-service quality is an important determining factor of online trust for high-engagement (Bart et al., 2005). According to Parasuraman et al. (2005) defined e-service quality consists of two scales categories, e-core service quality and e-recovery service quality scales. E-core service quality scale (E-S-QUAL) consists of four dimensions, such as efficiency, fulfilment, system availability and privacy and e-recovery service quality scale (E-RecS-QUAL) which consists of three dimensions, such as responsiveness, compensation and contact. "Fulfilment" refers to the extent to which the online seller predicts about order delivery being fulfilled. "Privacy" refers to the degree to which an online shopping website is safe and protects the

customers' information. "System availability" refers to the right technical functioning of the online shopping website. "Responsiveness" refers to the ability to provide appropriate problem solving information to customers, having mechanisms for handling returns and providing online guarantees. "Contact" refers to the availability of help through telephone or online representatives.

Conceptual Framework: The conceptual framework is modified from Fang et al. (2011), Chiu et al. (2009), Chung and Shin (2010) and Kassim and Abdullah (2010).

As shown in Figure 1.1, the independent and intervening variables in this research were factors affecting trust (in terms of fulfilment, privacy, system availability, responsiveness and contact), customer satisfaction and trust; the dependent variable was repurchase intention; and the independent and intervening variables which also had an effect on the dependent variable towards XYZ.com online shopping website in Myanmar.

Figure 1.1: Conceptual framework of Repurchase intention



Source: Modified from Fang et al. (2011), Chiu et al. (2009), Chung and Shin (2010) and Kassim and Abdullah (2010)

Hypotheses: Eight hypotheses were formulated as follows:

- H10: There is no relationship between customer's fulfillment and trust towards XYZ.com.
- H1a: There is a relationship between customer's fulfillment and trust towards XYZ.com.
- H20: There is no relationship between customer's privacy and trust towards XYZ.com.
- H2a: There is a relationship between customer's privacy and trust towards XYZ.com.
- H30: There is no relationship between customer's system availability and trust towards XYZ.com.
- H3a: There is a relationship between customer's system availability and trust towards XYZ.com.
- H40: There is no relationship between customer's responsiveness and trust towards XYZ.com.
- H4a: There is a relationship between customer's responsiveness and trust towards XYZ.com.
- H50: There is no relationship between customer's contact and trust towards XYZ.com.
- H5a: There is a relationship between customer's contact and trust towards XYZ.com.
- H60: There is no relationship between customer satisfaction and trust towards XYZ.com.
- H6a: There is a relationship between customer satisfaction and trust towards XYZ.com.
- H70: There is no relationship between customer satisfaction and repurchase intention towards XYZ.com.
- H7a: There is a relationship between customer satisfaction and repurchase intention towards XYZ.com.
- H80: There is no relationship between customer's trust and repurchase intention towards XYZ.com.
- H8a: There is a relationship between customer's trust and repurchase intention towards XYZ.com.

Research Methodology: The target population in this research is members of XYZ.com website, who had an experience in purchasing products/services in Myanmar by using this online website. It is unknown population. Malhotra (2004) analyzed that a sample size was affected by similar previous studies' average sample size because the experienced researchers have determined these sample size. This can be viewed as a suitable guideline particularly for the research using the non-probability sampling method. Hence, the number of samples in this research is 400 samples, based by similar previous studies' average sample size.

This research used online survey and online survey questionnaires were developed and post onto a website. XYZ.com online shopping website was selected to do an online survey by using judgment sampling; data information was received from its customers who were available, felt free and comfortable to answer by using convenience sampling.

Questionnaires: The online questionnaires were divided into six parts. Part one was screening questions; part two, three, four and five asked about factors affecting trust, customer satisfaction, trust and repurchase intention, respectively by using five-point Likert scale; and the last part, demographic information of the respondents.

Methods of Analysis: In this research, descriptive analysis was used to analyze demographic information; and the Pearson Correlation Coefficient was used to test the eight hypotheses.

Discussion: The findings on Table 1.1 showed that there is a positive relationship between fulfilment and trust, privacy and trust, system availability and trust, responsiveness and trust and contact and trust towards XYZ.com. It can be concluded that factors affecting trust (in terms of fulfilment, privacy, system availability, responsiveness and contact) had positive effect on trust. These results were supported by the previous researches which were analyzed there was a positive relationship between e-service quality (E-S-QUAL and E-RecS-QUAL) and customers' trust (Zhou, 2011). According to Parasuraman et al. (2005) proposed that e-service quality consisted of four dimensions of e-core service quality scale (E-S-QUAL); fulfilment, privacy, system availability and efficiency and three dimensions of e-recovery service quality scale (E-RecS-QUAL); responsiveness, contact and compensation.

