

**AN ANALYSIS ON FACTORS INFLUENCING INTERNATIONAL  
ONLINE SHOPPING: INDONESIAN PERSPECTIVE.**

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**AN ANALYSIS ON FACTORS INFLUENCING INTERNATIONAL  
ONLINE SHOPPING: INDONESIAN PERSPECTIVE.**

A thesis submitted to the Faculty of International Studies in partial fulfillment of  
requirement for the degree Master of Science (International Business) Universiti Utara

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## **ABSTRACT**

The advancement in information technology does bring impacts in our daily lives. This includes our purchasing method. Buying products from international online store has become an alternative way to shop and has been widely used all over the world. The general purpose of this study is to examine the adoption of purchasing products from international web site among Indonesian customers. Applying a survey data from 122 Indonesian respondents in Jakarta, this study attempts to examine the impact of website quality and dependability on the international online product purchasing and customer satisfaction. From website quality perspective, the current study investigates the effects of ease of use, perceived usefulness and cultural adaptation on international online product purchasing. As for dependability, three factors, trust, reliability and cultural adaptation, have been identified as critical in influencing international online product purchasing. The types of analysis being done are descriptive analysis and correlation analysis. Based on the findings, all factors appear significant. It shows that all website quality and dependability factors are important and have to be taken into consideration by the online vendors in order to capture higher demand from foreign customers.

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## **LIST OF ABBREVIATIONS**

TAM ..... Technology Acceptance Model

IPP ..... International Product Purchasing

EOU ..... Ease of Use

PU ..... Perceived Usefulness

## **CHAPTER 1**

### **INTRODUCTION**

#### **1.1 BACKGROUND OF THE STUDY**

Nowadays, our lives are so much changed because of major technological developments. Technology helps simplify people's job, not only for work but also assists us from simple to the big and crucial things we do every day. Technology also affects the way customers shop. It changes the way they shop, from traditional shopping to online shopping which has become very popular now. One of the most crucial elements of technology today is the internet. It has spread into all sectors of life and people all over the world have begun to take advantage of its' benefits. Internet is used by all regardless of age, gender, culture, and educational background.

According to the Global Internet Survey (2012), people use the internet at least once a day to check their email, social media like Facebook, Twitter, LinkedIn, Google+, Pinterest and Foursquare. They also use internet-based audio or video conference, like Skype and WebEx, and instant messaging and audio or video streaming such as YouTube and Pandora. The internet phenomenon is also affecting many Asian countries. Based on Internet World Stats (Usage and Population Statistics) data, for Asian scope, the population is estimated at 3,922,066,987 people in 2012 and the internet users in Asia are as much as 1,076,681,059 users and 27.5% in rate penetration as of June 2012. Based on these facts, it shows that there is a huge potential in starting an online business. It is also a good platform for companies to widen their market and improve sales.

Internet has also become a very important business sector. We see new developments such as the creation of a better form of retail format, which is electronic retailing or e-tailing (May So and Danny, 2005) as it is more commonly known. In this period of internet proliferation, e-commerce has become one of the important tools being used by businesses (Li and Zhang, 2002). Based on The UCLA Internet Report (2001), online shopping is in the top five internet activities which include with email or instant messaging, website browsing, finding entertainment information and reading the news (UCLA , 2001; Li and Zhang , 2002). Aligned with the internet phenomena, business operators also expand their business into e-commerce to make their business more competitive (Seybold, 2001; Khamarudin, 2003). It is important to compete in the market because customers whose prefer shopping and gaining knowledge about a product is growing. This is because e-commerce or online shopping proves to be very effective for both sellers and buyers.

In some cases, customers prefer the online shopping because they can gain benefits like getting better information through the websites or getting additional advantages such as promotion incentives (Dholakia, 2000; Rook, 1987; Dawson and Kim, 2009), and complimentary goods (Dawson and Kim, 2009). Another advantage in doing online shopping is that consumers can browse and buy domestic or international goods or services that they need at any time they want (Vrechopoulus *et al.*, 2001). Usually, customers are desperate to buy online because they cannot find the product in the local market. Due to this limitation, internet is now being used to purchase required product directly from online sellers.



In the case of Indonesia, online shopping is a famous media to promote, sell and buy products. Many Indonesians are eager to spend their money nowadays (Cool Founder, 2010) as seen from the growth number of internet users in Indonesia. Bloomberg (2010) predicts that the internet users in Indonesia will grow in double to 1.2 billion by 2015. This means that most Indonesians have come to embrace the existence of e-commerce. Many Indonesians now are already browsing popular online vendors like Kaskus, TokoBagus, Berniaga, Multiply, Bhinneka, Lazada Indonesia, Tokopedia, Agoda, and Facebook. Even though the Indonesians are already familiar with local e-commerce or online shopping, the phenomena of purchasing product internationally has yet to be explored. It seems that buying products from oversea is not as familiar as domestic purchase. In addition, a study about Indonesian's international product purchasing is hard to find. Therefore, a study to identify the reasons Indonesians buy products from international websites is deemed critical.

Based on Cool Founder (2010), the number of internet users in Indonesia is growing fast. The largest number of internet users' growth is seen in Indonesia. It had grown from 2 million to 30 million users from 2000 to 2009. Indonesia's population in 2012 is 248 million which have approximately 55 million internet users, 22.1% penetration. For Indonesia itself, the e-commerce phenomena are emerging now. Since 2010, the domestic and international e-tailing have been aggressive in promoting online shopping. As the internet grows speedily, the internet users in Indonesia can access any information easily through the wider networks provided. It makes internet the most popular media, beating other communication media like television, radio or printed media. In Wardhani's (2012)

thesis, it is highlighted that Yasen Komto, Executive Director of IDBYTE which is the largest digital event in Indonesia which was under the big umbrella of “Building the Next World Class Company”, mentioned that internet users who shop online is about 70%. According to the Director of Telekom Indonesia’s statement, Indonesia had once emerged as the largest internet user in Asian region at the end of 2006. The development of local courier businesses in Indonesia is one of the main reasons why online shopping is becoming more acceptable in this country. Therefore, based on these facts, Indonesia could be a good target market for international online stores because Indonesians are becoming more and more reliant on the internet and the trend is growing very fast.

The prospect of online shopping in Indonesia is promising and growing from time to time. This is based on Forrester Research (Reitsma *et al.*, 2014) which shows that the transaction value on online shopping globally in 2010 reaching around 1729 billion US dollar (Ugalde, 2013). Forrester Research (Anderson *et al.*, 2013) stated that the opportunities in Asia Pacific market will increase because the businesses are employing smarter technology, and they are more customer-focused. It means that the online shopping has a big chance to be favored and accepted by global consumers.

According to John Horrigan (2008), internet has become an important medium where items that are scarce in offline market can be found conveniently and where best price can be bargained. Besides that, Shinware (2012) stated more specifics advantages of international online business as it can reduce long queues and save time and there is no need to go to city center and pay the parking lot fee. Shinware (2012) further asserts that

shopping online will also allow the buyers to have access to multiple and best quality products at reduced prices while they can carry out such activities at the comfort of their offices or rooms without going to other places or time restriction.

## **1.2 PROBLEM STATEMENT**

Online shopping is a form of electronic commerce which allows consumers to directly buy goods from a seller over the internet using web browser. The benefits of online shopping as stated in the previous section can attract more people to buy via the internet. Even though the some Indonesians are already familiar with domestic online shopping, buying products from foreign online stores is not popular yet in Indonesia due to the issues of trust and security. It seems that buying products from international websites is still dreaded. Other issues that probably hinder the purchase of products from international online stores include delivery system, credibility of the website, and the product quality, which can later lead to Indonesian costumers' satisfaction.

One of the main reasons why Indonesians need to buy product through international online shopping is that there are not many international brands available in Indonesians malls and shops today. They are available only in certain big shopping centers. The products are very expensive and of limited choices and designs. They only target the rich people in Indonesia (Sentana, 2012). Due to these facts, customers have to look for other alternatives in order to get the product they want. The best alternative is through online purchasing. These products, which are not available locally, can be bought from established or reliable online stores like Amazon.com.

Even though extending the business globally with localized web content is highly expected by the consumers (Singh *et al.*, 2010), it is hard to understand global buyers with all the cultural barriers and also the pressure to provide difference languages on the website makes the localizing a big obstacle (Violino, 2001). The same thing is also said by Singh *et al.* (2010), who argue e-commerce can reach larger potential number of customers globally, but to start online shopping vendors that suit the global customers is hard and more complex. International customers tend to be more comfortable if the website's content is locally adapted. However, some online vendors fail to adapt to many local needs. For example some online vendors only provide guidance on consumers' language.

Data from a previous study by Singh *et al.* (2010) on the India, China, Japan and US websites reflect so much of their cultural values, but with subtle differences. So it means that the businesses need extra efforts to fulfill the differences demanded in every region. Singh *et al.* (2010) further explain that, two thirds of online customers in several countries are not concerned about buying products from international online shopping. In the Indonesian case, Soon Lee Lim, general manager of Kantar World panel Indonesia said that a survey carried out shows that Indonesian customers are loyal to local brands and that the globally recognized brands are not automatically well accepted in the Indonesian market (Siahaan, 2013). Due to these cultural facts, this study will also highlight the cultural aspects, which might affect the Indonesians' decision to purchase from international online website.

### **1.3 RESEARCH QUESTIONS**

- 1) What are the reasons being considered by Indonesian customers in buying products from international online stores?
- 2) What are the consequences of website quality and dependability factors on international product purchasing by the Indonesian customers?
- 3) What are the implications of Indonesian customers purchasing from international online stores on customer satisfaction?

### **1.4 RESEARCH OBJECTIVES**

- 1) To identify an Indonesian customers' profile on international online shopping.
- 2) To examine the influence of website quality factors on Indonesian customers' product purchasing via international online shopping.
- 3) To investigate the implication of dependability factors on product purchasing via international online shopping.
- 4) To assess the satisfaction of international online shopping by Indonesian's customers.

## **1.5 SCOPE OF THE STUDY**

This study will focus on the development of product purchasing through international online vendors in Jakarta, Indonesia. The reason why this study is held in Jakarta is because Jakarta is the busiest city in Indonesia in terms of economic and fashion movement. Almost all Jakarta's residents of any age already understand and use internet in their daily life. According to Koran Jakarta (2011), 70% of those internet users are online shoppers. Also, Jakarta is home to many affluent consumers and is a city of managers and professionals of every kind. Time is of upmost concern among the Jakarta's public, because they commute quite a distance in heavy traffic every day. So, convenience is a big factor in the Jakarta lifestyle, and buying product online is one example of convenience, in terms of time saving. Based on these facts, it is very compatible to hold this study in Jakarta.

## **1.6 SIGNIFICANCE OF STUDY**

Another thing that has not been discussed much is the cultural value content on the international online vendors. As Singh *et al.*, (2003) stated there is not enough literature that supports the localized and specialized online vendors' communications. Singh *et al.* (2005) said that the impact of cultural values on the online vendors is not discussed yet in previous studies. Aligned with the issues of cultural values on international online vendors, Singh and Matsuo (2003), Ju-Pak (1999), and Fock (2000), also said that only a few studies provide analysis on cultural content on the online stores. Hence, the current study will look

into the aspect of culture, which can have implications on Indonesian purchasing from online stores.

Previous studies have not looked into Indonesian customers buying from international online vendors. Therefore, this study will attempt to uncover the trend of product buying from international online vendors. Singh *et al.* (2006) said that an understanding of factors that influence and motivate consumers using international online vendors will assist the international marketers on online transactions. However, their studies are focused on factors that influence attitude towards using and are only looking at the effects on the intention to purchase products from international online vendors. In contrast, the current study will explore the factors affecting consumer decisions on actual purchasing and satisfaction. Singh *et al.* (2005) study covered similar topics but in other countries. Theirs are conducted in other countries, such as China, India Japan and US. Limited studies have been done to understand about the issue from the perspective of Asian consumers, especially Indonesian customers. Therefore, this study will set forth to examine the international online shopping specifically from the perspective of the new of Indonesian shopping culture.

Customers who buy products from international online vendors do so because they have become more and more urbanized, they are busier than ever, and are becoming increasingly concern about convenience. And one of the most convenient ways for them is buying product online, which will not be time consuming. That is why there are huge potential buyers in Indonesia, especially Jakarta.

## 1.7 DEFINITIONS OF TERMS

**Table 1.1 Definition of terms**

|                      | <b>AUTHORS</b>   | <b>DEFINITIONS</b>  |
|----------------------|--|---|
| Website Quality      | Aladwani and Palvia (2002),<br>DeLone and McLean (2003),<br>Yang et al. (2005), Blanchard<br>(2007), Koh and Kim (2003),<br>Cheng and Tsai (2004). | The totality of features and consistent commitment to certain standards of a web site that satisfy specific customer or user requirements.(Information quality, system quality and services quality). |
| Ease of Use          | Bansal <i>et al.</i> (2004).   | The ease with which the user can navigate the site, including the effectiveness of the layout and organization of the information and graphics on the site.   |
| Perceived Usefulness | Monsuwe <i>et al.</i> (2004).  | The extent in which people believe that the usage of new information system or technology will improve their productivity/performance.  |
| Cultural Adaptation  | Singh <i>et al.</i> (2005)   | The specific cultural values of a country that is taken into consideration when developing international advertising campaigns and communication material   |
| Dependability        | Business Dictionary.   | The quality control of performing the required function at any time chosen during its specified operating period.   |



|                                  |  |   |
|----------------------------------|--|---|
| Trust                            | Kimery and McCard (2002),<br>Lee and Lin (2005).                                 | The willingness of customer to accept any form of risk exposure while carrying out transaction online based on their positive expectation regarding future online store behaviors.              |
| Reliability                      | Lee and Lin (2005).  | The ability of the website to fulfill orders correctly, delivers promptly, and keeps personal information secure.   |
| Product Quality                  | Monsuwe <i>et al.</i> (2004).  | Judgment which a consumer makes about the overall product/service superiority or excellence.  |
| Product Image                    | Aaker (1994), Garcia Rodriguez and Bergantinos (2001), Ike <i>et al.</i> (2009). | A set of beliefs held by customers about a particular brand, based upon some intrinsic and extrinsic attributes of a market offering resulting to perceived quality, and customer satisfaction. |
| International Product Purchasing | Li and Zhang (2002).   | The steps being followed in the course carrying out transactions on the web.  |
| Customer Satisfaction            | Anton (1996)   | State of mind in which the customer's needs, wants, and expectations throughout the product of service life haven been met or exceeded, resulting in future repurchase and loyalty.             |

## **1.8 SUMMARY**

With the rapid development of technology, customers all over the world begin to do shopping in an easier and a much more convenience way. The method that is widely used by the customers is online shopping. Online shopping is fast gaining popularity in almost all major cities in the world. And Jakarta as an Indonesia's capital also implements online shopping as a lifestyle. As Southeast Asia's largest economy, Indonesia has so much potential in online shopping business. Its large population, with 30 million middle-class consumers, is starting to buy products from international online vendors. While price and affordability will remain the key purchasing motivators, Indonesia also has new priorities. Busier than ever, consumers are becoming increasingly concerned about convenience and buying product online will not consume a lot of time. But, demands by customers are increasingly diverse. Many customers desire products that are unavailable in the local market so they are willing to buy those products from international online vendors. But some of them are not ready to implement this kind of shopping in their life. The significance of this study is to understand why customers buy products from international online vendors. This study will examine other important factors that will influence customer decision to buy from international online vendors.

