



A Study on Effect of Motivation on Purchase Behavior in Iran's Internet Marketing (Netbarg Company)

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ABSTRACT

Customers' behavior during purchase from internet likewise traditional purchase behavior model derives from a series of cultural, social, personal and/or psychological factors. To increase knowledge and information of managers, marketers and researchers at e-marketing, this research had intended to examine effect of motivation as one of effective internal factors in consumer behavior and purchase behavior in internet. The theoretical framework of research was created based on the studies conducted at this area which individuals' purchase motives were examined in two functional and non-functional motives and internet purchase behavior was examined in three dimensions of purchase intention, purchase acceptance and purchase continuity, which eight hypotheses were designed in line with the proposed model. The statistical population consists of the internet purchasers of NetBarg Company across Iran. Questionnaire was used as the instrument to collect data, which 166 customers of internet NetBarg shopping center were selected as the sample group. After collecting data, the hypotheses were analyzed via correlation test, regression analysis and path analysis technique. Results from investigations indicated that functional motives have a direct relationship with intention, acceptance and continuity of internet purchase and non-functional motives have a direct relationship with acceptance and intention of internet purchase.

Key words- internet marketing, consumer purchase behavior, internet purchase motives

Introduction

Increase of public access to the Internet has caused rise of a special position for trade through the World Wide Web. features of e-commerce such as globalization of trade, removal of time and space constraints, reduction of the price of resources for purchase, increase of sale percent, absence of time constraints on transactions, easy access to the required information, decrease of transaction costs, reduction of times costs of transactions and many other benefits of e-commerce have raised a substantial growth of e-commerce (Allen & Fjermestad, 2001). Rapid development of information and communication technologies in today's activities of business has been considered as the most important long-term process in the world trade. Emergence of e-commerce in recent decades has provided an unprecedented marketing opportunity for trade (Heidar zadeh & Adel pour, 2010). Currently, people enable to have access to internet not just through personal computers but also television and telephone. Further, change in lifestyle has

tended the customers to internet purchase. In line with growth in internet purchase, the number of firms which supply their products to customers through internet increases, otherwise they will lose market share in competition with their internet counterparts (Hosseini *et al.* 2006). Internet sale encompasses about 2.5% of total volume of sale of goods throughout the world. This percent keeps increasing about the special goods for women rapidly. Internet sales have been conventionalized in a special form in some categories of goods such as computer and a variety of computer software (25%) and a variety of books(12.5%)(Hawkins et al. 2004). Internet despite traditional media span all the purchase stages including detection to need, search of information, purchase of products and after purchase activities. Public media has no longer such features. This new media has changed the behaviors that the customer emerges during his purchase (Jayawardhena, et al). Overview of purchase process and consumer behavior in internet for the e-commerce firms is of great importance for acquisition of customer, increase of sale and profitability. Further, overview of

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motives, special behaviors and demographic features of internet purchasers will be effective in providing marketing programs, predicting market size and segmenting market (Khodadad Hosseini et al. 2006).

Problem statement

In Iran, increasing expansion of internet users, development of e-banking and improvement of postal services throughout the country have raised increasing internet purchases. In addition, unique features of internet purchases including no time-consuming, ease of use, no need to referral, search among different stores and comparison of goods with each other have caused interest by a great number of users to internet purchases. Yet, different studies have indicated that just 8% of firms working in internet space outperformed rest of their competitors and most of firms which enter to this arena cannot engage in competition and exclude from the scene. One of the success aspects in virtual world is users' and internet purchasers' more recognition so as to provide a favorable environment and products in favor of their interests. In marketing, firstly identity of each customer must be specified and features of them must be examined separately. The closer their relationship, they can be affiliated to the organization. Such close relationship requires acquisition of precise information from customers (Wansik & park, 2000). Studying and detecting purchasers' behavior are of great importance due to the reasons below:

-making proper and successful marketing decisions by business organizations and non-profit institutes requires for comprehensive information on consumers.

-organizations must collect suitable information on special customers who intervene in any marketing decision making. Nowadays, it cannot neglect success of enterprises. For this, understanding and predicting consumer's behavior is the key success in planning and managing this changing environment.

-consumer's process refers to a complicated and multidimensional process. Firms and organizations have spent millions of dollars to

conduct research on consumers' behavior and effect on these behaviors, yet they failed.

