

CHAPTER 5

CONCLUSION AND RECOMMENDATION

In this section, the author explains the findings of the research by answering the research question through the analyzed data gathered from the respondents. The author also elaborates the findings in business perspective. Further in this section, the author describes the limitation of the research and the future research recommendation for this current topic of the research

5.1. Research Findings

RQ1: Which determinants influence the online purchase intention for male and female?

Based on the output from analyzing the data, the determinants that influence the online purchase intention for male are only 3 out of 8, which are effort expectancy, product risk, and perceived trust. Effort expectancy and perceived trust are positively related towards the purchase intention, while product risk is negatively related. Hence, the higher the ease of use or trust towards the online shop, the higher the intention for males to purchase products online. Moreover, the higher the perceived product risk, the lower the intention of males to purchase products online.

As for females, there are 5 determinants which have significant relationship towards purchase intention, which consist of performance expectancy, facilitating condition, hedonic motivation, perceived risk, and perceived trust. All of the factors are positively related except for perceived risk. Therefore, it is concluded that if effort expectancy, facilitating condition, hedonic motivation, or perceived trust towards online shop

increases, the intention for females to purchase product online will also increase. Furthermore, if the perceived risk escalates, the intention for females to purchase online will decrease.

Females are more concerned towards the perceived risk. However, the risk that is related to the product also have negative but insignificant relationship towards female's purchase intention. One of the reasons why male and female have different perceptions on the perceived risk is because female tend to be more cautious about their privacy uploaded online compared to males. Females perceived that they will receive harsh consequences from the loss of their privacy compared to men (Hoy & Milne, 2010). Hence, the negative effect of perceived risk towards male's purchase intention is not significant, while for female is significant. As for product risk, female have lower concerns towards this particular risk compared to male. One of the possible reasons is because the hedonic motive of female in shopping, in which when they were attracted to a particular product, they care less towards the risk that relates to the product. This statement is explained further through a study by Tifferet and Herstein (2012), which described that females are susceptible to impulse purchase. Another reason is that according to Bakshi (2012), female shoppers tend to do more elaborate information searching compared to male shoppers, such as reviews of previous customers, payment methods, shipping methods, and others, which makes them to feel safer in purchasing product. Furthermore, the result shows that females are more frequent to purchase online, which indicates that they are more experienced in using online shop. Hence, female shoppers are less concerned towards the product risk compared to male; aligned with a study by Samadi and Nejadi (2009), which verified

that positive experience would impact negatively towards the risk presented on online purchasing.

From the 8 determinants, there is 1 factor that is not supported by both genders, which is social influence. There are several of studies which validated that the relationship between social influence and purchase intention is insignificant. A study concerning the intention to use internet banking by Tan and Teo (2000), also justified that social influence does not have significant influence towards the intention to use the system. It is further explained that it may be caused due to the ease of access of information regarding the system, which then the users are not required to have other's influence to use the system. Another study from an unpublished dissertation by Velarde (2012), posited that subjective norm, which depicts social influence have insignificant effect towards purchase intention, where one of the possible explanations is that the importance of subjective norm is dependent on the phase of technology implementation. Furthermore, the insignificance of social influence towards purchase intention may be caused by other various factors. Correlating with the statement by Velarde (2012), one of the possible factors is that most online shoppers in Indonesia are still the "groundbreaker" of online purchasing. They are the ones who starts the trend of online shopping, especially the gen Ys.

Furthermore, there are another 3 factors that are insignificant towards male's purchase intention, which are hedonic motivation, performance expectancy, and facilitating condition. Based on a study by Hu and Jasper (2004), male's motive on shopping is more to utilitarian rather than hedonic, which explains why hedonic motivation have

insignificant relationship towards their purchase intention. However, the result concerning performance expectancy is contradictory with the value of utilitarian. This indicates that the usefulness of online shops do not influence the intention to purchase for males. Male shoppers only focus on the benefit of attaining the product, not the other non-product-related benefits. They also tend to search for product less comprehensively than females, which indicates that the ease of searching for product is an important factor for them (Bakshi, 2012). As long as males get what they need with ease, they are satisfied. Furthermore, males tend to have better ability on using a technological-based system, and have higher self-efficacy (Beckwith & Burnett, 2004). Hence, the support from the system in helping male shoppers in performing their shopping activity will not have a significant impact in increasing their intention to purchase online. In fact, they tend to blame the system if the system does not work as they intended (Bioano, et al., 2014).