## **CHAPTER 2**

### **LITERATURE REVIEW**

#### **2.1 INTRODUCTION**

As a result worldwide globalization, many big brands expand their businesses online. It shows international online purchasing is becoming popular among people all over the world. With international online purchasing actually help both customers and sellers, customers from any country can get products unavailable in their country, and sellers can spread their products unlimitedly to every country in the world and can gain profit. According to Wang (2011), it is actually not that difficult buying stuff from international online stores. He also said that the simplest method to buying stuff online is directly from the international online stores. All the consumer need to do is check out their card, their mailing address and the delivery process. Shipping process might be expensive due to long distance, but the customer will be proud that they can have the product that is unavailable locally within two weeks.

Overall, this section will discuss an overview of international product purchasing. Several sections are covered in this chapter. Section 2.1 discusses the theory that guides this study. Section 2.2 will discuss about how large website quality affecting international product purchasing. This is followed by section 2.3 about how big the effect of dependability on international product purchasing. Then, section 2.4 will discuss international product purchasing. Section 2.6 will briefly explain customer satisfaction after purchasing international products online. Finally, section 2.7 summarizes the chapter.

## **2.2 THEORITICAL FRAMEWORK**

### **2.2.1 Technology Acceptance Model (TAM)**

Davis (1989) proposed Technology Acceptance Model (TAM) for the purpose of explaining those factors that can affect the users' acceptance of information system (IS). The model reveals that actual technology acceptance is a function of behavioral intention. The major constructs of TAM, that is, perceived usefulness (PU) and ease of use (EOU) are two set of cognitive responses that bring about desired attitude and intention towards technology acceptance Davis (1989). TAM can be applied to predict acceptance of technology in different contexts because it is frugal, robust and simple especially when it comes to its understanding of diverse purchase attitudes (Mathieson, 1991; Singh *et al.*, 2004; Venkatesh, 2000). It has been widely found as a theory that is capable of explaining online user purchase intention (Chen *et al.*, 2002; Lederer *et al.*, 2000; Lin and Lu, 2000; Singh *et al.*, 2004). In addition, TAM has also provided diagnostic tools for marketers that can be used to identify, evaluate and enhance online store user acceptance (Al-Gahtani, 2001; Singh *et al.*, 2004). Extant scholarly literature has empirically found TAM to be strong and valid in terms of its application to diverse cultures (Al-Gahtani, 2001; Straub *et al.*, 1997; Singh *et al.*, 2004).

Since its introduction, TAM remains the most influential and widely used information technology theory (Straub *et al.*, 1997; Chen *et al.*, 2002; Singh, *et al.*, 2004). Basically, technology acceptance model (TAM) is built on the premise that belief is an antecedent of attitude and which in turn brings about intention that can lead to behavior. It also has been used at international levels for the purpose of studying consumer behavior

and usage of web sites of multinational company which are specifically designed consumers' country. TAM is also being used as a theory to ascertain how international web sites that are cultural adapted affect and influence the purchase intention of consumers. Based on explanation above, TAM are useful in enhancing the existing international product online purchasing configuration.

From the explanation above, this study has correlation with TAM. Aligned with this TAM, this study adopts ease of use and perceived usefulness to measure the intention of the customers' that lead to the international online purchasing. TAM also sees how cultures give impacts on international online vendors. And as mentioned above, TAM has been empirically found to be capable of explaining online purchase intention. From the reasons above, the researcher has decided to use technology acceptance model (TAM) as a theory in this study.

## **2.3 FACTORS INFLUENCING BUYING PRODUCT FROM INTERNATIONAL WEBSITES**

There are some factors that can influence customers to buy products from international online vendors. In this study the researcher uses some of the following factors:

### **2.3.1 Website Quality**

According to Slawski (2011), a high quality website is credible, trusted, and displays high availability of products and information. Based on WICOW, Workshop on

Information Credibility on the Web (2011), the credibility of a website can be measured by the reputation and trust of the customers', uncovering distort and biased content, and can fight spam, abuse, and plagiarism on the website. Based on previous study that was carried out by Sahney *et al.* (2013), there are some criteria which make the website competent. First, it is about privacy and security. Privacy and security are major issues that concern online buyers, as the buyers' personal financial data can be accessed and misused by third party (Chen and Barnes, 2007). Second is the website design. A website with good graphic design in terms of structure and content, as well as easy and quick navigation attracts potential buyers; navigations are an important aspect of web site design (Sultan *et al.*, 2002).

Third is concern with reliability. Reliability of a web site is measured in terms of credibility and consistency of service leading to consumer loyalty (Shaney *et al.*, 2013). Fourth are ease of use, hedonic pleasure and perceived usefulness. It is premised on three constructs; perceived ease of use, hedonic pleasure and perceived usefulness. These factors positively affect online trust and purchase intentions of consumers considerably (Shaney *et al.*, 2013). The last is legal and regulatory compliance. The web site's adherence to legal and regulatory norms, through acceptance and commitment of government regulation regarding misuse of personal and financial information, also lead to consumers' trust in the web site. Thus, we can say that good website quality is leading the global consumers to buy product from international online stores.

Singh *et al.*, (2004) proposed that the positive antecedent of global online customers' purchase intention is attitude. At the earlier stages of technology adoption it is said that the effect of PU and EOU is often strong but starts diminishing as time goes on (Davis *et al.*,

1989; Al-Ghatani, 2001). Along with PU and EOU, cultural adaptation on the website also shown to be significant determinant of international web sites usage (Singh *et al.*, 2004). That is why in this study the researcher adopts ease of use, perceived usefulness and cultural adaptation to be the variables that affecting consumers in buying products from international online vendors:

#### **2.3.1.1 Ease of use**

According to Heijden (2003), a website is perceived to be useful when it is easier to navigate, explore and use. On the other hand, a website is regarded as easily used when users found it flexible to navigate for the purpose of achieving online daily objectives (Lederer *et al.*, 2000; Zeithaml *et al.*, 2000, Singh *et al.*, 2004). Rogers (1962) theorized that perceived ease of use reveals the extent to which a system is regarded as being ease to understand, learn or operate. Perceived ease of use in TAM has been defined as the degree to which users of a system believe that using certain technology will be free of effort (Davis, 1989). Aligned with Monuwe *et al.* (2004), ease of use is the feeling shopping on internet will require less physical and mental effort. Ease of use refers to customers' feelings with respect to the process leading to the final online shopping outcome. In a study by Monuwe *et al.* (2004), ease of use is explained as how easy the internet as a shopping medium can be easily adapted for users' benefits. In current study, ease of use is defined similar to Lederer *et al.* (2000), Zeithaml *et al.* (2000), Singh *et al.* (2004) as the extent in which a website can be easily navigated with little effort in order to achieve online objectives.

Perceived ease of use has been demonstrated in previous studies to influence behavior, either directly or indirectly via perceived usefulness. Similar to TAM, as stated in Monsuwe *et al.* (2004) study, ease of use has a direct and indirect impact on consumers' intention to purchase online. The direct effect can simply be explained since in decision making process, consumers will always to want exert minimum effort towards buying activities. On the other hand, the indirect effect comes through intervening process of usefulness and this shall be explained better in the coming section. Some studies have linked perceived ease of use to the success and quality of information system (Seddon, 1997) as well as customer satisfaction (Wang *et al.*, 2001).

In short, we can say that the ease of use has an impact on the international product purchasing because ease of use makes it easier for customers to operate the website of international online stores. As stated by Zeithaml *et al.* (2000), perceived ease of use is regarded as significant predictors of potential adopters' attitude and behavioral intention to use a technology, in this case, international web site usage. For this reason, this study will discuss the actual buying from international web site by Indonesian customers. Indonesian customers' like websites that are flexible and easy to operate; if the website is flexible and easy to operate, it will makes Indonesian customers' play around with the website and will build a good interaction with the website, thus, we can propose the following hypothesis:

**H1: Perceived ease of use is important and will positively affect the Indonesian consumer to purchase product from international online store.**



### **2.3.1.2 Perceived usefulness**

In regards to TAM, ease of use greatly influences usefulness because when a technology is easily operated it is regarded to be more useful than when it is not (Dabholkar, 1996; Davis *et al.*, 1989; Monsuwe *et al.*, 2004; Venkatesh, 2000). TAM also shows that perceived usefulness refers to the extent in which individual user believes that using certain technology will help them in achieving their daily job objectives (Al-Ghatani, 2001; Davis, 1993; Mathwick *et al.*, 2001). Tan and Teo (2000) in their studies also refer to perceived usefulness as a significant which determines innovation adaptation. As observed by Bhattacharje (2002), perceived usefulness refers to the willingness of an individual to execute activities using a particular technology. Furthermore, Monsuwe *et al.* (2004), regards usefulness as the believe which customers hold regarding the usage of internet as a medium of shopping and how the medium can help in achieving online purchase objectives. The attitude of customers' with respect to online intention and shopping is greatly influenced by such believes. For the purpose of current study, the researcher defined PU in line with Monsuwe, Dellaert and Ruyter (2004) as the extent to which a person believes using the new technology will improve his/her performance or productivity.

Based on Heijden's (2003) study, extant scholars have asserted that when a website is perceived to be useful, it does indirectly influence the usage and adoption of such system through attitude while behavioral intention directly influences such usage. Through TAM, a direct but weak link has been established between attitude and usefulness, and a strong link between intention and usefulness (Davis, 1989). Monsuwe *et al.* (2004) stated that consumers have certain expectation and desire when they surf the web for the purpose of

purchasing, and when the outcomes of online purchase meet that standard in term of usefulness of the internet, positive confirmation will be the end result. For instance, extant authors have assert that when there is a better price, good performance of the channel and better delivery of variety of services usefulness is assumed by the customers (Ahn *et al.*, 2004; Bhatnagar and Ghose, 2004; Karim, 2011 Lee and Joshi, 2007;). According to Zeithaml *et al.* (2000), perceived ease of use is an important predictor of potential adopters' attitude and behavioral intention to international web site usage, especially to Indonesian customers as they like to gather clear information before they buy a product from a website. Thus, when users perceived international websites to be useful for the purpose of achieving their online transactions and when the tasks involved are easily carried out, a favorable attitude towards online service provider will be developed and perceived usefulness will positively impact the intention to use the website. Therefore, association between perceived usefulness and international product purchasing is predicted as follows:

**H2: Perceived usefulness is important and will positively affect the Indonesian consumer to purchase product from international online store.**

### **2.3.1.3 Cultural Adaptation**

Mooji (2000) asserted that culture is a ‘‘soft’’ aspect of international marketing. Its importance is secondary to other elements of international marketing strategy. In fact, culture is an important tool that provides wide guidelines towards acceptable form of behavior in particular society (Feather, 1995; Singh *et al.*, 2003). It does influence the way we socialize and interact with the members of our society (Rokeach, 1973; Singh *et al.*,

2003). It is a powerful force that shapes our living styles, product choices and motivation (Tse *et al.*, 1989, Singh, Zhao and Hu, 2003). Mooiji (1989) claimed that advertising is a reflection of the value of a society and that both marketing and effective advertisement are inseparably linked to the culture of a society that they are targeted towards. It has further been proved that advertising that is culturally inclined can be used as a persuasive instrument than any form other advertising that is insensitive to the culture of people. (Mueller, 1987; Zandpour *et al.*, 1994; Singh *et al.*, 2003).

According to an *Internet Week* survey on Violino (2001) and Singh *et al.* (2004) study, any company that wishes to extend its e-business across the globe must first cross the hurdle of understanding the needs of consumers as well as overcome the cultural differences and language barriers while building its website. In this respect, one major challenge that is often faced by most companies is the ability to decide on how to present information to people of different culture through their websites (Singh, Zhao and Hu, 2003). Practically, the manner of presentation, tone being used and the type of information that is made available are important aspects of communication that must be given consideration (Fock, 2000; Singh *et al.*, 2003). According to Straub *et al.*, (1977), the differences in cultural value may significantly influence the usage and adoption of new information systems. In addition, Singh *et al.* (2004) in line with other authors, also assert that cultural factors can either serve as an impediment or booster to the adoption of international websites stated by global online users. Extant scholars have equally provided series of evidences that provide credence to diverse culture and orientation with regards to the perception about the content of website, and use of local communication in the course of targeting global online users (Fink & Laupase 2000; Luna *et al.*, 2002; Simon 2001;

Tsikriktsis 2002) According to Luna *et al.*(2002), when cultural difference of users is taken into consideration while designing a website, the cognitive effort that is required in processing information on such a website is reduced to the barest minimum since such a website will represent an environment where demands and requests are clearer thereby leading to smooth navigation experience and sense of control.

Singh *et al.* (2004) study reveal that cultural factors strongly determine the usage of international website. Empirically, the study shows that cultural adaptation can increase ease of use of a website as well as bring about favorable attitude towards usage and online transaction intention. When a website is culturally adapted, it shows that foreign vendors have the commitment to invest in the local culture and that they are highly receptive to the unique demands of the diverse people.

Singh *et al.*, (2003) conclude that though international consumers prefer web contents that are locally and culturally adapted, the consumers do not give specific guidelines, framework or theory that will help in achieving such customization, nor do they show the emergence of localized-specialized approach to web advertising. The consumers want a proper adaptation when the international web site is localized into their culture. Sing *et al.* (2004), state that while customizing a website to fit situation of each country, certain factors such as time and formats of date, unit of measurements, layout and orientation of website, local conventions, symbols and icons, dialects, aesthetics and colors must be taken into consideration. In this clime therefore, different users across countries use different parameters such as security, navigation, customer services, shopping tools and so on, to measure the usability of website (Luna *et al.*, 2002; Simon, 1999, 2001; Tsikriktsis, 2002;

Singh *et al.*, 2003). It means that if the website of international product online can advertise the product in the culture of country targeted, and can customize the website as the customers' want, in language, guidance, and design, it can improve customers' willingness to buy products from those websites. This is especially true for Indonesian customers who speak Bahasa Indonesia as their first language and not all Indonesian customers understand another language. Also, Indonesians really care about their culture. The result of the study carried out by Singh *et al.* (2004) shows that cultural adaptation significantly determines the ease of use and users attitude towards international online stores. As a result, we propose that cultural adaptation on the web site will positively impact global customers' intention to purchase on the international website:

**H3: Cultural adaptation on the web site is high needed by Indonesian consumers' to purchase product from international online store.**

### **2.3.2 Dependability**

According to Blanchard (2014), there are seven ways to know about people dependability. Firstly, do what you say you will do. If the seller makes a commitment, they should live up to it. Because these days word gets around quickly, one broken promise to a customer can turn into a public losing when a bad internet review goes viral. Secondly, it is about being on time. The sellers should do what they promise before within the right time, like delivery on time. The third way is be responsive. When the seller is dependable, they respond to the request by the consumers. The fourth way is being organized. There will be no orders mixed up or incorrect billing process. The fifth is being accountable. To be trusted by buyers, the sellers need to take responsibility for what they say and what they do.

The sixth way is follow up. The sellers should be coming through with information that buyers needed. The last way is being consistent. It is about the sellers and the consumers not letting their moods dictate their behavior and not putting people out by changing plans at the last minute.

A website can be considered dependable if the website is reliable and trusted. The concept of reliability is the most significant factor that consumers consider while surfing the web for online purchases (Pavlou and Chai, 2002). On the contrary however, lack of trust of the website remains one of the paramount reasons why most consumers do not carry out online shopping (Lee and Turban, 2001). Similar to Pavlou & Chai (2002) and Lee and Turban (2001) study, Indonesian customers' face the same fears of online shopping, especially buying products from international online vendors. Based on Koran Jakarta (2013), some of Indonesian customers still do not shop on the internet because they are afraid the international online vendors cannot be trusted and the products they receive do not meet their expectation. From all the reasons explained, the current study have identified some variables to measure on dependability which are trust, reliability, and product quality.