-design of marketing activities targeted in influencing consumers' behavior has influenced organization, individuals and the society (Hawkins, et al, 2004).

A variety of studies on consumer's behavior have indicated that purchase behavior has been largely influenced of cultural features (effects of sub-culture and social class), social factors (effects of groups, reference groups and family), personal factors (effects of age and life stage, job, economic status, lifestyle, personality and personal impression), and mental factors (effects of motivation, learning and beliefs (Hawkins, et al, 2004). Users' motivation to internet purchase has been regarded as one of the most important factors affecting consumers' purchase behavior. Without doubt, detection of purchase motivations has been regarded as the important and effective factor for better recognition of internet users and prediction of their behavior and ultimately influence on their performance. With regard to what mentioned above, the questions below are raised:

1-what features individuals' purchase motives have in internet environment?

2-how different purchase motives of people in the society affect their purchase behavior in virtual environment?

3-what difference exists between different groups of consumers in terms of influence of their purchase motives to their purchase behavior?

To give response to these questions and other questions concerning a variety of effective factors in internet purchase behavior, a variety of studies have not been conducted. The present research examines effect of purchase motives on purchase behavior of those who have taken action to purchase good through internet so as to give response to the questions above.

Hypotheses

Major hypothesis: purchase motive affects internet purchase behavior.

Secondary hypotheses:

-functional motives affect purchase intention.

-functional motives affect purchase acceptance.

- functional motives affect purchase continuity.
- non-functional motives affect purchase intention.
- non-functional motives affect purchase acceptance.
- non-functional motives affect purchase continuity.
- purchase intention affects purchase acceptance.
- purchase acceptance affects purchase continuity.

Literature review

-effective factors in consumer's purchase behavior

Consumers' purchases are largely influenced of their cultural, social, personal and mental characteristics. Cultural factors have the deepest effects on consumer's behavior. Marketer should achieve required information and recognition about the role of culture, sub-culture and social class of purchaser.

Cultural factors

Cultural factors have been considered as one of the most important factors developing the person's behavior and intention. A person learns functional values, impressions, demands and behaviors from others during development. Marketers must constantly consider cultural orientation to predict new goods that have fans.

Sub-culture

Any culture develops from several sub-cultures or groups of people which have common value systems. These systems have grounded on traditions and experiences of married life.

Social class: any society has a form of social structure. Social classes have been developed from regular and stable segments in the society in which the members have common values, interests and behavior. It cannot define social class via a single agent such as income, but social class is determined via a combination of the factors such as job, income, education level, income level and other variables. Each of social classes have their own specific preferences in selection of goods and brands (Hawkins,et al, 2004).

Social factors

Consumer's behavior is under influence of social factors. These social factors develop from small

groups, family members and position and social role of consumer. The firms must consider these factors in formulation of their marketing policies, because they affect consumer's reactions.

-groups: behavior of a person is influenced of many small groups. These groups include family, friends, neighbors and colleagues.

-reference groups: this refers to the groups who affect directly or indirectly forming behavior and beliefs of a person. Marketers strive to know reference groups of their target markets.

-family: family members enable to influence purchaser's behavior. Family members are categorized to two groups: 1- parents of the person who can guide the person, helping him to learn his orientations about religion, policy, economy and etc. spouse and children of person have a direct effect on his daily effect.

-social role and status: a person depends of numerous groups such as family, club, organization and etc. position of person at each of these groups is determined in terms of his role and status(Hawkins,et al, 2004).

Personal factors

Decisions of a purchaser are influenced of his personal characteristics. These characteristics include age, life stage, job, economic status, lifestyle, personality and personal impression.

1-life stage: people desire to purchase different goods and services during their life. During childhood, they are the consumers of the child's food. During growth and maturity, they consume a variety of food materials and they choose specific diets in the next years of life. People's taste has been largely influenced of their age in selection of clothes and entertainments.

2-job: job of any person influences the type of goods and services that he buys. A worker purchases his shoes, clothes and foods well suited to labor and his entertainments might summarize in bowling game. Yet, director of a firm purchases expensive clothes and shoes, travels with airplane and purchases dinghy.

3-economic status: economic conditions of a person affect selection of good. Marketers of the goods who are sensitive to change of income



consider the process of income, deposit and bank interest rate.

