Research Article

A study on shopping propensity for overseas direct-buying consumers to establish online marketing strategies for domestic SME

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Abstract

Background/Objectives: In addition to the growth of the overseas direct-buying market, the use of online shopping malls has exploded due to the impact of COVID-19. Researched by grasping the shopping tendency of online consumers.

Methods/Statistical analysis: In this study, research hypotheses and models were established based on previous studies, and independent variables were set as practical value and pleasure value, as parameters were product attributes and price attributes, and dependent variables were set as shopping pleasure and purchase intention. Data was collected through questionnaires, and a confirmatory factor analysis was conducted to secure validity and reliability. Data were analyzed using AMOS 22.0.

Findings: The results of this study confirmed that consumers' practical value propensity and pleasure value propensity have a significant effect on the diversity of products, the value of product ownership, and price advantage, and have a significant effect on the enjoyment of shopping and purchase intention. However, it was found that the scarcity of products was not affected by all propensities of consumers, and the purchase intention was not affected. It was confirmed that even if the values sought by consumers are different, both functional and economic benefits are important.

Improvements/Applications: It will be an important resource for many SMEs to establish online marketing strategies by paying attention to the relationship that the consumer's shopping propensity influences on the enjoyment of shopping and purchase intention.

Keywords: Overseas direct purchase, Practical value, Hedonistic value, Price advantage, Shopping pleasure

1. Introduction

As Internet shopping expands and widens, consumers are pursuing various forms of shopping. Consumers are not limited to domestic Internet shopping malls, but as they lead to overseas direct purchases, the overseas direct purchase market has grown significantly. In addition to the growth of direct overseas search, the size of overseas direct employment in 2020 increased by 13.8% year-on-year to 958.1 billion won due to the influence of the novel coronavirus (COVID-19). Overseas direct jobs, which received attention mainly from young people, gradually expanded to various age groups and their growth accelerated. This expansion of direct overseas search is changing shopping trends and purchasing patterns.

As various types of purchases were made, not only the economic and functional benefits, but also the hedonistic satisfaction of enjoying the shopping behavior itself became possible. As such, the establishment of a strategy targeting the propensities that consumers pursue can act as a very important factor in marketing. However, compared to the rapid development of online shopping malls, strategic research through consumer propensity analysis is insufficient.

Therefore, this study attempts to empirically verify how product attributes and price attributes affect purchase intentions by dividing consumers' shopping tendencies into practical value seeking and pleasure seeking.

The practical value of shopping arises from acquiring goods or services to satisfy the needs of the actual state, and depends on how much the consumption needs that promote the shopping experience are achieved. [1].

In addition, the purchase behavior of consumers who value practical shopping value is logical, reasonable, and task-related, which reflects the cognitive aspect as the overall evaluation of the economical purchase or functional benefits of the product [2].

Pleasant value reflects the potential enjoyment and emotional worth of shopping, providing an experience in which you feel free, a fantastic mood and a sense of liberation through shopping[3].

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It was revealed that consumers' perception of product assortment and product quality in online retail stores has a significant influence on shopping satisfaction [4], and Internet shoppers are more interested in shopping in the process of searching and comparing products in a space that they can control. As they feel pleasure, the product assortment provides pleasure shopping convenience to consumers who want a variety of attractions [5].

Scarcity occurs when a product is given scarcity by limiting supply or limiting opportunities for a specific product due to an increase in demand or limited supply as'the condition of qualitatively/quantitatively limited or insufficient means of fulfillment compared to material needs' [6].

Ownership effect is manifested by possession or not, and this perception of possession is not only perceived through actual experience, but can also be manifested by the feeling that it is simply mine [7].

According to a survey by Jupiter Communications, the biggest reason for purchasing on the Internet was low price (80%), followed by information search (48%) and comparative shopping (31%) [8].

Satisfaction in shopping arises not only from external rewards generated from purchasing products or services, but also from emotional rewards generated from pleasure associated with purchases [9].

Purchasing intention refers to the consumer's planned future behavior, and is said to be the probability that beliefs and attitudes will be transferred to actual purchase behavior. Can be an important determinant [10].

Based on previous studies, this study will empirically show the relationship between consumer's shopping tendency, product attribute, and price attribute among several factors that influence the purchase intention of overseas direct purchase.

2. Materials and Methods

2.1. collecting data

In this study, a questionnaire was distributed to general days that used overseas direct purchase by using individual visit survey, e-mail, and the Internet, and a 5-point Likeard scale was used.

A total of 270 questionnaires were collected, but 182 valid samples were used for empirical analysis.

2.2. Research model

Based on previous studies, this study confirms the effect of consumer's pragmatic value propensity and pleasure value propensity on product attributes and price attributes, and how the attributes of products and prices affect purchase intentions. I tried to confirm.