#### **2.3.2.1 Trust**

According to Shaney *et al.* (2013), trust is a feeling of mutual acceptance between two parties. Trust as a concept has been extensively studied and well researched across numerous disciplines and fields (Wang and Emurian, 2005). However, trust as a concept in the field of marketing emerged later, with works related to interpersonal relationship between buyers and sellers as well as relationship marketing (Dwyer *et al.*, 1987; Morgan

and Hunt, 1994; Moorman *et al.*, 1992, 1993). It is a product of continuous physical interaction and which can lead to long term commitment and acceptance. Trust is also defined by Oxford English Dictionary as the level of confidence or reliance which one has on attribute or quality which a person possesses. On the other hand, Deutsch (1958) that defined trust as a willingness of a person to depend on another party with the belief that the party being depended on will not intentionally disappoint. A party's desires, expectation, and coordination will help in the fulfillment of obligations, and will help to smooth the relationship (Dwyer and Oh, 1987). As for this study, trust is defined as the willingness of customer to accept vulnerability that may occur in the course transacting online with regards to their positive expectation of online store behaviors (Deutsch, 1958).

Gefen (2002) asserts that the products of trust are specific beliefs of integrity, benevolence and ability. In the realm of e-business, integrity is anchored on fulfilling promises and following laid down rules. Ability refers to the capacity of organization to provide quality services and products. Benevolence is the ability to show kindness and compassion while attending to customers without being conscious of the gain that will accrue from the relationship. Other researchers have also proposed competence, credibility and benevolence as trust parameters (Ganesan, 1994). Credibility implies that the buyer has believe in what the seller offers; while benevolence refers to the strong believe in the positive intention and good will of the service provider (Ganesan, 1994). In line with this, Agarwal and Shankar, (2003), define trust from perspectives of reliability, fairness and predictability which play significant role in bringing about improvement in competition and ensure flexibility in service provision in the context of e-commerce. Trust may also be

seen as honesty, confidence, integrity and ability to adhere to high ethical standards (Coulter and Coulter, 2002) as well as privacy, reliability and security (Camp, 2001).

Trust is a prerequisite in online buying (Corritore *et al.*, 2003). Though the customers of the contemporary are often driven by some attractive features of the website while surfing the net for purchases, many of them however can become skeptical, apprehensive and feel uncomfortable when it comes to physical and monetary exchange (Shaney *et al.*, 2013). It is therefore essential that the issue of trust should be essentially addressed since lack of trust can greatly become an impediment in product trial and adoption in the internet market (Lee and Turban, 2001; Monsuwe *et al.*, 2004). Development of online trust is based on the positive expectation of the potential online buyers that the online marketer will not act opportunistically through online dealings. As has been remarked by Ang and Lee (2000), if the web site does not lead the consumer to believing that the online seller is trustworthy, there will not be purchase decision (Shaney *et al.*, 2013). The implication of online trust is the belief that the online seller can be trusted, and it is a feeling of confidence and security towards the online transaction (Shaney *et al.*, 2013).

Goodwin (1996) remarks that trust is the grease that keeps the wheels turning. Online sales and purchases require development of trust (Lee and Turban, 2001; McCole and Palmer, 2001). It is important to building consumer trust and maintaining relationships (Shaney *et al.*, 2013). Many researchers stress that online trust is an important indication of online trading success (Balasubramanian *et al.*, 2003; Koufaris & Hampton-Sosa, 2004; McKnight and Chervany, 2001; Shaney *et al.*, 2013).



Trust in online security and policy, reliability of a company and web site technology play major roles in consumers' buying intention (Shaney *et al.*, 2013). As already mentioned in the previous section, trust is the major factor that can affect Indonesian customers on international product purchasing on the internet. As highlighted by Morgan and Hunt (1994), trust is important to influence the customer satisfaction. Thus, the hypothesis is:

**H4: Trust of the international online store will positively affect Indonesians customers' to purchase products from international online vendors.**

#### **2.3.2.2 Reliability**

The concept of reliability is the most significant variable in online shopping and consumer behavior context. The reputation and size of store can significantly affect the way consumers perceive reliability of online shops as well as such can affect their attitude, risk taken level and readiness to patronize online shops (e.g. Jarvenpaa, *et al.*, 2000). In their study, Ho and Wu (1999) state that website design and reliability are essential factors which can significantly influence online consumer behavior. According to Lankes (2007), reliability is a concept that is often used to describe someone or something that is felt dependable and consistent in quality. Reliability is simply the consistent quality or treatment. Reliability and authority are often used along with digital and physical world (Lankes, 2007). Lee and Lin (2005) said that many residents turned to chat rooms and community-run web sites and sources, including the federal government and mass media. Users and all residents have access to different sources of information where they got complete, more accurate and credible picture of the situation in the neighborhood. So, if the

agent forms the habit of supplying information that is not reliable, this may result in loss of credibility and authority over time. Because, unreliable performance is recorded in one area, it may bring doubt about the ability of the company in other areas (Lankes, 2007). As for the current study, reliability is defined based on the study of Lee and Lin (2005), as the ability of the website to fulfill orders correctly, delivers promptly, and keeps personal information secure.

Reliability after all, encompasses many elements, including performance, usability, accuracy, and even confirmation of transactions; and reliability is making sure all the elements work on the web site. Reliability for the customers is about the entire customers experience, and evaluate whether the website is doing what they expect, quickly and without errors (Garcia, 2012). The reason is because reliability is much related to customer satisfaction. As proposed by Parasuraman *et al.* (1985, 1988), reliability have a significant link with online retailing. Reliable international online vendors will increasingly attract global consumers, including Indonesian customers to buy product from international online stores. Based on this statement, the following hypothesis is suggested:

**H5: Reliability on the website will positively impact Indonesian consumers' to purchase products from international online stores.**

#### **2.3.2.3 Product quality**

Perceived quality is defined as the judgment which a consumer makes about the overall product/service superiority or excellence (Monsuwe *et al.*, 2004). Based on

Zeithaml (1988), perceived product quality is a global assessment characterized by a high abstraction level and refers to a specific consumption setting. While quality is seen as a concept that is multidimensional and which can be measured or easily defined, a line of difference can be drawn between perceived and objective quality. Objective quality is simply defined as the real product technical excellence which can be actually measured and verified (Monroe and Krishnan, 1985). Whereas, perceived quality is measured from abstraction using a global assessment scale that ranges from “bad” to “good” of a specific pattern of consumption (Tsotsou, 2005). Perceived product quality mediates between extrinsic cues and perceived customer value (Doddset *et al.*, 1991). However, price has been largely argued and positioned as of the most important cue being used to measure product quality (Rao and Monroe, 1989). Zeithaml (1988) however has also posits that where other cues are well used, general price and quality relationship may not really count or exist. Rust and Oliver (1994) consider perceived quality from the perspectives of service and product features.

Perceived product quality is being regarded as one of the most significant variables by marketing scholar (Tsotsou, 2005). From the perspective of user-based concept, product quality has to do with the ability of product and services to meet or exceed customer standard (Jakpar *et al.*, 2012). This degree is being called quality of conformance as the quality reflects in the process and outcome of manufacturing (Crosby, 1979). Apart from this, it enables high standard to be set for product or services, helps company to boost reputation, increases rate of patronage and retention, attracts new customers through favorable referrals, brings about improvement in financial performance and profitability (Jakpar *et al.*, 2012; Julian and Ramaseshan, 1994; Zeithaml, 1996). The value-based

concept according to Jakpar *et al.* (2012) also regards quality as the product or service ability to also the expectation and needs of consumers. From the perspective of value-based concept therefore, product quality can be defined as the reasonable relationship that exists between quality performance at affordable price and acceptable price Product attributes has become products quality's view where in operations management, multiple dimension of quality has been determined which resulted in the fitness usage of the product which means to what level the product is off from insufficiency (Parasuranaman *et al.*, 1988). According to Koran Jakarta (2011), for Indonesian customers, after trust, product quality is the second highest consideration when the customers want to buy goods from international online vendors since Indonesian customers expect high quality products from international online vendors. Similarly the result from Martin and Camarero's (2008) study reveal that, product quality has a significant influence on satisfaction. Therefore, it is expected that there will be higher level of consumer intention to purchase online when product quality is perceived to be high as this can equally lead to consumer satisfaction. Based on this contention, the following hypothesis is predicted:

**H6: The quality of the product on the website will positively impact Indonesian consumers to purchase products from international online stores.**

## **2.4. IMPLEMENTATION OF INTERNATIONAL PRODUCT PURCHASING AND CUSTOMER SATISFACTION**

From the buyers' opinion, online purchase behavior refers to the extent in which the customers can surf, access, transact, shop and repeat the behavior. As a result of movement

and change in the pattern of purchase from physical to online shopping, tremendous improvement and increase in the volume of online transaction has been witnessed (Shaney *et al.*, 2013). Bakos (1991) define internet market as an inter-organizational information system which gives opportunity to buyers, sellers and other participants to exchange information and interact about products that are available and prices being offered. According to Li and Zhang (2002), fourteen studies discuss online purchasing, which refers to consumers' action of placing orders and paying. This is regarded as the most critical attempt and step to study online shopping activities, of which many of the researchers used empirical method to measure purchase frequency and value of online shopping (Kourtafis *et al.*, 2002; Lohse and Spiller, 1998).

There are several barriers in international purchases. The first barrier is cost. A review of scholarly works on international purchases shows that the additional costs that are not included in the cost of a national purchase is taken into consideration in international purchases (Lucero, 2008). These include the cost of additional stock, import taxes, financial expenses, trips and international communication, international transport, and intermediary's services (Bouche & Plauchu, 1995; Daley, 1994; Gentry, 1991; Fagan, 1991; Levy, 1995; Lucero, 2008; Min and Gale, 1991; Page-Lecuyer, 1991). These cost barriers are also related to the cost of fluctuation in exchange rates, cost of intermediaries and international transport that are involved in international transactions (Lucero, 2008). Page-Luceyer (1991) stress that the price of product can be raised by approximately 5 up to 30% as a result cost of international transportation. In the terms of the management to address the issue of cost of transportation, seller can choose either want to focused on less expensive transport or use air transportation that might be raise the price more, but the

product is punctual arrive to the consumers (Lucero, 2008). Delivery problems or delay in transportation have been identified as the major hindrances that inhibit international purchasing (Barreyre and Lentrein 1992; Frear *et al.* 1992; Min & Galle 1991). International purchases also require that exporters should make declaration about goods to be exported and to also prepare certificate of origin (Murphy & Daley, 1995; Murphy *et al.*, 1992)

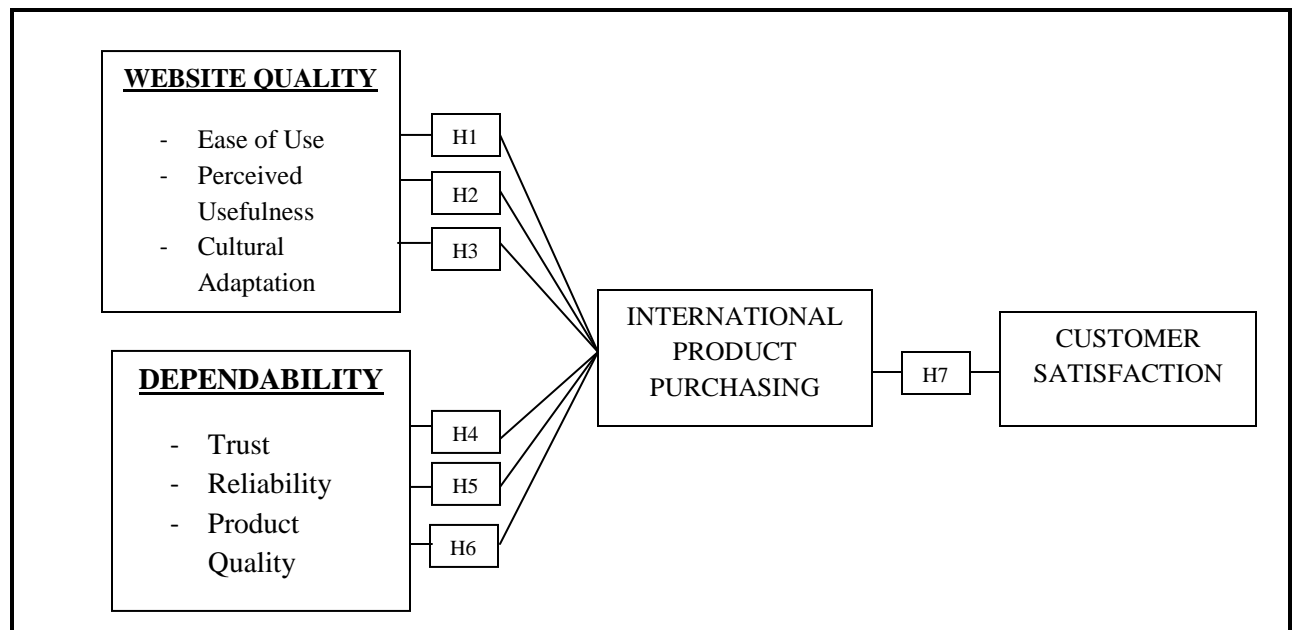
Information about the quality of product and user interface quality has a significant impact on overall satisfactions. Extant literatures have confirmed that expectation and perceived service performance are determinants of satisfaction respectively (Kim, 2005). Based on the concept of Parker and Mathews, (2001), satisfaction is regarded as an emotional response that is brought about as a result of process of cognitive evaluation (Parker and Mathews, 2001). Oliver (1997) study also regarded satisfaction as process of evaluating and judging specific purchase decision. Nevertheless Swan *et al.* (1976) were also among the first set of scholars who assert that customers are satisfied when product performance meets expectation while dissatisfaction arises when performance expectation is not met. From the traditional concepts, satisfaction is assumed to be the outcome of cognitive process but contemporary literature have equally suggest that satisfaction may be well explained through effective processes of comparison (Westbrook and Oliver, 1991). In another scholarly attempt, Kotler (2000) define satisfaction as a situation where customer either feels contented or disappointed as a result of comparing product performance and perceived expectation. While Giese and Cote (2000) describe satisfaction as a form of affective response which varies with intensity of time and which is directed towards acquisition and consumption of certain product.

Consumers' satisfaction is widely regarded as the most significant construct (McQuitty *et al.*, 2000; Morgan *et al.*, 1996; Monsuwe *et al.*, 2004), and one of the important marketing objectives (Erevelles and Leavitt, 1992; Monsuwe *et al.*, 2004). The role which satisfaction plays in predicting purchase behavior with respect to intention, brand choice, switching behavior and actual purchase cannot be underrated (McQuitty *et al.*, 2000; Monsuwe *et al.*, 2004). The specific-transaction approach regards satisfaction as an emotional response which is channeled towards a recent transactional experience (Oliver, 1993; Monsuwe *et al.*, 2004). Satisfaction is a significant antecedent of customer loyalty (Yang and Peterson, 2004), and relationship between the two is strengthened and strongly influenced by the characteristics such as age, income and variety seeking (Homburg and Giering, 2001). Satisfied consumers tend to patronize service provider often than those that are not satisfied (Bolton and Lemon, 1999). They represent stronger repurchase intention, and they help in making good referrals (Zeithaml *et al.*, 1996).