As for females, there is 1 additional factor that is insignificant towards purchase intention, which is effort expectancy. This indicates that the ease of use in online shopping does not have significant effect towards female's purchase intention. One possible reason for the insignificance is because female consider online store is easy to use. However, their intention to purchase is still low, which also explains the reverse effect coefficient of effort expectancy to purchase intention. The low intention to purchase may be caused by many other factors. However, in this current study, risk seems to be the factor that lowers the intention to purchase. Even though female tend to have low self-efficacy, they will have enthusiasm of using a certain system and spend more time on using the system if the system is useful or beneficial for them

(Bioano, et al., 2014). Based on the result of performance expectancy, it is factual that female consider online shops as a useful and beneficial system. This justifies that females spend more time using online shop, which shows that they are experienced on using online shop, and indirectly perceived online shops to be easy to use. However, due to many factors, the intention to purchase is still low. Hence, the relationship between effort expectancy and female's purchase intention is insignificant.

RQ2: Which determinant is the most influential towards purchase intention for male and female?

The most influential factor that affects purchase intention in male is the perceived trust. This indicates the trust towards online shop of not doing fraudulence activity or unable to keep customer's privacy would impact greatly towards the purchase intention of males. As for female, the most influential factor that affects purchase intention is facilitating condition. This specifies that the ability to purchase online alone, without any help from external sources (e.g. friends or family) and the existence of support from the system are the most influential factor on driving females to purchase online.

RQ3: Which factors influence online purchase behavior for male and female?

Based on the regression result, both genders shows similar result, where from the 2 determinants, only purchase intention that have significant relationship towards purchase behavior. This indicates that the higher the intention to purchase online, the higher the frequency of purchase will be.

The impact of facilitating condition to purchase behavior is insignificant. Comparable to the study by Velarde (2012), where perceived behavioral control, which is a part that embodied facilitating condition, does not have significant relationship towards behavioral intention. One of the possibilities that cause the purchase behavior is insignificantly affected by facilitating condition is the low frequency of online purchase by Indonesian shoppers. The low rate of online purchasing is caused by many factors, which according to Razdan, Das, and Sohoni (2013), the reasons to not purchase online are 1) fraudulent image that exist in online shopping (perceived risk) and 2) product risk that might affect negatively towards the actual purchase of online product. Hence, even though Indonesian online shoppers perceived that they are being facilitated by the online shops, they are still unable to fully adapt the behavior of purchasing online due to many perceived issues in online shopping.

RQ4: Does genders or product types create differences in perceptions and behaviors on online purchasing?

Based on the ANOVA result, there are 4 variables that have differences between genders, which are effort expectancy, hedonic motivation, facilitating condition, and purchase behavior, whereas the regression result, there are 6 differences between genders, which are effort expectancy, performance expectancy, facilitating condition, hedonic motivation, perceived risk, and product risk. Hence, there are 2 differences between the ANOVA and regression result.

From the descriptive result, it is shown that females have stronger perception towards all of the different variables compared to males. The statements above are aligned with many studies concerning the behavior of shopping in different genders, which posited that the motive of females on shopping are likely to be more hedonic, while males are more to utilitarian (Hu & Jasper, 2004). A higher level of pleasure and satisfaction are also gained by female rather than male in shopping, indicating females' hedonic motivation in shopping (Alreck & Settle, 2002). Female also have higher commitment towards a certain brand and more susceptible to impulse buying, which justifies that females have higher frequency of actual purchase through online (Tifferet & Herstein, 2012). Furthermore, females have the enthusiasm of using online shop if they think it is useful for them, where they will use online shop more frequently and perceived online easy to use (Bioano, et al., 2014). However, females tend to have lower self-efficacy compared to males (Hoy & Milne, 2010). Hence, even though females consider the use of online shop is easy, they still need support or facilitation from the system if they find any trouble.