The findings showed that customer satisfaction had a positively significant relationship with trust towards XYZ.com. This result is similar to the finding of Mosavi and Glaedi (2012) in that the buyer's overall satisfaction with the buying experience proposed that to have a positive impact on his or her trust of the

service provider. Moreover, Choi et al., (2007) cited that a high level of satisfaction with service received in previous online transactions probably increased the propensity to trust.

The findings showed that there is a positive relationship between customer satisfaction and repurchase intention towards XYZ.com. It was supported by Kuo et al. (2013) who stated that customers have a higher intention to re-buy at the stores with which they were most satisfied. Also, Eid (2011) defined that customer satisfaction is a direct antecedent of customer loyalty (in terms of repurchase intention) in B2C e-commerce. The findings showed that customer's trust had a positively significant relationship with repurchase intention towards XYZ.com. It can be concluded that the intention to continuously repurchase at a store in the future was directly affected by customer's trust. This result was supported by Chinomona and Sandada (2013) found that a higher level of customer trust was associated with a higher level of customer loyalty (in terms of repurchase intention). In addition, Zboja and Voorhees (2006) stated that trust performed an essential role in driving repurchase intention

Recommendations: From the findings, "Contact" factor was found as a major problem of XYZ.com. This online shopping website does not have online employees who can always give information and solve the problems for their customers. Then, XYZ.com should employ online employees; call center employees and online chat employees to always give information and solve the problems when their customers need; should also have a system of sending e-mails on interesting announcements or advertisements to their customers for showing that XYZ.com always cares for their customers and is available to help their customers when they need; it can rebuild customer's trust in using this online shopping website.

Also, the researchers found that XYZ.com online shopping website does not have an online payment system currently, because of the country's development, starting the online business firms, incomplete of e-payment policy; so, the payment system was modified paying by cash on delivery or transferring money to the merchant's bank account. When XYZ.com completes the e-payment system in the future, the management team should use the policy in fill the credit card information and using a one-time password (OTP) for every transaction time. It means that the website never saves the credit card numbers and password for every transaction of customers; they will feel safe when they are using online shopping and their credit card information is not stolen, it will make them trust the privacy of

XYZ.com online shopping website. According to previous researches, privacy protection was widely considered as one of the most important factors in building trust in e-commerce (Hoffman et al., 1999; Shankar et al., 2002).

Results:

Table 1.1: Summary of hypotheses results				
Hypotheses	Statistical Test	Significant Value	Correlation Coefficient	Results
H10: There is no relationship between customer's fulfilment and trust towards XYZ.com. H1a: There is a relationship between customer's fulfilment and trust towards XYZ.com.	Pearson Correlation	0.000	0.472**	Reject H10
H20: There is no relationship between customer's privacy and trust towards XYZ.com. H2a: There is a relationship between customer's privacy and trust towards XYZ.com.	Pearson Correlation	0.000	0.434**	Reject H20
H30: There is no relationship between customer's system availability and trust towards XYZ.com. H3a: There is a relationship between customer's system availability and trust towards XYZ.com.	Pearson Correlation	0.000	0.361**	Reject H30
H40: There is no relationship between customer's responsiveness and trust towards XYZ.com. H4a: There is a relationship between customer's responsiveness and trust towards XYZ.com.	Pearson Correlation	0.000	0.429**	Reject H40
H50: There is no relationship between customer's contact and trust towards XYZ.com. H5a: There is a relationship between customer's contact and trust towards XYZ.com.	Pearson Correlation	0.000	0.479**	Reject H50
H60: There is no relationship between customer satisfaction and trust towards XYZ.com. H6a: There is a relationship between customer satisfaction and trust towards XYZ.com.	Pearson Correlation	0.000	0.497**	Reject H60
H70: There is no relationship between customer satisfaction and repurchase intention towards XYZ.com. H7a: There is a relationship between customer satisfaction and repurchase intention towards XYZ.com.	Pearson Correlation	0.000	0.484**	Reject H70
H80: There is no relationship between customer's trust and repurchase intention towards XYZ.com. H8a: There is a relationship between customer's trust and repurchase intention towards XYZ.com.	Pearson Correlation	0.000	0.574**	Reject H80

Satisfaction of products/services from the customer will make them believe in using the products/services in online shopping business, which means that the online shopping business needs to show the ability to offer service quality and products quality for making their customers satisfied and trust using their online shopping website; XYZ.com should have the employees who have ability to solve the problems; such as delivery problems, privacy problems, system availability problems, responsiveness problems and contact channel problems for offering the best products/services qualities to their customers.

Selling products which are appropriate with the prices, having promotions, discounts, reward points in buying, and having the employees who are trained and had the ability to solve the problem show the ability of XYZ.com in offering the service quality and product quality to make their customers satisfied and back to re-buy the products/services from this website.

According to the previous empirical researches, which were defined as customer's trust played a key role in the success of any online business or e-commerce (Rios and Riquelme, 2008). To make the customer trust and repurchase products/services from this website, XYZ.com online shopping website needs to develop the best service quality to their customers and sell great products to attract their customers.

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