As for the Indonesians, Nielsen's Research stated that 10% of their revenue is spent online. A survey by Visa Indonesia also supported Nielsen's research statement, the result of the research is 76% of Indonesian claimed to have shopped online. This can partially explain that Indonesians like to shop online. And there is probability that they are satisfied with the products they bought from international online stores. In line with this view, the following hypothesis is put forth:

**H7: purchase of products from international online stores by Indonesian customers will positively lead to their satisfaction.**

## 2.5. RESEARCH FRAMEWORK



**Figure 2.1 Research Framework**

## 2.6. SUMMARY

This chapter discussed an overview and theoretical aspect of international product purchasing. Theoretical framework builds to provide a clear picture of the overall study. Besides that, it also explains the variables that become a leading factor to purchasing international product online, and also leading to the customer satisfaction. Theoretically, context and users attitude will determine which model that will be adopted in predicting behavior. It is therefore essential to state that the theories that are discussed here are meant to shed light and provide guidelines that can be used in explaining international online product behavior.



## **CHAPTER 3**

### **RESEARCH METHODOLOGY**

This chapter delves on the methodology employed for this study. It consists of six sections namely; research design, sampling method, data collection procedures, questionnaire design, method of data analysis and the chapter summary. In totality, this chapter will reveal how the entire research shall be carried out in order to achieve the stated objectives and make inferences based on the outcome without any bias.

#### **3.1 RESEARCH DESIGN**

Research design is a framework that guides the researcher for data collection and data gathering in order to test the hypotheses. It is the science and art of planning procedures to conduct a study with the purpose of getting the most valid findings (Hussey & Hussey, 1997). It is a decision making process whereby the researcher needs to plan the activities according to the purpose of the study, then select the appropriate ways in obtaining source information and specify the relationship among the variables (Cooper & Schindler, 2001; Sekaran, 2005; Babbie, 1990). In quantitative research, achieving good research design requires various crucial factors such as freedom from confounding, freedom from bias, control of extraneous variables and using statistical precision for testing hypotheses (Wiersma, 1993). However, to decide on and select an appropriate research design, this study employed several methods such as, literature reviews, non-probability sampling and discussion with many parties such as university lecturers. An extensive review of literature was carried out to identify the issues and gaps in previous studies so as to position this

study in a perfect form that would be of great benefit to the research community. As a result of this, appropriate scope was determined and several thoughts and discussion serve a guide towards questionnaire design and method administering the questionnaire. Existing studies were also used as references towards choosing the relevant data analysis apart from referring to statistical textbooks.

### **3.2 DATA COLLECTION**

Fundamentally, this study is a survey. According to Babbie (1990), survey methods are generally high in reliability but low in validity. This study shall employ three ways of administering survey. First, is the online questionnaire, a type of self-administered questionnaire that can reach large number of respondents at a very low cost via a web link (Reagan, 2003), very convenient, protect the respondent identity and normally have high standard questions (Zikmund, 1994). Although online questionnaire tends to have low response and high level of bias, it gives the respondents the opportunity to answer the questions thoroughly because enough time are available to properly understand the questions, thus quality response are received from the respondents. The respondents get access to the questionnaire through the questionnaire link that was given to them by the researcher using online questionnaire for a study.

The second method is focused on mail questionnaire. With this method, questionnaire is sent to each and every prospective respondent accompanied with cover letter that will explain the objective of the study and the significance of the feedback of the respondents. Also, to be enclosed with the questionnaire is a stamped and self-addressed

envelope for the return of the responses (Hussey and Hussey, 1997). As an alternative to mailing the questionnaire, a “drop and collect” method can be conducted in order to enhance feedback.

### **3.3 RESEARCH LOCATION**

The place chosen to conduct this research is in Jakarta, Indonesia. The reason why this research is held in Jakarta is because Jakarta is the busiest city in Indonesia in terms of economic and fashion development. Almost all Jakarta’s people from any age already understand and implement internet in their daily life. According to Koran Jakarta (2011), 70% of those internet users are users of online shopping, but for now the purchasing of international product from online web stores are still very rare. Therefore, the result of this research will give a clear overview whether it can work in Jakarta or not.

### **3.4 SAMPLING DESIGN**

The sampling process involves identifying and determining the population of interest for the study. The population can be regarded as entire collection of individuals or organizations of interest that a particular research is studying (Sekaran, 2005). The population for this study is 6 billion people, the number of productive age on Jakarta.

The sampling frame is a list of the populations where the units are derived (Cooper & Schlinder, 2006; Hussey and Hussey, 1997). Samples are used to infer from the population. Among others, sampling is done because it requires lower costs, provide better

and more accurate results, a faster speed in collecting data and it includes element of the population (Cooper & Schlinder, 2006). To do sampling, researcher can either do probability or non-probability sampling. Probability sampling is when the sample represents the population that it is selected and everyone has an equal chance of being selected (Babbie, 2001; Neuman, 1997). The non-probability sampling is a form of sampling that includes haphazard, accidental or convenience sampling, quota sampling, purposive sampling and snowball sampling, it is subjective and arbitrary (Cooper & Schlinder, 2006). Hussey and Hussey (1997) suggested that random sampling allows each member in the population to have a chance to be selected, and the sample is not biased. The sample was selected from the population of Jakarta who work and have experience in purchasing product from international websites. In this study, non-probability and convenience sampling methods were applied because the population is too huge.

### **3.5 QUESTIONNAIRE DESIGN**

Various steps were taken in the cause of designing and administering the questionnaires. The following steps were also taken to developing the measurement instruments; first, thorough literature search was done to identify measurement items that would best capture the construct under study. Second, translation was done repeatedly so as to avoid misunderstanding of the question. The questionnaire was written in English and translated to Bahasa Indonesia because the respondents are all Indonesians. In Jakarta, Indonesia, the first language used is Bahasa Indonesia, so the questionnaire should be in Bahasa Indonesia. The suitability of the translated questionnaire was verified and clarified

by carefully comparing the new version with the original version and doubled checked by an Indonesian PhD student in Universiti Utara Malaysia (UUM). The questionnaire was given to some lecturers in Business Studies at Universiti Utara Malaysia (UUM) for content validity. Through this the questionnaire was thoroughly reviewed to adequacy of the content, comprehensibility, face validity and the reliability of the measures employed. The completed questionnaire was made available to the respondents via the website and hard copies sent through mail. For section B to section E, the respondents were obliged to select from the best options that represent their experiences and perceptions, using a five-point Likert scale. The reliability and validity was then conducted with SPSS software.

### **3.5.1 Measurement Item Development**

The scales that are used in this study are nominal scale and likert scale. For Likert scales, unless otherwise stated, 5 point Likert scales were commonly used for questionnaires. Likert scale was employed by this study because of its easiness to construct, intuitively appealing, adaptability and usually reliable (Barbie 1998; Nunnally 1978). In a Likert scale, respondents were to choose among the given options. Thus, researcher was able to solicit answers about the given statement through a set of response keys. The questionnaire for this study provides the range of options of strongly disagree, disagree, neutral, agree, and strongly agree, this indicates that 5 point scale was employed for this questionnaire. The reliability of the measure is sensitive to number of scales, therefore the reliability is higher when the amount of scales increases (Cooper & Schlinder, 2006). With regards to the measurement items, the following section describes the

development of each item. Most of the items were adopted and only a view was modified from several related studies. A number of new items were also developed for the international product purchasing construct. It is done based on several literatures and tailored to suit this particular study.

### **3.5.1.1 Website quality construct**

The fast growth of electronic commerce has been enhanced by Web technology. Electronic vendors should utilize this opportunity by initiating ways of increasing the level of customer satisfaction and loyalty intention. A formidable approach that can be employed by the e-vendor is to improve technological attributes of the online shopping web site (Pavlou, 2003; Ciu *et al.*, 2008). In this study, website quality covered perceived usefulness, ease of use, and cultural adaptation. Chiu *et al.* (2009) defined perceived usefulness as “*the extent to which a consumer believes that using online shopping will enhance his/her transaction performance*”. Ajzen and Fishbein (1980) and Chiu *et al.* (2009) explained that a person who believes that exhibiting a particular behavior will likely lead to positives outcomes will hold a favorable feeling towards exhibiting such behavior. In the case of ease of use, TAM suggests that all things being equal, an online shopping web site perceived to be easier to use is more likely to influence perception of usefulness (Chiu *et al.*, 2009). Meanwhile, the importance of cultural adaptation is best seen as secondary to other components of international marketing strategy (Mooiji, 2000) and it is powerful force shaping our motivation, lifestyles, and product choices (Singh, Zhao and Hu, 2003; Tse *et al.*, 1989).

The items used to measure website quality factors were all derived from previous researches that have used related measures in their study of online consumer behavior that determine the factors that influence the consumers to buy product from international online vendors. The items used for ease of use were adopted from Chiu *et al.* (2009) with the score of 0.93. On the other hand, the ease of use scale, consist of five questions, has been validated and shown to be reliable in Chiu *et al.* (2009) to predict the intention of purchasing product online with reliability score of 0.93. Their study found that ease of use strongly affects perceived usefulness that lead to customer satisfaction. Perceived usefulness items, consist of five questions, were also adopted from Chiu *et al.* (2009) study to predict the intention of purchasing product online with reliability score is 0.92. On perceived usefulness, Chiu *et al.* (2009) study found perceived usefulness to have significant effects on consumers' satisfaction and loyalty intentions. However in this study, ease of use and perceived usefulness were used to predict online product purchasing from international websites. To measure cultural adaptation, this study has adopted a scale that has a set of two questions from Singh *et al.* (2004) with reliability score is 0.93. The items that used in this study for web site quality dimension are demonstrated in Table 3.1, table 3.2, Table 3.3:

**Table 3.1 Ease of Use Construct**

| Original Version                                     | Adopted Version | Original Sources          |
|--|-----------------|---------------------------|
| It is easy to become skillful at using the web site. | No changes      | Chiu <i>et al.</i> (2009) |
| Learning to operate the web site                     | No changes      | Chiu <i>et al.</i> (2009) |

|   |            |                           |
|---|------------|---------------------------|
| is easy.  |            |                           |
| The web site is flexible to interact with.                    | No changes | Chiu <i>et al.</i> (2009) |
| My interaction with the web site is clear and understandable. | No changes | Chiu <i>et al.</i> (2009) |
| The web site is easy to use.                                  | No changes | Chiu <i>et al.</i> (2009) |

**Table 3.2 Perceived Usefulness Construct**

| Original Version  | Adopted Version | Original Sources          |
|---|-----------------|---------------------------|
| The web site enables me to search and buy goods faster.                   | No changes      | Chiu <i>et al.</i> (2009) |
| The web site enhances my effectiveness in goods searching and buying.     | No changes      | Chiu <i>et al.</i> (2009) |
| The web site makes it easier to search for and purchase goods.            | No changes      | Chiu <i>et al.</i> (2009) |
| The web site increases my productivity in searching and purchasing goods. | No changes      | Chiu <i>et al.</i> (2009) |
| The web site is useful for searching and buying goods.                    | No changes      | Chiu <i>et al.</i> (2009) |



**Table 3.3 Cultural Adaptations Construct**

| Original Version  | Adopted Version | Original Sources           |
|---|-----------------|----------------------------|
| The web site reflects aspects of my country's culture.                                | No Changes      | Singh <i>et al.</i> (2004) |
| The image, colors, information, and symbols on the site are reflective of my country. | No Changes      | Singh <i>et al.</i> (2004) |

### **3.5.1.2 Dependability construct**

For this part, the researcher initially adopted fifteen questions based on previous literatures. For the trust items, the researcher adopted from the study of Chiu *et al.* (2008). Chiu *et al.* (2008) and Mayer *et al.* (1995) study define trust “*as a belief that the trustee will behave according to the trustor's expectations by showing ability, benevolence and integrity*”, and the Cronbach-alpha for the trust on this study was 0.88. Results of Chiu *et al.* (2008) study indicate that fairness is linked to customers' trust, and as well an important determinant of customer satisfaction. Then, the researcher adopted for the reliability part from Jun *et al.* (2003) study. The Cronbach-alpha for reliability was measured in this study with a score of 0.92. On Jun *et al.* (2003) study, reliable or prompt responses dimension which is referred to as the capability to carry out the promised service quickly, perfectly, reliably, and timely. Lastly, five items to measure product quality were adopted from Martin and Camarero (2008). According to this study, product quality has a significant influence on trust and satisfaction. This study did not state the Cronbach-alpha for the product quality, but stated the mean and standard deviation on each item. The items that are

used in this study for dependability constructed are displayed in Table 3.4, Table 3.5 and Table 3.6:

**Table 3.4 Trust Construct**

| Original Version   | Adopted Version   | Original Sources          |
|--|---|---------------------------|
| Based on my experience with the online store in the past, I know it is honest.                   | No Changes  | Chiu <i>et al.</i> (2009) |
| Based on my experience with PChome in the past, I know it is not opportunistic.                  | Based on my experience with online store in the past, I know it is not opportunistic. | Chiu <i>et al.</i> (2009) |
| Based on my experience with the online store in the past, I know it keeps promises to customers. | No Changes  | Chiu <i>et al.</i> (2009) |
| Based on my experience with PChome in the past, I know it is trustworthy.                        | Based on my experience with online store in the past, I know it is trustworthy.       | Chiu <i>et al.</i> (2009) |

**Table 3.5 Reliability Construct**

| Original Version   | Adopted Version | Original Sources         |
|--|-----------------|--------------------------|
| The quantity and quality of the product I received was exactly the same as that I ordered. | No Changes      | Jun <i>et al.</i> (2003) |

|   |  |                          |
|---|--|--------------------------|
| The product/services I ordered was delivered to me within the time promised by the online retailer. | The product I ordered was delivered to me within the time promised by the online retailer. | Jun <i>et al.</i> (2003) |
| The billing process was accurately handled.   | No Changes   | Jun <i>et al.</i> (2003) |
| The online retailer responded to my inquiry promptly.   | No Changes   | Jun <i>et al.</i> (2003) |
| When the online retailer promised to e-mail or call me by a certain time, it did so.                | No Changes   | Jun <i>et al.</i> (2003) |
| The system of the web site rapidly retrieved the information I requested.                           | No Changes   | Jun <i>et al.</i> (2003) |

**Table 3.6 Product Quality Construct**

| Original Version  | Adopted Version | Original Sources           |
|---|-----------------|----------------------------|
| Detailed information is provided regarding the range of products offered. | No Changes      | Martin and Camarero (2008) |
| Compliance with promised quality and delivery term conditions.            | No Changes      | Martin and Camarero (2008) |
| The online store offer good price quality level product.                  | No Changes      | Martin and Camarero (2008) |
| The online store offer customized   | No Changes      | Martin and Camarero (2008) |

|  |            |                            |
|--|------------|----------------------------|
| products.                                      |            |                            |
| The online store offer wide range of products. | No Changes | Martin and Camarero (2008) |

### 3.5.1.3. International product purchasing

Based on Goldsmith (2002) study, the continuity growth on online shopping makes the world today a computer mediated shopping environment era (Hoffman and Novak, 1996). Five specific attitudes towards e-commerce describing individual perception are enjoyment, safety, speed, how economical it is, and how much confidence consumers have in their ability to shop and buy online (Goldsmith, 2002). We can say international product purchasing has a good prospect on people's daily live on these computer mediated shopping environment era. For international product purchasing section itself, the researcher adopts the statement from Goldsmith (2002) then developed four items and adds another item of questionnaire from Sorce *et al.* (2005) study. The items are:

**Table 3.7 International Product Purchasing Construct**

| Original Version | Adpted  | Original Sources |
|------------------|---|------------------|
| Newly developed  | I enjoy buying over the internet.                           |                  |
| Newly developed  | Buying over the internet is cheaper than buying in a store. |                  |
| Newly developed  | Buying over the internet is quicker than buying in a store. |                  |
| Newly developed  | Buying over the internet is more                            |                  |

|                         |                                   |                             |
|-------------------------|-----------------------------------|-----------------------------|
|                         | efficient than buying in a store. |                             |
| I like shopping online. | No Changes                        | Sorce <i>et al.</i> (2005). |

#### 3.5.1.4. CUSTOMER SATISFACTION

Customer satisfaction is defined as the customers' post purchase experience as a result of comparison between pre-purchase expectation and performance received (Oliver, 1980; Zeithaml *et al.*, 1993; Jun *et al.*, 2003). According to Reichheld and Sasser (1990), customer satisfaction will result to customers' retention or loyalty, which leads to increased profit. As said above we can conclude that customer satisfaction is one of main consideration for international online product seller that must be viewed. For the questionnaire's items on customer satisfaction, the researcher adopted items for questionnaire from Martin and Camarero (2008) study. Martin and Camarero (2008) study exposed that satisfaction with previous experience has positive influence on the consumer's trust in the website. The Cronbach-alpha for customer satisfaction in Martin and Camarero (2008) study was 0.890. And the items used are:

**Table 3.8 Customer Satisfactions Construct**

| Original Version  | Adapted Version   | Original Sources           |
|---|---|----------------------------|
| I think I made a right decision by using this web site. | I think I made a right decision by using this online store. | Martin and Camarero (2008) |
| My shopping expectations have                           | My shopping expectations                                    | Martin and Camarero        |

|  |  |                            |
|--|--|----------------------------|
| been met by this web site.   | have been met by this online store.                                  | (2008)                     |
| My shopping experience on this online store has been satisfactory. | No Changes   | Martin and Camarero (2008) |
| I am happy with the product I have bought from this web site.      | I am happy with the product I have bought from this online store.    | Martin and Camarero (2008) |
| I am generally happy with the service provided by this web site.   | I am generally happy with the service provided by this online store. | Martin and Camarero(2008)  |

### 3.5.2. Pilot Test

A pilot test was conducted on a number of people to determine the validity and reliability of the questionnaire. According to Neuman (1997), the importance of a pilot study cannot overemphasize due to its ability to improve the questionnaire. The weakness of the design and instruments can be detected with it, and also serve as proxy data for the selection of probability sampling (Cooper & Schindler, 2001). According to Emory and Cooper (1991), within 25 to 100 respondents are suitable for a pilot study. The outcomes of the pilot study would reveal any misunderstandings, ambiguities and inadequate items (Wiersma, 1993). Hence, discussion was held in order to clarify the content of the questionnaire to give necessary criticism and suggestions that will improve questionnaire. For the purpose of the current study, 25 sets of questionnaires were distributed to and

collected from the respondents. The result of the pilot test is at reliable stage overall. The reliability for ease of use is 0.824, for perceived usefulness 0.947, for cultural adaptation 0.863, for trust the reliability of 0.733, for reliability 0.931. Meanwhile, international product purchasing and customer satisfaction are 0.840 and 0.942.

### **3.6. DATA ANALYSIS**

Several steps have been performed in analyzing the data. To check for any abnormalities, data screening and cleaning was carried out. Then, the data was analyzed using descriptive statistics such as percentage according to sex, range of salary and level of education. Descriptive statistics analysis covers the calculation of the average, percentage, standard deviation, and frequency, to providing the better understanding of the study (Zikmund, 1999; Khamarudin, 2003). As in each research it is important to reduce the measurement error, validity, reliability and appropriate measurement that were employed. Research expert and the extensive review of literature done helped in securing content validity whiles the use of factor analysis provided criterion validity. In addition, Cronbach-alpha was utilized to measure reliability. The inferential statistic was used depending on the question asked, the scales and the number of variables (Zikmund, 1994; Noor, 2009). Pearson Correlation was used to determine if there is any linkages between the independent variables which are the factors that influencing the dependent variable, which is international product purchasing. This enables the reader to know whether there is any relationship between variables and also shows the strength and direction of the relationship.

### **3.7. SUMMARY**

This chapter explained the methodology adopted for this research. This research is descriptive in nature and employs a survey method. This study used convenience sampling and questionnaires were distributed to the Jakarta's residents who work or ever worked and have tried the international product purchasing before. The instrument was tested for its validity and reliability to ensure that it is appropriate for this study. Hence, a panel of experts, a pilot study and Cronbach-alpha were conducted. The responses gathered were tested using descriptive and inferential statistics.



## **CHAPTER 4**

### **FINDINGS**

This chapter shall reveal and discuss the result of this study. Several sections made up of this chapter. Section 4.1 will describe the sample of this study while section 4.2 disclosed the background of the respondents. The information is presented in tabular forms and pie chart. Followed by descriptive statistics of the variables on section 4.3, and test of hypothesis is under section 4.4. Section 4.5 is discussion and findings, and lastly section 4.6 is the summary of this chapter.

#### **4.1. SAMPLE OF STUDY**

This study targets Indonesians who deal with international online shopping. Current study takes samples from the capital town of Indonesia, Jakarta. It is because Jakarta has the most population in Indonesia. Jakarta is also very fast in trend movement and Indonesians who live in Jakarta easily adapt and adopt fads. To get the data, the researcher delivered the completed questionnaires to the respondents through mail and a website. Due to time and cost limitations, the total number of mailed questionnaires was 180. Besides mailing the questionnaires, this study also distributed questionnaires through a website by giving the survey link to the respondents so as to achieve higher response rate. However, the quantity of usable questionnaires received from the mail was 90 and the usable questionnaire were 82, and from web site were 40, so the total number of questionnaires

that can be used is 122. The rate of response to the questionnaire distributed was 55.4%. Asking some respondents on the reasons why they failed to respond to the questionnaire, the reply were as following outcomes: they were busy with their daily work, forgot to pass it through, and could not make it in the limited time given.

## **4.2. DATA CLEANING AND SCREENING**

Before further tests were done on the variables, the data screening exercise was done by the researcher to discover any errors in coding. The frequency test conducted indicated that there was no error in data entry. All value was within the required range as no extreme minimum or maximum value was recorded and the mean was also within the specified range. Thus, it can be concluded that the data was clean. Besides, using a missing value analysis provided by SPSS program, it was found that there was no missing value. As it did not reach 15 percent, no data was deleted (Meyers *et al.*, 2006).

## **4.3. BACKGROUND OF THE RESPONDENTS**

Among the respondents, the majority were female which comprised of 53.3 percent, while male stood at 46.7 percent. In terms of age of the respondents, most were in the 18-25 year-old group at 49.2 percent, followed by 34-40 year-old group at 15.6 percent, then the 26-33 years-old group at 13.9 percent. The details are shown in Table 4.1 and Table 4.2.

**Table 4.1 Respondent Demographic Factors**

**Gender**

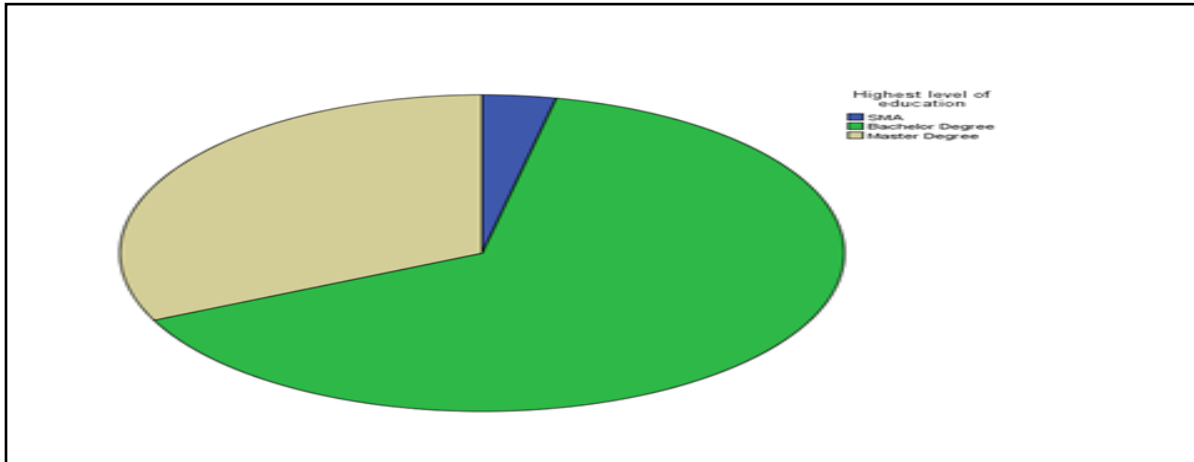
|            | Frequency | Percent | Valid Percent | Cumulative<br>Percent |
|------------|-----------|---------|---------------|-----------------------|
| Valid male | 57        | 46.7    | 46.7          | 46.7                  |
| female     | 65        | 53.3    | 53.3          | 100.0                 |
| Total      | 122       | 100.0   | 100.0         |                       |

**Table 4.2 Respondent According to Age**

**Age**

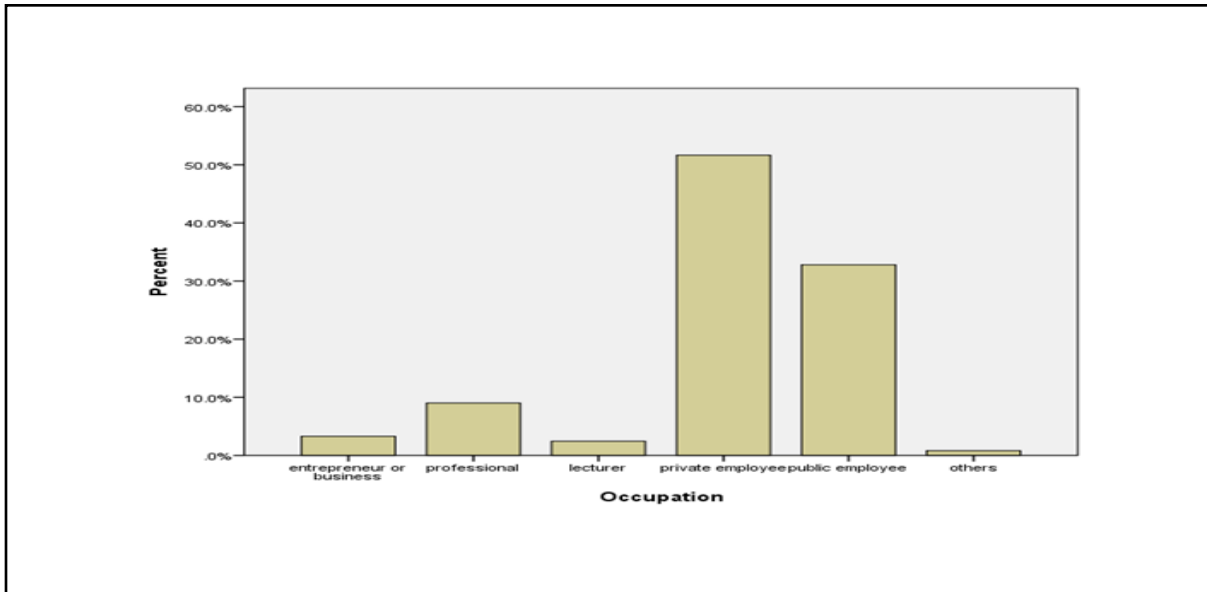
|                   | Frequency | Percent | Valid Percent | Cumulative<br>Percent |
|-------------------|-----------|---------|---------------|-----------------------|
| Valid 18-25 years | 60        | 49.2    | 49.2          | 49.2                  |
| 26-33 years       | 17        | 13.9    | 13.9          | 63.1                  |
| 34-40 years       | 19        | 15.6    | 15.6          | 78.7                  |
| 41-47 years       | 12        | 9.8     | 9.8           | 88.5                  |
| 48-54 years       | 13        | 10.7    | 10.7          | 99.2                  |
| 55-60 years       | 1         | .8      | .8            | 100.0                 |
| Total             | 122       | 100.0   | 100.0         |                       |

The education level of the respondents was also surveyed. From the total number of respondents, 64.8 percent of them possess a bachelor's degree, 32 percent have a master's degree, and the rest are SekolahMenengahAtas (SMA) or high school graduates at 3.3 percent. Figure 4.1 depicts the information.



**Figure 4.1 : Education Level of Respondents**

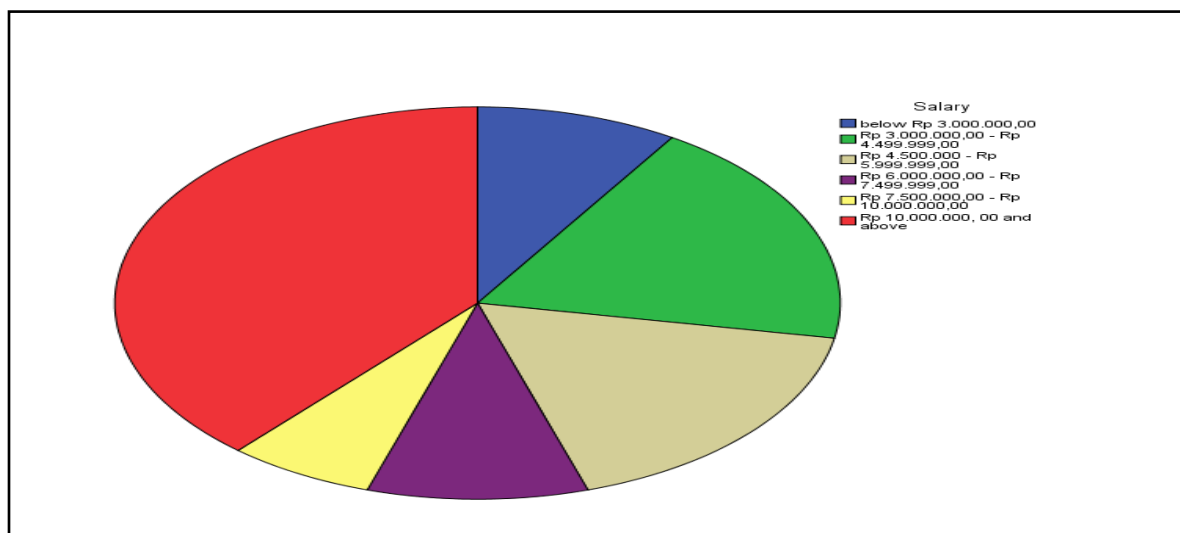
In terms of career positions, private employee position leads at 51.6 percent, 32.8 percent hold the position of public employee, followed by professionals at 9 percent, then entrepreneurs or business doers at 3.3 percent, and lastly, .8 percent of employees hold other position. Figure 4.2 shows the details.