There are other variables that shows no difference between genders, which includes performance expectancy, social influence, perceived risk, product risk, perceived trust, and purchase intention. A study by Khechine, Lakhal, Pascot, and Bytha (2014) also verified that performance expectancy and social influence are not moderated by gender, which means that both genders have insignificant differences toward both variables. Based on the result, it is indicated that both genders perceived online shopping to be useful. As for social influence, both genders perceived that social influence has a small impact towards online shopping, which justifies that most online

shoppers in Indonesia do online shopping not because of others' influence, but themselves. For product risk and perceived risk, it appears that there is no difference between genders. It is shown that both genders have relatively high concern towards perceived risk and product risk. However, regarding back to the regression result, each gender have different types of risk that affects negatively and significantly towards their intention to shop online, where males concern more towards the product risk, and female concerns more towards the perceived risk. As for perceived trust, both genders have similar perception of trust towards the online store, where they think that online shops in general are quite credible. The results of risk and trust seem contradictory. Rationally, when risk towards doing something is high, then the trust towards that action is low. However, the possible cause of this contradicting findings is the perceived trust items that are non-product-related items. The items focus on the overall trust of online shops characteristics such as the technology used, service offered, and general usage. As for the items within both types of risk variable are product-related items, which only concern towards the product purchased in the online shop. Furthermore, purchase intention also have similar results between genders. Both of them have relatively high purchase intention. However, even though the intention to purchase online is similar between genders, the actual purchase is performed more frequently by females.

As for the product type group, there are 3 variables that have differences between the members of the group, which are product risk, purchase intention, and purchase behavior. Between the types of goods (digital and non-digital), the product risk is perceived higher in non-digital product, supporting a study by Dai, Forsythe, and

Kwon (2014). Higher risk towards non-digital products is mainly caused by the inability to touch, see or try the product directly. As for purchase intention and behavior, consumers have higher intention as well as frequency on purchasing digital goods online rather than non-digital goods. One of the possible reasons is due to the lesser risk regarding to this particular type of product. Another reason is that the availability of some digital goods is only in the internet. Hence, consumers that purchases digital goods will have no other option besides online shopping.

From the result, it is also shown that there are 7 variables that has no differences between the product types, which are effort expectancy, performance expectancy, social influence, hedonic motivation, facilitating condition, perceived risk, and perceived trust. As for perceived risk, one of the possible reasons that it has no significant difference between product types is that the information given to the e-retailers is similar. Based on the result, consumers consider that the risk of exposed privacy and fraud is relatively high. As for the remaining variables that has no difference between product types, the possible reason of no difference is because these variables are focusing on the general characteristics of online shop alone regardless what type of products that the online shop offer.

5.2. Managerial Implication

Male Shoppers

E-retailers that targets male as their main consumers, such as Maskoolin, Vengoz, and Frozenshop are suggested to focus on giving more ease of use on using the online shop.

There are several online shops in Indonesia that have been providing ease of use to their customers by applying good interface, where consumers can easily interact with the website navigation. However, there are still many online stores that have bad interface and create difficulties for the users to shop. Hence, online stores are needed to have their interface easy to use and understand by the users, especially for online stores that target male shoppers. This study suggests e-retailers to design a better structured page, better navigation pane, which is usually placed horizontally on the top of the page, and make the font and color of texts in the page easily readable by the consumers. By doing so, it is expected that male's intention to purchase through the store increases. Moreover, even though females purchase intention are not significantly affected by how much effort they spent in order to shop, e-retailers that target females as their main consumers also need to provide system that is easily used in order reduce the need of support for them if they have difficulties.