Life style: the people who belong to a similar sub-culture and social class might have different lifestyle. Lifestyle refers to a personal life pattern which is expressed in personal thoughts, attachments and activities. Lifestyle refers to what more than personality or social class of the person. Lifestyle includes thorough pattern of person's action and reaction in the world.

Personality and person perception: different personality of any person affects his purchase behavior. Personality refers to unique mental characteristics that result in stable reactions of a person to environment. Personality is generally defined in terms of the characteristics such as self-confidence, independence, change, attachment, creativity and so forth. Most of marketers use the concepts associated to personality. Mental image has been regarded as such concept. The reality has lied on this fact that people's assets indicate their identity. In other words, what we have implies what we are. Hence, to perceive consumer's behavior, marketer must acquire necessary information on the relationship between personal perception and consumer's assets (Hawkins, et al, 2004).

Psychological factors

Selection and purchase of person are influenced of four major psychological factors including motivation, perception, learning and beliefs.

1-motivation: a person has different needs, that some of these needs are physiological derived from sense of hunger, thirst and sorrow. Some of these needs are psychological derived from needing to sense of belonging and respect. Most of these needs lack sufficient severity at a certain time to stimulate person to do a specific action. A need transforms to a stimulant when it enjoys sufficient severity. A stimulant implies a need which has sufficient severity to conduct person to remain satisfied.

2-understanding: a person is ready to take action. How he acts is influenced of his understanding from environment. Two people have opposite action with the same motivation under the same

conditions, because their understanding differs from environment.

3-learning: learning refers to the changes that raise in person's behavior under experience. Under influence of learning theories, the man's behavior is learnable. Learning comes to realize under mutual influence of stimulants, reactions and reinforcements. Desire implies a strong stimulant which seeks an action; desire transforms to motivation when it is conducted to a stimulant and situations develop from small stimulants that determine time and place of person's motivation.

4-beliefs and ideas: people acquire their beliefs and ideas from action and learning. These beliefs and ideas affect their purchase behavior. A belief implies a descriptive idea of a person to something. For instance, superiority of quality of goods made in Japan is a belief among individuals. Marketers desire to people's beliefs about specific goods and services and how these beliefs develop. Such beliefs surround good and mental image of brand, so that people act based on their beliefs. If some of these beliefs avoid purchase due to their unsuitability, marketer must take action with have recourse to special program to modify and correct them. People have beliefs about religion, policy, clothes, music and any other things. A belief displays stable tendencies and feelings of a person to a good or thinking style. These beliefs that make people interested or disgusted to something cause moving to another thing. Changing belief is a tough and expensive order. Beliefs of a person have been assumed as a unique whole, thus changing belief might require for tough adjustments in other beliefs (Hawkins, et al, 2004).

Internet purchase motives

Most of studies on internet purchase and consumer's behavior have examined differences between internet purchasers, typical users and non-internet customers and just a limited number of studies have examined motives of internet users in a systematic way.

Tauber in an article entitled "why we purchase" published in journal of marketing in 1972 has mentioned a series of motivational factors

affecting customers' purchase (Tauber, 1972) and then Seth has called them non-functional motives in a characterization. Non-functional motives have no relationship with purchased product, yet functional motives have relationship with the product (Seth, 1983).

Nowadays, non-functional motives have appeared as one of the important sources at different research areas pertaining to consumer's purchase and behavior. Basic assumption by Tauber lies on this fact that the purchase behavior derives from a variety of psychological needs beyond the needs pertaining to acquisition of product. Therefore, analysis of purchase motives needs evaluating the satisfactions in addition to the satisfactions derived from acquisition of good (Seth, 1983). Non-functional motives by Tauber include: a-personal motives

Role playing: the person can play a traditional role put on his shoulder during purchase, e.g. role of mother or spouse; diversion: purchase gives an opportunity to separate from daily life; Self-gratification: purchase motive is not merely consuming good, but purchase process raises motivation; Learning about new trends: products refer to the symbols about life attitudes and styles in the society. The person gets familiar with existing tendencies and tastes of the society by visiting the stores and observing different products; 5-physical activity: purchase causes physical activity; Sensory stimulation: the person's give senses face new experiences in his visiting a store, e.g. listening to a music which is song in a store or visiting different decorations in stores (Seth, 1983).

