

Modeling study on repeat purchase intention on silk products based on the electronic commercial platform

Rui Shi, Gaihang Li and Guolian Liu[†]

National Engineering Laboratory for Modern Silk, 199 Ren Ai Road, Suzhou, China
College of Textile and Clothing Engineering, Soochow University, Suzhou, China*

Abstract

Based on the literature on customer's repeat purchase intention, customer's repeat purchase intention was explored, customer's repeat purchase intention has been a crucial factor influencing consumer behaviors, In this research, the development of models on repeat purchase intention repurchase was indicated. Based on the electronic commerce platform, we focus on the customer's repeat purchase intention on silk products, This paper mainly explores the e-commerce purchase frequency (EPF), customer perceived value (CPV), perceived risk of e-commerce (EPR), and customer satisfaction (CS). The influence of the four factors on repeat purchase intention (RPI) is investigated. In the results, we found that CPV and CS have positive correlations with repeat purchase intention, The EPR has a negative correlation with RPI and has no significant influence on RPI. The result can provide meaningful suggestions for silk product retailers.

Keywords: e-commerce purchase frequency, customer perceived value, e-commerce perceived risk, customer satisfaction, repeat purchase intention

I . Introduction

In the current competitive market, the customer retention has become the key factor of competitive advantages for an enterprise to win in the market, Lenz (1999) and many scholars points out that large enterprises in five years will gradually lose the half of the customer. Customer's repeat purchase on products and services of big enterprises is affected by various factors, This issue has actively discussed in

the academia, however, there have been little empirical research on repeat purchase intention of Chinese consumers, Also, there has been a lack of effective validation with Chinese consumers on the repeat purchase intention model developed by prior researchers according to the current theory and the literature (Shi & Liu, 2005; Wang et al., 2001), In this paper, we develop a consumer repeat purchase intention model and conduct empirical tests on the model, It will provide meaningful implications for Chinese enterprises to identify the influential factors on the consumer's

Received 9 October 2012, revised 11 December 2012, accepted 13 December 2012.

This research was funded by the First Phase of Jiangsu Universities' Distinctive Discipline Development Program for Textile Science and Engineering of Soochow University, China.

[†] Corresponding author (liuguolian@suda.edu.cn)

This is an Open Access article distributed under the terms of the Creative Commons Attribution Non-Commercial License (<http://creativecommons.org/licenses/by-nc/3.0>) which permits unrestricted non-commercial use, distribution, and reproduction in any medium, provided the original work is properly cited.

behavioral intention, It will be useful to formulate and implement effective customer relationship management (CRM) strategy and marketing strategy.

II. Theoretical Background

1. E-commerce purchase frequency (EPF)

E-commerce purchase refers to the purchase frequency using e-commerce in a certain period of time. It usually depends on the discretion of use frequency. Purchase frequency is an important consideration for an enterprise to select the target market, determine the system of operation, and develop marketing strategies. According to high and low frequency, consumers' purchase experience would be different.

2. Customer perceived value (CPV)

Customers have basic cognitions on the attribute of products. This study suggests that customer perceptive value has a great influence on repeat purchase intentions. As customers have the higher customer perceive value, they would have the stronger repeat purchase intention. Customer perceived value is fundamental for an enterprise to infer customer concerns and customer needs in order to better organize their products and services and to fulfill the market demand. Fully exploring cognitive values perceived by customers and analyzing the changing trends are very crucial to meet the market demand, It is the fundamental way for enterprise'longevity.

3. E-commerce perception of risk (EPR)

"Perceived risk" or "subjective concerns on the loss as a result of purchase in the e-commerce" can provide a useful analysis framework to identify and explain the obstacles in on-line shopping. Since the concept of "perceived risk" was introduced in the academia, it has been used to explain shopping behavior in on-line and off-line media. Mitchell (1999) proved that consumers made purchase decisions to reduce its perceived risk rather than maximize their

perceived value, Kotler (1997) pointed out that consumers change, delay or cancel buying decision in a great extent by the influence of the perceived risk. Consumer psychology is the premise of the studies of consumer behavior. Customer's purchase intention is the most important factor in consumer behaviors. Perceived risk in on-line shopping would be essential in understanding factors influencing the nature of the customers' purchasing behavior decision and in accurately detecting consumer online purchase. The research is about perceived risks based on consumer behavior theory. It will be helpful for an enterprise to improve the use of marketing resources and to attract more consumers toward online shopping site.