**Figure 4.2 Occupation of the Respondents**

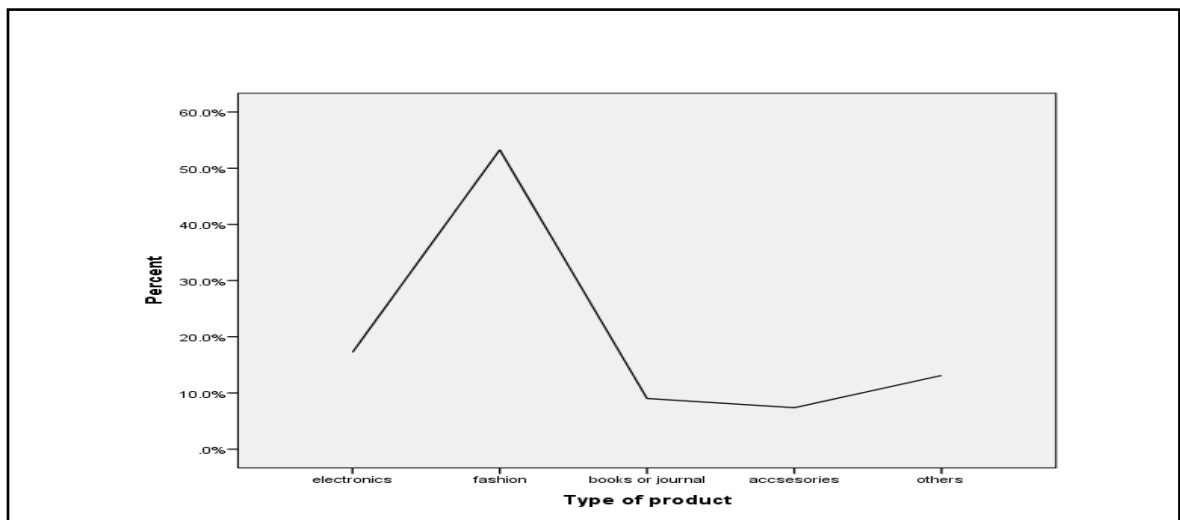
The questionnaires also highlight the salary range of the respondents. 38.5 percent of the respondents have a salary range of above Rp 10.000.000,00, followed by

Rp3.000.000,00 – Rp 4.499.999,00 salary range at 18.9 percent, then another batch of respondents at 17.2 percent have Rp 4.500.000,00 – Rp 5.999.999,00 salary range, Rp 6.000.000,00 – Rp 7.499.000, 00 salary range possessed by 9.8 percent of the respondents, 9 percent of respondents have a salary range below Rp 3.000.000, 00, and lastly, 6.6 percent of respondents have Rp 7.500.000,00 – Rp 10.000.000,00 salary range. Figure 4.3 illustrated the information.



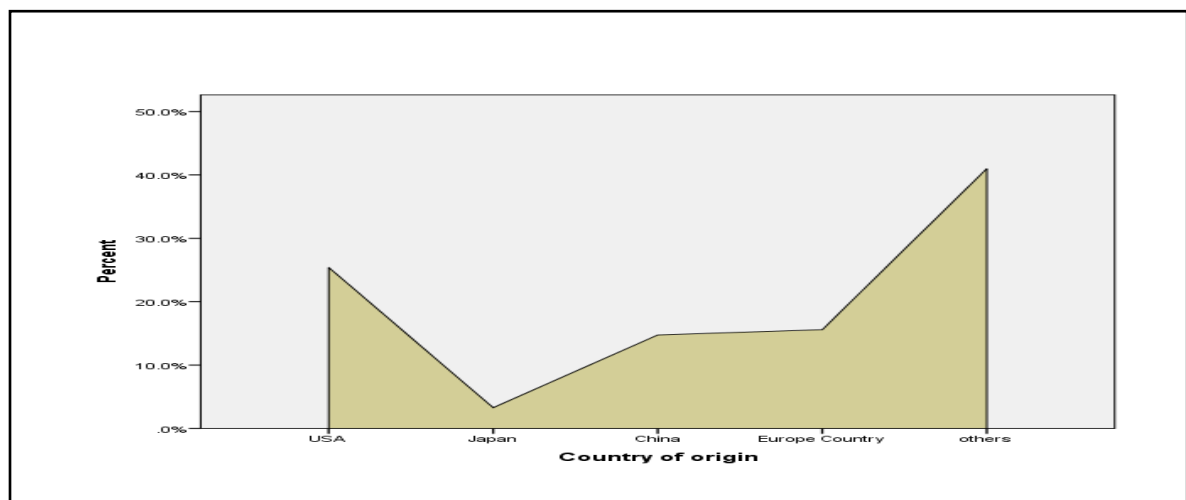
**Figure 4.3 salary range of the respondent**

The majority of the respondents, at 53.3 percent, bought fashion products from international websites, followed by 17.2 percent who bought electronic products, then 13.1 percent bought other things like line stickers, music, food and applications. Then 9 percent of the respondents bought books or journals from international websites, and lastly, 7.4 percent of them bought accessories. The information in Figure 4.4 shows products bought from the websites.



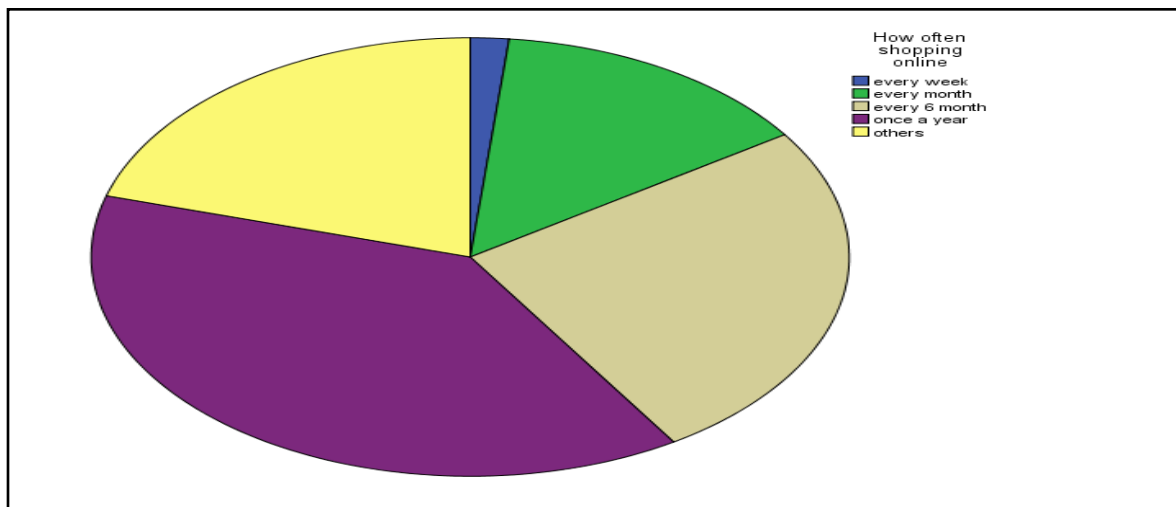
**Figure 4.4 Type of Product Bought by the Respondents**

The respondents were also asked about the origins of the online store. 25.4 percent of the respondents bought products from USA, 15.6 percent of respondents bought the products from various European countries, followed by 14.8 percent of them who bought goods from China, then 3.3 percent bought from Japan, and the rest of the respondents at 41 percent purchased goods from other countries, like Korea, Malaysia, and Singapore. Figure 4.5 shows the illustration of the information.



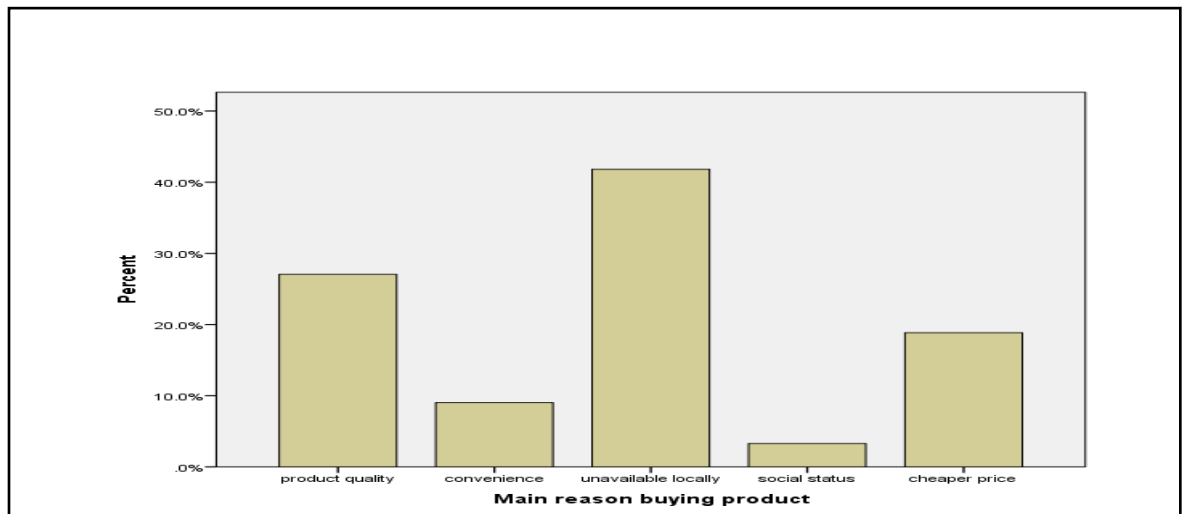
**Figure 4.5 Country of Origin of the Products**

Furthermore, the question of sales frequency from international websites was also posed to determine the respondents' involvement in international product purchasing. The majority of the respondents, at 38.5 percent, bought the products once a year, 25.4 percent of them bought the products every 6 months, another 13.9 percent bought the products every month, 1.6 percent of the respondents bought the products every week, and lastly, 20.5 percent of the respondents bought the products occasionally. Figure 4.6 shows how often the respondents bought products from the websites.



**Figure 4.6 Respondents' Shopping Frequency**

Lastly, the respondents were asked about the reason for their purchase from international websites. The majority at 41.8 percent stated that it was due to the fact that the products were not available locally, the second major reason was because of the products' quality at 27 percent and a further 18.9 percent of the respondents bought the products from international websites because of cheaper prices. Another reason is because of convenience and social status at 9 percent and 3.3 percent respectively. Figure 4.7 shows the respondents' main reason to buy products from international websites.



**Figure 4.7 Respondents' Main Reason of Shopping Online**

#### **4.4. DESCRIPTIVE STATISTICS OF THE VARIABLES**

Mean scores and standard deviations of each construct item were presented in Table 4.3 to Table 4.8. Table 4.3 represents the mean and standard deviation scores for each item and for overall score of the ease of use construct. As shown in the Table 4.3, the overall mean score for ease of use is high (Mean = 3.9230; Std. Deviation = 0.43972).

**Table 4.3 Means and Standard Deviation for Ease of Use**

##### **Descriptive Statistics**

|  | N   | Mean   | Std. Deviation |
|--|-----|--------|----------------|
| it is easy to become skillful at using the web site          | 122 | 3.9016 | .63519         |
| learning to operate the web site is easy                     | 122 | 3.9836 | .60280         |
| the web site is flexible to interact with                    | 122 | 3.8525 | .59851         |
| my interaction with the web site is clear and understandable | 122 | 3.8607 | .53498         |
| the web site is easy to use                                  | 122 | 4.0164 | .57472         |



|                                     |  |        |        |
|-------------------------------------|--|--------|--------|
| Overall Mean and Standard Deviation |  | 3.9230 | .43972 |
|-------------------------------------|--|--------|--------|

The mean and standard deviation scores for perceived usefulness are illustrated in table 4.4. The result shows a high level of perceived usefulness by customers in international product purchasing (Mean = 3.8836; Standard Deviation = 0.49181).

**Table 4.4 Means and Standard Deviation for Perceived Usefulness**

**Descriptive Statistics**

|  | N   | Mean   | Std. Deviation |
|--|-----|--------|----------------|
| The website enables me to search and buy goods faster                    | 122 | 3.8934 | .58645         |
| The web site enhances my effectiveness in goods searching and buying     | 122 | 3.8443 | .68055         |
| The web site makes it easier to search for and purchase goods            | 122 | 3.9590 | .64792         |
| The web site increases my productivity in searching and purchasing goods | 122 | 3.7869 | .68308         |
| The web site is useful for searching and buying goods                    | 122 | 3.9344 | .63944         |
| Overall Mean and Standard Deviation                                      |     | 3.8836 | .49181         |

Table 4.5 illustrates the mean and standard deviation of cultural adaptation in international product purchasing. The overall mean score is 3.3975; and the standard deviation is 0.83799.

**Table 4.5 Means and Standard Deviation for Cultural Adaptation**

**Descriptive Statistics**

|  | N   | Mean   | Std. Deviation |
|--|-----|--------|----------------|
| The web site reflects aspects of my country's culture                                | 122 | 3.3852 | .87619         |
| The image, colors, information, and symbols on the site are reflective of my country | 122 | 3.4098 | .90685         |
| Overall Mean and Standard deviation  |     | 3.3975 | .83799         |

Table 4.6 illustrates the mean and standard deviation score for trust in international product purchasing. The mean score for trust is 3.7275, indicating a high level of trust in the international product purchasing.

**Table 4.6 Means and Standard Deviation for Trust**

**Descriptive Statistics**

|  | N   | Mean   | Std. Deviation |
|--|-----|--------|----------------|
| Based on my experience with the online shop in the past, I know it is honest                         | 122 | 3.7541 | .68407         |
| Based on my experience with online store in the past, it is not opportunistic                        | 122 | 3.3770 | .81644         |
| Based on my experience with the online store in the past, I know it keeps it promise to the customer | 122 | 3.8852 | .64535         |
| Based on my experience with the online store in the past, I know it is trustworthy                   | 122 | 3.8934 | .69004         |

|                                     |  |        |        |
|-------------------------------------|--|--------|--------|
| Overall Mean and Standard Deviation |  | 3.7275 | .54735 |
|-------------------------------------|--|--------|--------|

The mean and standard deviation for reliability are illustrated in table 4.7. As revealed in the table, the overall mean score for reliability is 3.8962 with a standard deviation score of 0.47205.

**Table 4.7 Means and Standard Deviation for Reliability**

**Descriptive Statistics**

|  | N   | Mean   | Std. Deviation |
|--|-----|--------|----------------|
| The quality and quantity of the product I received was exactly the same as I ordered   | 122 | 3.8770 | .68729         |
| The product I ordered was delivered to me within the time promised by the online store | 122 | 3.9344 | .70109         |
| The billing process was accurately handled   | 122 | 3.9836 | .60280         |
| The online store responded to my inquiry promptly                                      | 122 | 3.8279 | .62579         |
| When the online store promised to e-mail or call me by certain time, it did so         | 122 | 3.8197 | .68050         |
| The system of the web site rapidly retrieved the information I requested               | 122 | 3.9344 | .65224         |
| Overall Mean and Standard Deviation  |     | 3.8962 | .47205         |

Table 4.8 reports the mean and standard deviation scores for product quality. The mean score for product quality in international product purchasing indicates that the

customers are quite satisfied with the quality of the product, with an overall mean score of 3.8049 and standard deviation of 0.52788.

**Table 4.8 Means and Standard Deviation for Product Quality**

**Descriptive Statistics**

|  | N   | Mean   | Std. Deviation |
|--|-----|--------|----------------|
| Detailed information is provided regarding the range of products offered | 122 | 3.8852 | .70648         |
| Compliance with promised quality and delivery term conditions            | 122 | 3.8525 | .61216         |
| The online store offer good price quality level products                 | 122 | 3.8852 | .70648         |
| The online store offer customized product                                | 122 | 3.6066 | .79832         |
| The online store offer wide range of product                             | 122 | 3.7951 | .75993         |
| Overall Mean and Standard Deviation                                      |     | 3.8049 | .52788         |

#### 4.5. HYPOTHESIS TESTING

To test the hypotheses suggested for this study, a Pearson correlation analysis was conducted to see the connection between the variables. This study tries to discover if any relationship existed between the variables. According to Pallant (2005) if the value of correlation is equal to 0, then it indicates that there is no relationship, but if the value is equal to 1.0, it means that there is perfect positive or negative relationship. Cohen's (1988) suggestion correlation was employed to interpret the values between 0 (no relationship) and

1 (perfect relationship), when  $r = 0.30$  to  $0.49$ , the strength is medium while when  $r$  is  $0.50$  and above, the strength is large.