Social motives

Social experience outside the home: purchase provides place and time for the person so as to acquire new social experiences; 2- Communication with other having similar interest: the person will have enough opportunity in his purchase to talk to other individuals who have the same tastes with him; 3- Peer group attraction: purchase meets the person's tendency to follow peer groups or reference groups who belong themselves to them; 4-status and authority: purchase raises this situation for the person to be drawn into attention by others; 5- pleasure of bargaining: the person enjoys process of bargaining during purchase (Seth, 1983). Parsons has studied on non-functional motives among internet purchasers and indicated that all the factors mentioned by Tauber have a significant relationship with internet purchase. Parsons proved three personal motivations including entertainments, intrinsic pleasure and familiarity with new processes as strong motivations for internet purchase. Further, he perceived that pleasure of bargaining does not come true about internet purchase. However, Parsons's research is an important step in detection of internet purchasers' motivations, it still requires conducting study in this context (Seth, 1983). Studying the framework for behavior of online consumer

With regard to Constantine's classification at the area of internet purchase behavior, consumers' behavior has three components including purchase intention, purchase acceptance and purchase continuity.

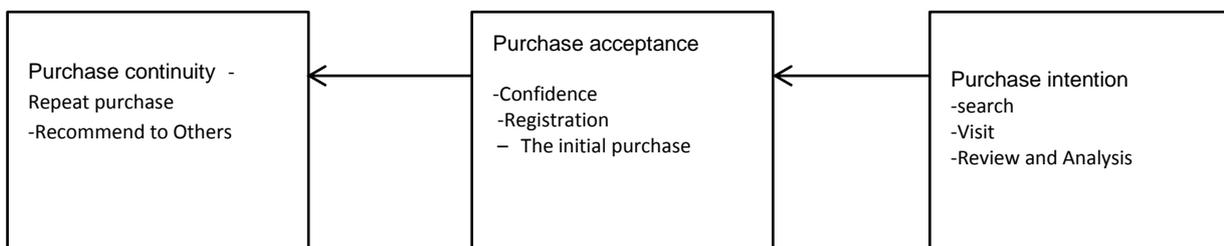


Figure 1. Studying the framework for behavior of online consumer (Constantine, 2004)

Purchase intention is the first stage in internet purchase behavior; Purchase intention implies search, visit, review and analysis and comparison

of the considered product with other products; it should be noted that purchase intention does not result in internet purchase. Purchase acceptance



is the second stage in internet purchase behavior; purchase acceptance implies confidence, registration and entering information in the considered website to do the process and purchase the product in the internet; it should be noted that consumer enter the information after trusting on the security. Purchase continuity is the last stage in the internet purchase behavior; purchase continuity implies repeating purchase and recommending purchase of product from internet to others. It should be noted that these stages are made after acquisition of customer's satisfaction with internet purchase (Constantine, 2004).

Conceptual framework of research

With regard to what mentioned, the conceptual model used in this research was designed in two major dimensions that can be observed in figure 2. Since evidences indicate that such model can enjoy high reliability in different cultures and give a thorough image and encompass more

number of behavioral indices, it is used to examine purchase motives which are the independent variable of this research. Internet purchase behavior in three dimensions of purchase intention, acceptance and continuity is the dependent variable of model. As mentioned, features of product, economic considerations and time saving have been mentioned as the most important components which develop functional motives of internet purchase. On the other hand, entertainment, intrinsic pleasure and familiarity with new process refer to the factors which develop non-functional motives. Firstly, effect of internet purchase motives on process on internet purchase behavior is examined. Thereby, it can perceive the effect that purchase motives might have on internet purchase process. Age, gender and education are the confounding variables of this model. Here, we seek to give a response to this question whether these variables affect purchase motives of individuals or not.