4. Customer satisfaction (CS)

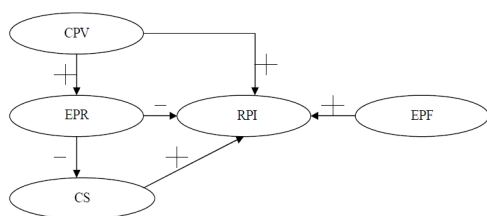
Customer satisfaction is a very important concept in the marketing field because the customer satisfaction can produce positive marketing effects by promoting customer repeat purchase, influencing the customer retention and loyalty, increasing the enterprise's market share and profitability. These positive effects help the enterprise has competitive advantages, therefore, more and more enterprises consider customer satisfaction as an indicator of the success of management. The high level of customer satisfaction should be based on long-term positive consumption experience and overall satisfaction. This study suggests that the higher customer satisfaction, the stronger repeat purchase intention (He, 2009). Based on assumption of repeat purchase intention (RPI) model (Lenz et al., 1999; Shi & Liu, 2005; Wang et al., 2001; He, 2009), the following hypotheses were generated.

H1a: The customer perceived value positively influences on the repeat purchase intention.

H1b: The customer perceived value positively influences on the e-commerce perception on risk.

H2a: The e-commerce perception on risk negatively influences on the repeat purchase intention.

H2b: The e-commerce perception on risk nega-



〈Fig. 1〉 RPI model of consumer's purchasing silk products online. (note: "+" means positive relevant and "-" means negative relevant)

tively influences on the customer satisfaction.

H3: The e-commerce purchase frequency positively influences the repeat purchase intention.

H4: The customer satisfaction positively influences repeat purchase intention.

According to the hypotheses indicated above, consumers' repeat purchase intention model is described as shown in 〈Fig. 1〉.

III. Results

1. Research scheme and data collection

The electronic commercial sites were selected from suzhou silk nets (<http://shop.2000sz.com/>) and JinSanta shopping website (<http://www.jsilksilk.cn/>). The two sites are two big research platform for questionnaire investigation. The investigation was conducted from July 18, 2011 to September 1, 2011 by surveying college students (43.8%) and general consumers (56.2%). A total of 141 questionnaires were returned out of 180 questionnaires distributed indicating 68.3% of the return rate.

〈Table 1〉 KMO test

KMO and Bartlett's Test		
Kaiser-Meyer-Olkin measure of sampling adequacy		.635
Bartlett's test of sphericity	Approx. Chi-square	583.559
	df	66
	Sig.	.000

Reliability and validity were confirmed through factor analysis, KMO inspection and Bartley sphere inspection. The KMO coefficient was 0.635 greater than 0.5, indicating that it is suitable for factor analysis 〈Table 1〉. The reliability coefficient is more than 0.6, as shown in 〈Table 2〉, indicating good

〈Table 3〉 Rotated component matrix analysis

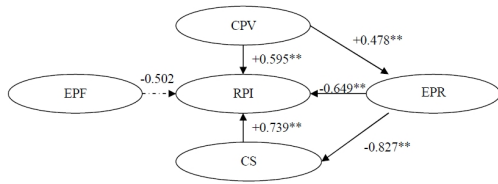
Rotated component matrix				
	Component			
	1	2	3	4
CL	.853			
EPR	.847			
CS	.761			
PQ	.620			
PM		.798		
RPD		.796		
CPV		.790		
SP		.638		
PS			.861	
EPF			.735	
SRS				.769
IC				.647

〈Table 2〉 The test of coefficient reliability of the main factor in the model variables

The main factor	EPF	RPI	CS	CPV	EPR
Cronbach's Alpha	.686	.664	.66	.656	.650

〈Table 4〉 Communalities analysis

	EPF	PM	RPD	PQ	SP	CS	SRS	PS	IC	CL	CPV	EPR
Extraction	.699	.819	.733	.615	.662	.752	.836	.819	.623	.739	.597	.744



〈Fig. 2〉 The RPI model modification (**means significant)

internal consistency.