Among the website quality dimensions, at confidence interval of 95%, ease of use and perceived usefulness show a significant correlation of  $r = .369$ , and  $r = .521$ , respectively with international product purchasing (IPP). For cultural adaptation relationship with international product purchasing (IPP) and customer satisfaction that there is also a significant relationship between the two constructs with a correlation of  $r = .273$ ,  $p < 0.01$ .

Meanwhile, the relationship between dependability dimension and international product purchasing stage indicates that trust, reliability, and product quality have a significant relationship with the international product purchasing at  $r = .467$ ,  $r = .448$ , and  $r = .464$  respectively. In general, the above outcomes confirmed the relationship between each of the variables and gave this study an opportunity to conclude as to whether there is enough evidence to support the acceptance the null hypothesis or there is not in order to reject the null hypothesis.

### **H<sub>1</sub>: Perceived Ease of Use Is Important and Positively Affects the Indonesian Consumers to Purchase Products from International Online Stores.**

Hypothesis H<sub>1</sub> refers to the relationship between the ease of use and international product purchasing. It is proposed that the ease of use of a website positively affects international product purchasing. Table 4.9 shows that ease of use is supported (path coefficient =  $0.136$ ,

$p < 0.0$ ), of which the result demonstrates there is an association between ease of use and international product purchasing; thus as expected, this relationship is significant.

**Table 4.9 Correlation between Ease of Use and IPP**

**Correlations**

|                                  |                     | Ease of Use | International Product Purchasing |
|----------------------------------|---------------------|-------------|----------------------------------|
| Ease of Use                      | Pearson Correlation | 1           | .369**                           |
|                                  | Sig. (2-tailed)     |             | .000                             |
|                                  | N                   | 122         | 122                              |
| International Product Purchasing | Pearson Correlation | .369**      | 1                                |
|                                  | Sig. (2-tailed)     | .000        |                                  |
|                                  | N                   | 122         | 122                              |

\*\* . Correlation is significant at the 0.01 level (2-tailed).

**H<sub>2</sub>: Perceived Usefulness Will Positively Influence the Indonesian Consumers to Purchase Products from International Online Stores.**

Hypothesis H<sub>2</sub> states that perceived usefulness will have a positive influence on an international product purchasing. This hypothesis is found to be supported (path coefficient= 0.272,  $p < 0.01$ ). As predicted, the relationship between perceived usefulness and international product purchasing is significantly positive.

**Table 4.10 Correlation between Perceived Usefulness and IPP**

**Correlations**

|                                  |                     | Perceived Usefulness | International Product Purchasing |
|----------------------------------|---------------------|----------------------|----------------------------------|
| Perceived Usefulness             | Pearson Correlation | 1                    | .521**                           |
|                                  | Sig. (2-tailed)     |                      | .000                             |
|                                  | N                   | 122                  | 122                              |
| International Product Purchasing | Pearson Correlation | .521**               | 1                                |
|                                  | Sig. (2-tailed)     | .000                 |                                  |
|                                  | N                   | 122                  | 122                              |

\*\* . Correlation is significant at the 0.01 level (2-tailed).

**H3: Cultural Adaptation Observed in International Online Store Is Positively Related to the Product Purchase by Indonesian Customers.**

Hypothesis 3 is based on the cultural adaptation of international product purchasing. It is predicted that various cultural adaptation displayed on the international website, such as image, colors, information that are culturally sensitive, will have a positive effect on international product purchasing. The result found that relationship between cultural adaptation and international product purchasing is positive and significant (path coefficient= 0.075,  $p < 0.01$ )

**Table 4.11 Correlation between Cultural Adaptation and IPP**

**Correlations**

|  | Cultural Adaptation | International Product Purchasing |
|--|---------------------|----------------------------------|
|  |                     |                                  |

|                             |         |                     |        |        |
|-----------------------------|---------|---------------------|--------|--------|
| Cultural Adaptation         |         | Pearson Correlation | 1      | .273** |
|                             |         | Sig. (2-tailed)     |        | .002   |
|                             |         | N                   | 122    | 122    |
| International<br>Purchasing | Product | Pearson Correlation | .273** | 1      |
|                             |         | Sig. (2-tailed)     | .002   |        |
|                             |         | N                   | 122    | 122    |

\*\* . Correlation is significant at the 0.01 level (2-tailed).

#### **H4: Trust Positively Affects Indonesians Customers to Purchase Products from International Online Stores.**

Hypothesis H<sub>4</sub> implies that trust is expected to contribute to international product purchasing. It explains that if a supplier gains the trust of an online store, then the international product purchasing through this website should receive more favorable response from Indonesian buyers. The result shows that there is a significant and positive effect of trust on international product purchasing (path coefficient= 0.218,  $p < 0.01$ ). It indicates that this hypothesized prediction is supported.

**Table 4.12 Correlation between Trust and IPP**

##### **Correlations**

|                       |                     | Trust  | International Product Purchasing |
|-----------------------|---------------------|--------|----------------------------------|
| Trust                 | Pearson Correlation | 1      | .467**                           |
|                       | Sig. (2-tailed)     |        | .000                             |
|                       | N                   | 122    | 122                              |
| International Product | Pearson Correlation | .467** | 1                                |



|            |                 |      |     |
|------------|-----------------|------|-----|
| Purchasing | Sig. (2-tailed) | .000 |     |
|            | N               | 122  | 122 |

\*\*. Correlation is significant at the 0.01 level (2-tailed).

### **H<sub>5</sub>: Reliability Positively Impacts Indonesian Consumers to Purchase Products from International Online Stores.**

Hypothesis H<sub>5</sub> predicts that interaction between reliability is positively connected to international product purchasing. As shown in Table 4.13, the relationship between reliability and international product purchasing is clearly positive and significant (path coefficient= 0.2,  $p < 0.01$ ). This supports hypothesis H<sub>5</sub> which implies that there is a good connection between reliability and international product purchasing.

**Table 4.13 Correlation between Reliability and IPP**

#### **Correlations**

|                                  |                     | Reliability | International Product Purchasing |
|----------------------------------|---------------------|-------------|----------------------------------|
| Reliability                      | Pearson Correlation | 1           | .448**                           |
|                                  | Sig. (2-tailed)     |             | .000                             |
|                                  | N                   | 122         | 122                              |
| International Product Purchasing | Pearson Correlation | .448**      | 1                                |
|                                  | Sig. (2-tailed)     | .000        |                                  |
|                                  | N                   | 122         | 122                              |

\*\*. Correlation is significant at the 0.01 level (2-tailed).

**H6: The Quality of the Products Offered Is Expected to Influence Indonesian Consumers to Purchase Products from International Online Stores.**

Hypothesis H<sub>6</sub> represents the association between product quality and international product purchasing. It is expected that product quality will have a positive impact on international product purchasing (path coefficient= 0.215, p<0.01). Therefore, this hypothesized prediction is supported.

**Table 4.14 Correlation between Product Quality and IPP**

**Correlations**

|                                  |                     | Product_Quality | International_Product_Purchasing |
|----------------------------------|---------------------|-----------------|----------------------------------|
| Product_Quality                  | Pearson Correlation | 1               | .464**                           |
|                                  | Sig. (2-tailed)     |                 | .000                             |
|                                  | N                   | 122             | 122                              |
| International_Product_Purchasing | Pearson Correlation | .464**          | 1                                |
|                                  | Sig. (2-tailed)     | .000            |                                  |
|                                  | N                   | 122             | 122                              |

\*\* . Correlation is significant at the 0.01 level (2-tailed).

**H7: Products Purchase from International Online Stores by Indonesian Customers Positively Leads to Their Satisfaction.**

Hypothesis H<sub>7</sub> pertains to assessing the significance of the international product purchasing on its customer satisfaction. The results of the hypothesis testing indicates a positive and

strong significant relationship between the two constructs (path coefficient= 0.35,  $p < 0.01$ ). This proves that Indonesian customers are satisfied with their international product purchasing.

**Table 4.15 Correlation between IPP and Customer Satisfaction**

**Correlations**

|  |                     | International<br>Product<br>Purchasing | Customer Satisfaction |
|--|---------------------|--|-----------------------|
| International<br>Product<br>Purchasing | Pearson Correlation | 1                                      | .640**                |
|  | Sig. (2-tailed)     |  | .000                  |
|  | N                   | 122                                    | 122                   |
| Customer Satisfaction                  | Pearson Correlation | .640**                                 | 1                     |
|  | Sig. (2-tailed)     | .000                                   |                       |
|  | N                   | 122                                    | 122                   |

\*\* . Correlation is significant at the 0.01 level (2-tailed).

Table 4.16 will sum up the results from Table 4.9 to 4.15.

**Table 4.16 Pearson Correlation**

| Scale                     | 1      | 2      | 3      | 4      | 5      | 6      | 7 | 8 |
|---------------------------|--------|--------|--------|--------|--------|--------|---|---|
| Ease of use (1)           | -      |        |        |        |        |        |   |   |
| Perceived Usefulness (2)  | .418** | -      |        |        |        |        |   |   |
| Cultural Adaptation (3)   | .121   | .391** | -      |        |        |        |   |   |
| Trust (4)                 | .376** | .357** | .229** | -      |        |        |   |   |
| Reliability (5)           | .328** | .416** | .153** | .569** | -      |        |   |   |
| Product Quality (6)       | .323** | .493** | .389** | .372** | .567** | -      |   |   |
| IPP (7)                   | .305** | .507** | .310** | .432** | .380** | .451** | - |   |
| Customer Satisfaction (8) | .433** | .550** | .322** | .565** | .526** | .555** |   | - |

#### 4.6. SUMMARY

Through analysis conducted on the dimensions, all hypotheses show significant results on factors influencing international product purchasing. On website quality dimension, all correlation analysis results for ease of use, perceived usefulness, and cultural adaptation have a positive significance correlation with international product purchasing. A similar result also shows dependability dimensions. With regards to this dimension, trust, reliability, and product quality indicate a positive significance correlation with international product purchasing. Lastly, the correlation analysis results found that international product purchasing have a positive and very high significance level on customer satisfaction.

## **CHAPTER 5**

### **DISCUSSION**

This chapter is about the discussion of this study and it comprises of several sections. Section 5.1 will describe the relationship between website quality dimension and international product purchasing. This is followed by section 5.2 that will explain the relationship between dependability dimension and international product purchasing. Then, section 5.3 proceeds with the elaboration about the relationship between customer satisfaction and international product purchasing. Finally 5.4 will be the summary of this chapter.

#### **5.1. WEBSITE QUALITY AND INTERNATIONAL PRODUCT PURCHASING**

This study proves that website quality factors such as ease of use, perceived usefulness and cultural adaptation are all key factors which influence international product purchasing. The factor analysis results for three factors of website quality are significant. These are in line with the argument by Davis *et al.* (1989) and Al-Ghatani (2000) who said that ease of use and perceived usefulness are vital factors that lead to online purchasing. In addition, Singh *et al.* (2004) also empirically proved that cultural adaptation is an important factor for international product purchasing.

In regards to ease of use, the result indicates that the connection between ease of use and international product purchasing is significant and positive. This means the ease of

use of the website positively influences international product purchasing. This finding is consistent with the statement by Monsuweet *et al.* (2004) who said that ease of use leads to final online shopping outcome. The finding is also in line with Zeithamlet *et al.* (2000) who said the ease of use influences international product purchasing. Singh *et al.* (2004) study also shows a similar result to this study's result. They found that ease of use significantly influences the intention to purchase international products online.

The outcome reveals that the relationship between perceived usefulness and international product purchasing is significantly and positively linked to international product purchasing. This result supports prior argument that perceived usefulness encourages customers to purchase products through online websites (Monsuweet *et al.*, 2004). It is similar to Zeithamlet *et al.* (2000) who said, perceived usefulness is significant predictors of prospective adopters' attitude and behavioral intention to website usage.

As for the relationship between cultural adaptations of international product purchasing, the result is positive and significant. This is consistent with the finding of Singh *et al.* (2004), who said that cultural adaptation is an important factor of international online shopping. In their studies on online purchasing, Violino (2001) and Singh *et al.* (2004) argue that a major obstacle for wanting to extend their *e-business* worldwide is to understand the requirements of global consumers and reduce the cultural barriers and language differences on the website. If these two requirements were applied by the sellers, customers would probably like the web features and tend to buy from that particular online store. In line with this contention, the finding of the current study proves that if the website is culturally sensitive, consumers will buy their products online. It means that Indonesian customers are also concerned with the cultural adaptation value on the website.

## 5.2. DEPENDABILITY AND INTERNATIONAL PRODUCT PURCHASING

This study proves that dependability is also necessary in promoting international product purchasing. The results of factors analysis for dimensions of dependability also show a satisfactory stage. A website can be considered dependable if the website is reliable and trusted. The concept of reliability is very crucial to the perspective of online shopping and customer behavior (Pavlou & Chai, 2002). Conversely, one of the commonly cited reason that discourage consumers from shopping on the internet is the lack of trust (Lee and Turban, 2001). In addition, Tsotsou (2005) said that perceived product quality is one of the most important constructs in marketing.

The analysis result of this study for ease of use is significance and the relationship between ease of use and international product purchasing is positive. It significantly correlates with Corritore *et al.* (2003) who stated that trust is a prerequisite in online buying. The result also verifies the argument by Lee and Turban (2001), and Monsuwe *et al.* (2004), who found that an important issue needs to be addressed in seller-buyer relationship in online shopping is “trust”. In addition, the significant finding on the relationship between trust and international product purchasing is consistent with arguments by Ang and Lee (2000) who stated that consumers will never make any purchasing decision if the website is not capable of making them believe that the merchant is trustworthy. This study’s finding is also similar to Lee and Turban (2001), and McCole and Palmer (2001) that concluded that online buying and selling necessitate customer trust, and support Shaney, Ghosh, Shrivastava (2013) who stated that it is important to build consumer trust and maintain relationships. Then, this study is also significantly linked to the study held by Balasubramanian *et al.* (2003), Koufaris and Hampton-Sosa (2004),

McKnight and Chervany (2001) and Shaney, Ghosh, Shrivastava, (2013) all of which established that the success of online transactions is greatly determined by online trust.

The result also shows that reliability is important and has a positive impact on international product purchasing. It continues the contention by Pavlou and Chai (2002), who claimed that the concept of reliability is the most important factor in the context of online shopping and consumers' behavior. The result also support Ho and Wu (1999), who indicated that web site design and reliability are the most significant factors that have a prominent effect on online consumer. Besides, the result is also in agreement with Parasuraman *et al.* (1985, 1988), who said that reliability is much related to customer satisfaction.

With regard to the last dimension of dependability, the result also shows that the correlation supports the expected significant and positive relationship between perceived product quality and international product purchasing. The result of this study is in line with Tsiotsou (2005), who said that product quality is one of the most important constructs in marketing. It is also consistent with the finding by Martin and Camarero (2008) who indicate that product quality has an influence on satisfaction.

### **5.3. INTERNATIONAL PRODUCT PURCHASING AND CUSTOMER SATISFACTION**

The relationship between customer satisfaction and international product purchasing is another main concern of this study. The finding shows that customer satisfaction has a significant and positive relationship with international product



purchasing. This study reveals that the international product purchasing can lead to higher customer satisfaction. In a marketing study by Erevelles and Leavitt (1992) Monsuwe, Dellaert and Ruyter (2004), it is concluded that customer satisfaction is one of the major goals in marketing. From another perspective, Yang and Peterson (2004) provide evidence that customer satisfaction is a vital determinant of product purchasing and lead to customer loyalty.