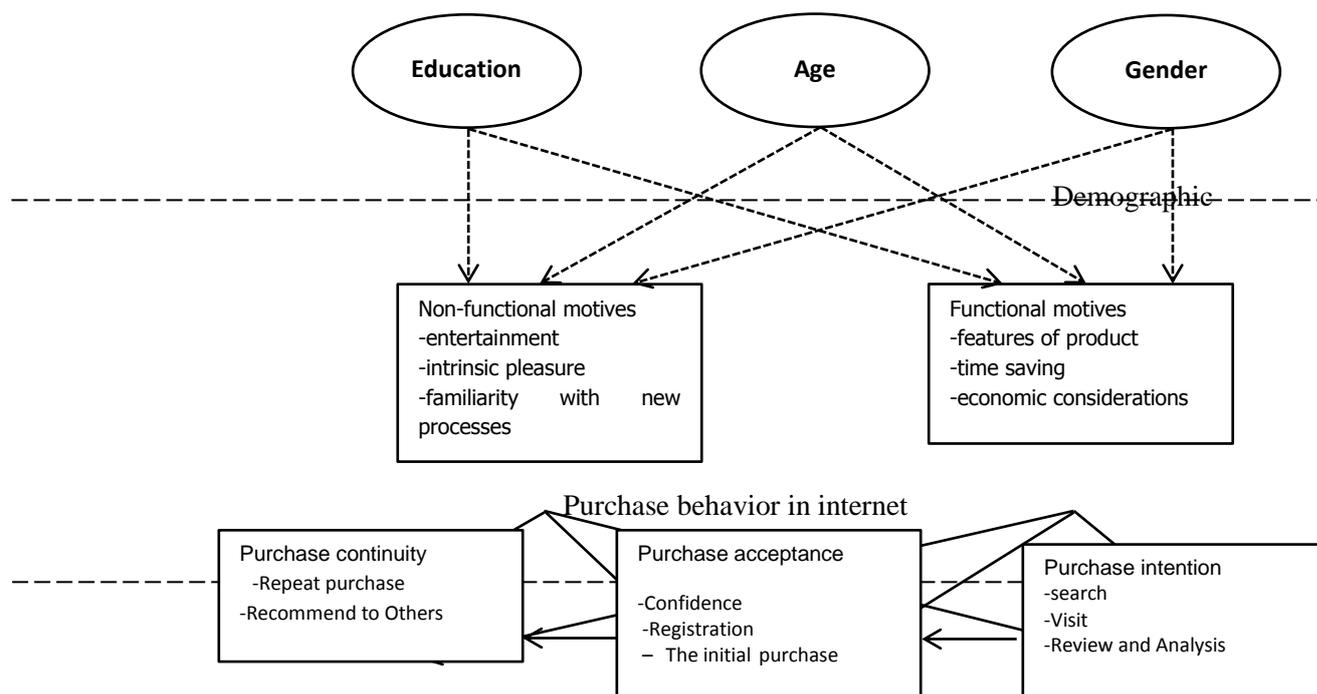


Figure 2. Conceptual framework of research

Research method

This research is an applied research in sake of aim and a survey in sake of type of data. The statistical population consists of the internet

purchasers of NetBarg Company across Iran. Questionnaire was used as the instrument to collect data, which 166 customers of internet NetBarg shopping center were selected as the



sample group. After collecting data, the hypotheses were analyzed via correlation test, regression analysis and path analysis technique. Spearman correlation test is used to analyze data concerning the bivariate analysis of the relationship between variables. In Spearman correlation test, severity of relationship and type of relationship are specified using correlation coefficient. After determining whether a relationship exists between variables or not, we predict the changes in dependent variable through independent variables using regression analysis and estimate share of each of independent variables so as to determine

dependent variable. Further, Mann–Whitney and Kruskal–Wallis one-way analysis of variance are used to detect difference between different consumer groups in terms of influence of their purchase motives to their purchase behavior in terms of gender, age and education level.

Results from research

All the hypotheses were confirmed based on results from correlation test and just hypothesis 6 concerning effect of non-functional motives on purchase continuity was not confirmed. The results from hypotheses testing together with the coefficients from regression analysis can be observed in figure 3.