Questions were assessed using 5-point Likert scales and analyzed with SPSS 16.0 statistical software (Zhang & Liu, 2003). Through the factor analysis, good reliability and validity were confirmed as shown in 〈Table 4〉.

2. The hypothesis and model test

After completing the measurement of the reliability and validity of the model, the results of hypothesis tests are summarized in 〈Table 5〉 and 〈Fig. 2〉.

Through the analysis, the research hypotheses H1a, H1b, H2a, H2b, and H4 were confirmed while H3, was not supported. Consumer's perceived value and customer satisfaction positively impact on repeat purchase intention and customer satisfaction. Also, customer's perceived value positively influences e-commerce perceived risk while customer service impacts repeat purchase intention.

IV. Conclusions

Through the empirical test, it is found that the

customer's cognitive value has an influence on repeat purchase intention and perceived risk. The study also found that perceived risk has significantly negative correlations between repeat purchase intention and consumers'satisfaction. From the relationship between consumer perceived risk and perceived value, as the level of customers' cognitive value increases their perceived risk and the level also gradually increase. The enterprise needs to pay more attentions to consumer expectations and the subjective factors to improve consumer satisfaction and marketing performance. The meaning of this study would be relationships among various important factors in the RPI research model, and these relationships should be further considered in the development of "comprehensive link" between products and consumers.

Suggestions of this study are as follows:

1. Based on electronic commercial platform, the customer's cognitive value on silk products affect repeat purchase intention. Therefore, improving customer perceived value of the products is very important for business. Enterprise should make more efforts on that their products look worth to customers in the process of consumption, and it would result in the increase of repeat purchase intention.

2. The customer perceived risk was negatively related to customer satisfaction and repeat purchase intention in some extent. Therefore, the enterprise should actively reinforce information on products, payment, after-sale service and other safety-related issues, in order to reduce perceived risks of consumers.

〈Table 5〉 The test results of research hypotheses

Hypotheses	Path and direction		Correlation	Coefficient	T test value	Consistency comparison
	From	To				
H1a	CPV	RPI	+	0.595	<0.05	○
H1b	CPV	EPR	+	0.478	<0.05	○
H2a	EPR	RPI	—	—0.649	<0.05	○
H2b	EPR	CS	—	—0.827	<0.05	○
H3	EPF	RPI	+	—0.502	>0.05	×
H4	CS	RPI	+	0.739	<0.05	○

Then, the customer has more confidence and an increasing possibility to repeatedly purchase the product.

3. Consumer purchase frequency did not influence repeat purchase intention. According to the results, the enterprise needs to understand consumers could not repeatedly purchase the item although they show high frequency to purchase right now. When they are not satisfied or perceived more risks on purchase of silk products through e-commerce, they would not purchase it again.

References

- Bärbel, Lenz, David, S. P., & Lesley, A. P.(1999). Asset allocation and the Euro factor. *Journal of Financial Planning*, 12(2), 54-60.
- He, W. H.(2009). The empirical study on consumers repeat purchase intention. *Economic Research*, 27.
- Shi, Y. C., & Liu, C. L.(2005). Empirical research on customer repeat purchase behavior. *Management Review, Nankai*(1), 35-40.
- Wang, C. X., Wen, B. Y., & Jiang, C. F.(2001). Empirical research on experience of service consumption and behavioral intentions. *Journal of Sun Yat-sen University: Social Science Edition*, 9, 118-120.
- Zhang, L., & Liu, G. L.(2003). *Clothing market survey and analysis of the application of SPSS*. Beijing: China Textile University Press.