#### **5.4. SUMMARY**

Based on all findings of this study, this chapter concludes that all the dimensions of the variables of this study show significance and positive relationship with international product purchasing. Generally, it can be concluded that all website quality variables, such as ease of use, perceived usefulness and cultural adaptation have positive influence on international product purchasing. The current study also verifies that dependability factors, such as, reliability, trust and product quality are associated with international product purchasing as well, and subsequently, international product purchasing leads to customer satisfaction.

## **CHAPTER 6**

### **CONCLUSION AND RECOMMENDATION**

#### **6.1. INTRODUCTION**

E-commerce has turn out to be one of the essential business methods in the internet era (Li and Zhang, 2002). In line with internet phenomenon, business operators have also expanded their business into e-commerce to make their business more competitive (Seybold, 2001; Khamarudin, 2003). In the case of Indonesia, online shopping is a famous media to promote, sell and buy products (Cool Founder, 2010). Bloomberg, (2010) predicted that the internet users in Indonesia will grow in double to 1.2 billion by 2015. This means that more Indonesians are now embracing e-commerce wholeheartedly.

On the other hand, the purchasing of international product, or buying from foreign online vendors is not yet popular in Indonesia, even though online domestic shopping is already popular in Indonesia. Many international brands are not available in Indonesia. Hence, customers have to look for other alternatives in order to get the product they want. The best alternative is through online purchasing. In this research, the current study is focused on the development of products purchasing through international online vendors in Jakarta, Indonesia. Jakarta is selected because it is the busiest city in Indonesia and also due to its economic and social importance. In addition, almost all Jakarta's residents of all ages understand and use internet in their daily life. 70% of those internet users are online shoppers. Besides, this study is held in Jakarta, Indonesia because previous studies have not

looked into Indonesian customers buying from international online vendors, especially in the Jakarta area. Therefore, this study attempted to uncover the trend of buying products from international online vendors among the residents of Jakarta, Indonesia.

This study explores website qualities that includes ease of use, perceived usefulness and cultural adaptation, and dependability, that includes trust, reliability and product quality, in order to find any link with international product purchasing. Several previous studies including Davis *et al.* (1989) and Al-Ghatani (2000), Singh *et al.* (2004), Zeithaml *et al.* (2000), (Pavlou and Chai, 2002), (Lee and Turban, 2001) and Tsotsos (2005) have stated that all of those factors are important in international product purchasing.

The previous chapter has laid out that the analysis of the data derived from this study. Data analysis was carried out using statistical software, IBM SPSS version 20.0. Through IBM SPSS version 20.0 software, descriptive statistical analysis and correlation analysis could be done effective and easily. In terms of descriptive statistical analysis, the analysis that has been done is analysis of frequency, percentage, mean, and standard deviation. In addition, correlation analysis is implemented for the purpose of testing the hypotheses of this study. Therefore, by analyzing these data, the position of Indonesian customers of international product purchasing can be clearly gauged.

Moreover, in this chapter the discussion is more geared towards the conclusion that is drawn from the result of analysis. Next, the conclusion will be made about the implication of this study, which includes theoretical and managerial implication. Then, it will put forward the limitation of this study and the recommendation for further studies.

This chapter concludes and will summarize on the last part. In addition, this chapter also highlights the objectives of the study: first, is to identify an Indonesian customer profile on international product purchasing, second, to examine the influence of website quality factors on international product purchasing on Indonesian customers, third, to investigate the implication of reliability factors on international product purchasing on Indonesian customers, last, is to assess the satisfaction of international product purchasing by Indonesian customers.

## **6.2. IMPLICATION OF THE STUDY**

The implication of this study appears in several ways. It proffers solution to the factors that influence international product purchasing and how the study relates to the theory. This implication can be categorized into theoretical and management implications.

### **6.2.1. THEORETICAL IMPLICATION**

This study agrees with technology acceptance model (TAM) that suggests that a website should imply the ease of use and perceived usefulness to maximize the quality of the website itself. Hence, the factors explored in this study are website quality and dependability and their relationship with international product purchasing.

In this study, the international product purchasing cannot be performed without the use of the internet application and websites. These study implements two variables from TAM as established by Davis (1989), ease of use and perceived usefulness, and adopted

cultural adaptation from Singh (2004) to determine the quality of the website in the perspective of Indonesian customers towards international product purchasing.

As for ease of use, Indonesian customers require it to make them more comfortable with a website and it will attract them to play around with the website. Furthermore, Indonesian customers even require a higher level of perceived usefulness on the websites because Indonesians like to gather information before they decide to buy international products from those websites. In term of cultural factor, it is important for online sellers to design and modify their websites in order to cater the differences of taste and preferences of their international customers. The reason being is that Indonesian customers also take into consideration about the online stores' details.

In terms of dependability, all customers need to feel safe so trust and reliability which include performance, usability, accuracy and even confirmation of transactions applied by online sellers can actually encourage Indonesian customers to buy the products from a foreign website. Indonesian customers especially want to avoid risk so trust and reliability have an important role in the occurrence of international product purchasing. Moreover, product quality also has a role in making Indonesian customers buy international products online. The Indonesian costumers will then have faith in the website and they are willing to buy again from the same website. This study proves that trust and reliability do affect Indonesian customers to purchase international product online.

This study also reveals that international product purchasing really has an impact on customer satisfaction from the Indonesian customers' perspective. Indonesian customers usually evaluate their satisfaction to see if the process of international product purchasing

fulfills their expectation from all aspects. These satisfactions also lead to Indonesian customers' loyalty.

### **6.2.2. MANAGERIAL IMPLICATION**

Online sellers or vendors also play an important role in international product purchasing. Arguably, the sellers are the key factor in the occurrence of international product purchasing itself. The findings of this study can help sellers who want to expand their online business to Indonesia, especially Jakarta. This study, technically and managerially, helps seller to see the criteria needed by Indonesian customers.

As sellers or vendors who just about to enter the Indonesian online trading environment, they should learn and be aware that Indonesians are concerned with the ease of use and perceived usefulness values on the web sites. Moreover, trust and reliability of the websites are also required by Indonesian customers to make them feel safe when they are making a purchase. Finally, product quality is also considered very important by the Indonesian customers as it can lead to loyalty if the product quality meets their expectation.

### **6.3. LIMITATION OF THE STUDY AND RECOMMENDATION FOR FURTHER RESEARCH**

This study has few limitations. The first of the limitations has to do with the location of this study. The location is only held in Jakarta which makes the outcome of the study not to be suitable for generalization to all Indonesian customers. In terms of determining Indonesian customers' perspective on international product purchasing, more rigorous tests in other big regions of Indonesia are needed. Further research locations can be carried out in big cities like Medan, Batam, or Bali. Besides, this study is very general and does not focus on a specific product or category so future researches can be more specific like concentrating on apparel or electronic products. This study also only covers a number of variables that influence international product purchasing but there may be other variables affecting Indonesian customers' on international product purchasing.

### **6.5. CONCLUSION**

In this study, the researcher has discovered significant relationships between website quality and dependability towards international product purchasing from Indonesian customers' perspectives. The result of this study shows the effect of the two variables of website quality, ease of use and perceived usefulness and cultural adaptation are essential consideration by Indonesian customers on international product purchasing. The result of this study also shows that all dependability's variables which include trust, reliability and product quality are deemed important to consider by Indonesian customers towards international product purchasing.

## **6.6. SUMMARY**

This chapter concludes the study. It highlights the implications related to the findings of this study. The implications are in two aspects, that is, theoretical and managerial aspects whereby suggestion where made on few issues. Theoretical implications are found to be related to the construct and its ability and they contribute to the understanding of factors that influence international product purchasing. In addition, it has been suggested to the sellers or vendors to pay more attention to the crucial factors that influence international product purchasing if they want to attract global consumers. Finally, the chapter posts several suggestions for future researches.



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## APPENDIX

### APPENDIX 1 - QUESTIONNAIRE



### RESEARCH QUESTIONNAIRE

Dear Sir/Madam,

My name is Cindy Augustie, a postgraduate student from Universiti Utara Malaysia, taking MSc. International Business. I am conducting a survey which entitled: **An Analysis on Factors Affecting International Online Shopping: An Indonesian Perspective.**

The following survey has been developed to collect data required for the completion of a project paper at the Universiti Utara Malaysia's Graduate School of Business. Your participation will remain completely anonymous. The information you provide will be used for academic research purposes only and will be kept strictly confidential. Your willingness to complete the survey is greatly appreciated.

Please provide the response for each item that best representative your own perception. I shall feel obliged if you could kindly cooperate with us to maximum degree of response in order to make this research a very successful one. May Allah bless you.

Ameen

**If you have any clarification, please do not hesitate to contact me:**

Cindy Augustie  
Ghazalie Shafi Graduates School of Government  
Universiti Utara Malaysia  
e-mail: cindyaugustie@yahoo.com

**Instruction:** Kindly answer the following questions. Your cooperation in providing the correct answers is greatly appreciated. Tick ( / ) or write which ever appropriate.

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## **SECTION B: WEBSITE QUALITY**

Please read the following statements and **TICK ( / )** based on the scale how much you agree with each statement. *Silahkan baca pernyataan di bawah ini dan beri tanda ceklis ( / ) pada pernyataan yang paling sesuai dengan jawaban anda.*

|                       |              |             |           |                    |
|-----------------------|--------------|-------------|-----------|--------------------|
| 1 = strongly disagree | 2 = disagree | 3 = neutral | 4 = agree | 5 = strongly agree |
|-----------------------|--------------|-------------|-----------|--------------------|

|     | <b>PLEASE PROVIDE YOUR ANSWERS BASED ON YOUR FAVOURITE INTERNATIONAL ONLINE STORE THAT YOU HAVE PREVIOUSLY BOUGHT PRODUCT FROM.</b> | 1 | 2 | 3 | 4 | 5 |
|-----|---|---|---|---|---|---|
| 1.  | It is easy to become skillful at using the website.   |   |   |   |   |   |
| 2.  | Learning to operate the web site is easy.   |   |   |   |   |   |
| 3.  | The web site is flexible to interact with.  |   |   |   |   |   |
| 4.  | My interaction with the web site is clear and understandable.   |   |   |   |   |   |
| 5.  | The web site is easy to use.  |   |   |   |   |   |
| 6.  | The web site enables me to search and buy goods faster.   |   |   |   |   |   |
| 7.  | The web site enhances my effectiveness in goods searching and buying.   |   |   |   |   |   |
| 8.  | The web site makes it easier to search for and purchase goods.  |   |   |   |   |   |
| 9.  | The web site increases my productivity in searching and purchasing goods.   |   |   |   |   |   |
| 10. | The web site is useful for searching and buying goods.  |   |   |   |   |   |
| 11. | The web site reflects aspects of my country's culture.  |   |   |   |   |   |
| 12. | The image, colors, information, and symbols on the site are reflective of my country.   |   |   |   |   |   |

### **SECTION C: DEPENDABILITY**

Please read the following statements and **TICK ( / )** based on the scale how much you agree with each statement. *Silahkan baca pernyataan di bawah ini dan beri tanda ceklis ( / ) pada pernyataan yang paling sesuai dengan jawaban anda.*

|                       |              |             |           |                    |
|-----------------------|--------------|-------------|-----------|--------------------|
| 1 = strongly disagree | 2 = disagree | 3 = neutral | 4 = agree | 5 = strongly agree |
|-----------------------|--------------|-------------|-----------|--------------------|

|     | <b>PLEASE PROVIDE YOUR ANSWERS BASED ON YOUR FAVOURITE INTERNATIONAL ONLINE STORE THAT YOU HAVE PREVIOUSLY BOUGHT PRODUCT FROM.</b> | 1 | 2 | 3 | 4 | 5 |
|-----|---|---|---|---|---|---|
| 1.  | Based on my experience with the online store in the past, I know it is honest.  |   |   |   |   |   |
| 2.  | Based on my experience with online store in the past, it is not opportunistic.  |   |   |   |   |   |
| 3.  | Based on my experience with the online store in the past, I know it keeps its promises to customers.                                |   |   |   |   |   |
| 4.  | Based on my experience with the online store in the past, I know it is trustworthy.   |   |   |   |   |   |
| 5.  | The quality and quantity of the product I received was exactly the same as I ordered.   |   |   |   |   |   |
| 6.  | The product I ordered was delivered to me within the time promised by the online store.   |   |   |   |   |   |
| 7.  | The billing process was accurately handled.   |   |   |   |   |   |
| 8.  | The online store responded to my inquiry promptly.  |   |   |   |   |   |
| 9.  | When the online store promised to e-mail or call me by certain time, it did so.   |   |   |   |   |   |
| 10. | The system of the web site rapidly retrieved the information I requested.   |   |   |   |   |   |
| 11. | Detailed information is provided regarding the range of products offered.   |   |   |   |   |   |
| 12. | Compliance with promised quality and delivery term conditions.  |   |   |   |   |   |
| 13. | The online store offer good price quality level product.  |   |   |   |   |   |
| 14. | The online store offer customized products.   |   |   |   |   |   |
| 15. | The online store offer wide range of products.  |   |   |   |   |   |



#### **SECTION D: INTERNATIONAL PRODUCT PURCHASING**

Please read the following statements and **TICK ( / )** based on the scale how much you agree with each statement.

*Silahkan baca pernyataan di bawah ini dan beri tanda ceklis ( / ) pada pernyataan yang paling sesuai dengan jawaban anda.*

|                       |              |             |           |                    |
|-----------------------|--------------|-------------|-----------|--------------------|
| 1 = strongly disagree | 2 = disagree | 3 = neutral | 4 = agree | 5 = strongly agree |
|-----------------------|--------------|-------------|-----------|--------------------|

|    | <b>PLEASE PROVIDE YOUR ANSWERS BASED ON YOUR FAVOURITE INTERNATIONAL ONLINE STORE THAT YOU HAVE PREVIOUSLY BOUGHT PRODUCT FROM.</b> | 1 | 2 | 3 | 4 | 5 |
|----|---|---|---|---|---|---|
| 1. | I enjoy buying over the internet.   |   |   |   |   |   |
| 2. | Buying over the internet is cheaper than buying in a store.   |   |   |   |   |   |
| 3. | Buying over the internet is quicker than buying in a store.   |   |   |   |   |   |
| 4. | Buying over the internet is more efficient than buying in a store.  |   |   |   |   |   |
| 5. | I like shopping online.   |   |   |   |   |   |

#### **SECTION E: CUSTOMER SATISFACTION**

Please read the following statements and **TICK ( / )** based on the scale how much you agree with each statement.

*Silahkan baca pernyataan di bawah ini dan beri tanda ceklis ( / ) pada pernyataan yang paling sesuai dengan jawaban anda.*

|                       |              |             |           |                    |
|-----------------------|--------------|-------------|-----------|--------------------|
| 1 = strongly disagree | 2 = disagree | 3 = neutral | 4 = agree | 5 = strongly agree |
|-----------------------|--------------|-------------|-----------|--------------------|

|    | <b>PLEASE PROVIDE YOUR ANSWERS BASED ON YOUR FAVOURITE INTERNATIONAL ONLINE STORE THAT YOU HAVE PREVIOUSLY BOUGHT PRODUCT FROM.</b> | 1 | 2 | 3 | 4 | 5 |
|----|---|---|---|---|---|---|
| 1. | I think I made a right decision by using this online store.   |   |   |   |   |   |
| 2. | My shopping expectations have been met by this online store.  |   |   |   |   |   |
| 3. | My shopping experience on this online store has been satisfactory.  |   |   |   |   |   |
| 4. | I am happy with the product I have bought from this online store.   |   |   |   |   |   |
| 5. | I am generally happy with the service provided by this online store.  |   |   |   |   |   |