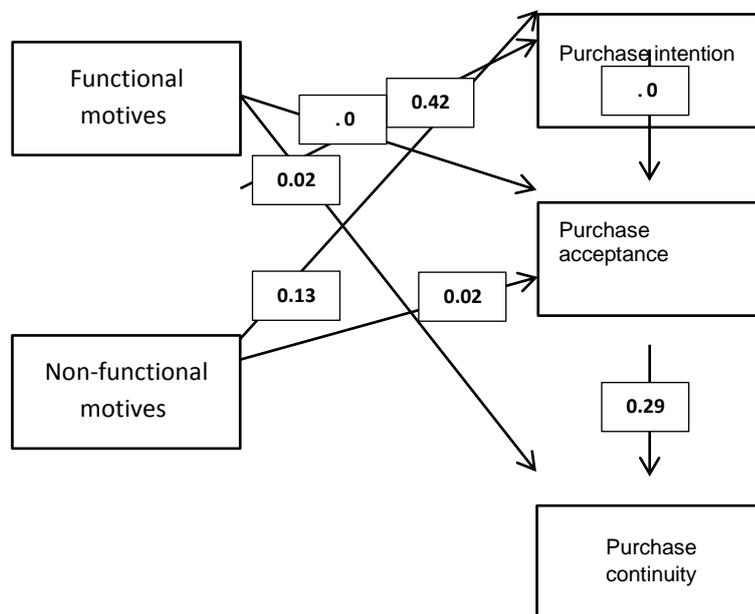


Figure 3. Results from hypotheses test

Results from comparison tests indicate that:

- 1-amount of functional and non-functional motives of internet purchase is greater among men than women.
- 2-amount of purchase intention and purchase acceptance is greater among men than women, yet there is no difference between amount of purchase continuity among men and women.
- 3-amount of functional motives of internet purchase is greater among the individuals with bachelor, master and high degrees than the rest of individuals, yet amount of non-functional motives of internet purchase is greater among the

- individuals with diploma and under diploma degree than rest of individuals.
- 4-there is no difference between amount of internet purchase intention among different education groups. Amount of internet purchase acceptance is greater among the individuals with bachelor, master and higher degrees than rest of individuals and there is no difference on amount of internet purchase continuity among different education groups.
- 5-amount of functional motives of internet purchase is greater among the individuals at age group 35-45 years old than the individuals at age



group 25-35 years old. There is no difference on amount of non-functional motives at different age groups.

6- there is no difference on amount of purchase intention at different age groups. Amount of internet purchase acceptance is greater among the individuals under 25 years old than the individuals at age group 25-35 years old. There is no difference on purchase continuity at different age groups of purchasers.

Applied suggestions

With regard to the first to third hypotheses concerning effect of functional motives on purchase intention, purchase acceptance and purchase continuity, suggestions below are proposed:

1- NetBarg Company raises differentiation by making diversity in its products, providing the same products with different brands, providing products with higher quality than physical stores and persuades the visitors to purchase from their store.

2- NetBarg Company can attract more customers by providing cheaper prices and persuasive activities such as discounts, awards, competitions, festivals and seasonal sales.

3- NetBarg Company must diminish the time interval between process order, receiving fund, sending good and delivering to the customer as much as possible.

With regard to the fourth hypothesis concerning effect of non-functional motives on purchase intention and purchase acceptance, it is suggested to NetBarg Company to persuade the customers to visit this company by making interesting graphics and using colors properly as well as displaying products in interesting visions. Further, NetBarg Company can persuade the customers to purchase from this company by making relationship with customers, because a majority of people enjoy bargaining over price and observing their considered good.

With regard to the seventh hypothesis concerning effect of purchase intention on purchase acceptance, it is suggested to NetBarg Company

to persuade the customers to purchase by providing the most updated goods.

With regard to the eighth hypothesis concerning effect of purchase acceptance on purchase continuity, it is suggested to NetBarg Company to persuade the customers to have repetition on their purchase by making good benefits such as providing bonus and discount to the ones who repeat their purchase.

The present study indicated that non-functional motives of internet purchase do not result in purchase continuity. It is suggested to NetBarg Company to acquire customers' trust by providing online backup and direct relationship with customers.

Limitations and suggestions for future research

Questionnaire has been used as the research instrument to collect data that might not encompass all the data. The sample group consists of 166 individuals who might not agent for statistical population.

One of the findings of this study is that effect of non-functional motives on purchase continuity is low, thus it is suggested to consider this issue in future research. Other factors might affect the relationship between purchase motives and purchase behavior, thus future research must extend the conceptual model so as to increase capability of model application and increase the ability to predict it. There is this probability that purchaser's level of intellectual engagement with product and extent of use of internet has mediating effects on model. Therefore, it is suggested to the researchers to examine effect of these variables on purchase internet behavior in future research.

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