E-retailers that target males are also need to focus on reducing the perception of product risk, especially shops that offer non-digital product, such as clothing and electronics. Hence, the study suggest e-retailers to apply return policy, which allows customers to return the product if the product has any defects or it is not according to the expectation of the consumers. Even though applying this policy is costly, it allows e-retailers to greatly reduce customers' concerns, especially males towards the product quality. There are only several online stores that apply this policy, and it is proved to be successful in reducing the sense of product risk and increasing the intention to purchase online.

Female Shoppers

E-retailers that target females as their main consumers, such as Pinkemma, Poise24, and Frelyn are needed to focus on 4 things. First, females are more conscious towards the performance of using online shop to perform their shopping activity. Therefore, it is proposed that e-retailers create sense of usefulness that would drive female consumers to ultimately purchase products in their online stores. Better performance of shopping offered by online stores increase females' enthusiasm of using the shops. To create that particular sense, the study suggests e-retailers to create online shop that have better functions, such as website personalization, where it enables consumers to customize the content of the site according to their needs and wants. Another suggestion is a better payment methods, such as through prepaid phone credit, since Indonesian online shoppers are rarely to have PayPal account. Nevertheless, every online store need to have bank transfer and cash-on-delivery payment method since these method are the most common method chosen by Indonesian online shoppers.

Second, females tend to need support from the online shop if they have any trouble. The existence of customers support within the system is crucial to drive the intention to purchase. Most of Indonesian online stores, even the main players, does not have live support directly from the webpage. It is either through email or phone calls. Hence, the study suggest e-retailers to create better support for the customers, such as live support, where customers and the customer support can interact directly through chat box that is provided within the interface of the online shops. Another suggestion is to have not only desktop website, but also mobile website. Therefore, customers can

access the online stores not only through PC or laptop, but also through smartphones or tablets. It would be better if the mobile sites pass through google mobile-friendly test.

Third, e-retailers are need to give more enjoyment on using the online shop. Therefore, it is necessary for e-retailers to have contents that give a sense of pleasure when it is delivered or displayed to the customers. To create this sense, it is suggested that e-retailers to provide better quality of imagery, better interface resolution, and if it is possible entertainment. The addition of entertainment within online stores in Indonesia is very uncommon, hence, it is suggested that e-retailers create entertainment, which it can be in many forms, such as music and mini-games to gain attractiveness, which lead to competitive advantage. However, applying these entertainment requires an optimized website since the bandwidth usage will be high and would distract the consumers' browsing or shopping activity.

Fourth, female shoppers primary concern is the perceived risk or non-product-related risk, such as privacy and frauds. Hence, to reduce the non-product-related risk, it is suggested that e-retailers use a credible third party such as PayPal. Having certification, such as SSL certification might also reduce the perception of non-product-related risk since it can safeguard the privacy of the users and avoid them from the risk of frauds and viruses. Furthermore, a simple addition to the content, which specifies to keep consumers' data private or have certified for privacy protection would also greatly reduce privacy risk. By applying these methods, it is expected that the

anxieties of customers, especially females towards the threat of privacy being compromised or fraud will be reduced.

General

Perceived trust have significant effect towards purchase intention for both genders. This indicates that the trust towards online shop will generate higher intention for both genders to purchase online. One of the fastest way to build trust is by giving good experience of shopping to the customers. By giving flawless delivery of product as well as flawless product performance, consumers will gain trust towards the online shop. E-retailers are also suggested to have one sub-section concerning the reviews of previous customers, which would help the potential customers to be perceived more trust towards the online shop. Furthermore, similar to the suggestions on reducing risk, using a credible third party as one of the payment methods will also generate trust toward the online shops.

Both genders have relatively high online purchase intention. However, the actual purchase for both genders is lower than their intention to purchase, which create a missing opportunity for businesses. Hence, the study suggest to increase promotional activities and give more value and incentive to potential customers. Promotional activities can be discounts, events, membership, and up and cross-selling.

Concerning the product type, consumers that purchases digital goods have higher intention and frequency of purchasing online compared to consumers that purchases non-digital goods. This is mainly caused due to the different availability of digital and

non-digital goods, where several digital goods are only available online, while most non-digital goods are available not only in online, but also physical stores. Hence, it is suggested that e-retailers that offers non-digital goods create sense of scarcity, and offer more promotional activities and values more than what physical stores have offered.

5.3. Research Limitation

There are several limitations that the researcher confronted within the process to finish this study. The limitations are regarding respondents and the variables within the study, which will be explained further below:

Variables Under Study

This study is adapting UTAUT2 model to predict the purchase intention and behavior of both genders. However, there are many other factors that can affect purchase intention or behavior that is not included within this current study. For example, e-retailer's image, customer delight, and website quality can also affect customers' purchase intention. As for purchase behavior, there are studies which stated that actual purchase are affected majorly from perceived risk and trust, where in this study perceived risk and trust only acts as purchase intention's predictors. Hence, the prediction of purchase intention or behavior from this study might not be very precise and accurate to solve the problem in e-commerce industry.

Within this study, there are 2 variables that are excluded from the model, which are price value and habit, and 3 variables that are included into the model, which are perceived risk, product risk, and perceived trust. The moderating effects in the original UTAUT2 model, such as age and experience, are also excluded from the model. Hence, it might also affect the result of predicting both purchase intention and purchase behavior variable.

Furthermore, in this study, the measurement of purchase behavior or actual purchase is subjective rather than objective, which indicates that the measurement is based on the respondents' assumption. Hence, the result of this certain variable might be not too accurate.

Different Level of Online shop and Technology Acceptance

Within this study, the researcher assumes that all the respondents have the same level of online shop and technology acceptance, where it actually is not true, especially comparing people from different generations. Younger generation tend to have higher acceptance compared to the older generation. Hence, it would affect the overall process of this research, especially in gathering the data. Older generation tend to have hard time on answering the questions in online platform since they lack of knowledge of using gadgets. Furthermore, even though some of the older generation are able to answer the questions, the answers are invalid or have the risk to be bias.

The acceptance of online shop in Indonesia might be different from other western countries since this technology is still considered to be a relatively new technology for

Indonesian consumers. Hence, the result that is produced from this research might be different from the result that is produced in most western countries.

Low number and variety of respondents

Time constraint to finish the study forced the researcher to only gather 208 valid respondents. Since the study is focusing on comparing between genders through regression, as well as ANOVA, the researcher think that the number of respondents per gender is quite low. Furthermore, the respondents are mostly located in Jakarta, where it might have alternate result if the questionnaire were spread equally to some specific regions in Indonesia.

5.4. Future Research Recommendation

There are several recommendation for future research to add more value to this topic, which then can be used for better purposes in e-commerce industry. The recommendations are stated below:

Focus on Purchase Behavior

Based on the result of this research, the main problem lies on the lack of actual purchases by the consumers. Their intention is high, yet their actual action to purchase is low. Furthermore, as it is mentioned in the limitation, perceived risk and trust are excluded in predicting purchase behavior. Hence, the study suggest future researches to focus on analyzing the determinants of purchase behavior, which will be useful for increasing the value of the study, and to contribute more to marketing industry.

More variable inclusion

Since purchase intention can be predicted by many factors other than the factors within the UTAUT2 model, adding more significant variables from other models, such as e-retailer's image, website quality, and customer delight would produce better result and the study will be more meaningful and valuable. If it is possible, synthesizing with other model that discussed about the determinants of online purchase intention would greatly increase the weight of the study.

Increase number and variety of respondents

By increasing the number of respondents as well as the variety, the study might be more precise and accurate in answering the problem of e-commerce in Indonesia. By delivering the research in many regions in Indonesia, the variety of respondents will increase and the validity of the research will also increase and will become more dependable to represent bigger population. Future researches also can use other approaches to gather the data to avoid having different level of technology acceptance.

Cross-cultural analysis

The author suggest to conduct cross-cultural analysis with other countries that have similar characteristics with Indonesia and compare whether the results are the same. Conducting cross-cultural analysis with countries outside Asian countries would also be decent to be performed and will be useful for not only e-commerce industry in Indonesia, but also worldwide.