Therefore, this study is schematically constructed by constructing a research model as shown in Figure 1.
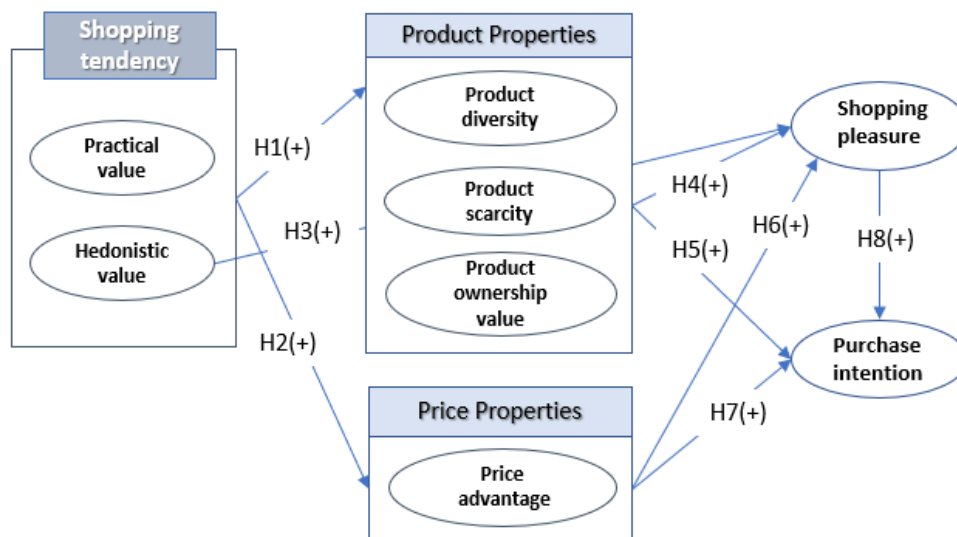

Figure 1. Research model

2.3. Research Hypothesis

Based on previous studies, hypotheses were established about consumer shopping propensity, overseas direct purchase product attributes (product diversity, product scarcity, product ownership value), price attribute (price advantage), shopping pleasure and purchase intention.

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H1-1 : Practical value will have a positive (+) effect on the product diversity.
H1-2 : Practical value will have a positive (+) effect on the product scarcity.
H1-3 : Practical value will have a positive (+) effect on the product ownership value.
H1-4 : Hedonistic value will have a positive (+) effect on the product diversity.
H1-5 : Hedonistic value will have a positive (+) effect on the product scarcity.
H1-6 : Hedonistic value will have a positive (+) effect on the product ownership value.

H2-1 : Practical value will have a positive (+) effect on price advantage.
H2-2 : Hedonistic value will have a positive (+) effect on price advantage.

H3 : Hedonistic value will have a positive (+) effect on the shopping pleasure.

H4-1 : The diversity of products will have a positive (+) effect on the shopping pleasure.
H4-2 : The scarcity of products will have a positive (+) effect on the shopping pleasure.
H4-3 : Product ownership value will have a positive (+) effect on the shopping pleasure.

H5-1 : Product diversity will have a positive (+) effect on purchase intention.
H5-2 : Product scarcity will have a positive (+) effect on purchase intention.
H5-3 : Product ownership value will have a positive (+) effect on purchase intention.

H6 : Price advantage will have a positive (+) effect on the shopping pleasure.
H7 : Price advantage will have a positive (+) effect on purchase intention.

H8 : Shopping pleasure will have a positive (+) effect on purchase intention.

2.4. Operational Definition of Variables
The independent variables of this study are practical value, product diversity, product scarcity, product ownership value as parameters of hedonistic value, shopping pleasure, and purchase intention as dependent variables of price advantage. All measurement variables adopted in this study were based on previous studies to ensure validity, and the definition of measurement variables and the composition of questionnaires were organized in Table 1.

Table 1 : Questionnaire

Evaluation items		Operational definition	source	questions
Practical value		1. Efficient purchase of overseas direct purchase 2. Economics of direct overseas search 3. The need for overseas direct search 4. Practicality of direct overseas search	Engel, Blackwell and Miniard(1995)[1]	4
Hedonistic value		1. Purpose of direct overseas search 2. Reasons for visiting overseas direct purchase 3. Hedonistic value comparison with domestic shopping malls 4. Spare time 5. Reasons for visiting overseas direct purchase 6. Overseas direct purchase promotions and events 7. Unique characteristics of overseas direct purchase products	Bloch and Richins[3]	7
Product properties	Product diversity	1. Various products available 2. Lots of products available 3. Equipped with famous brand products 4. Have hard-to-find products	Jaecheon Cho (2017)[12]	4
	Product scarcity	1. Limitation of product quantity 2. Limited supply of goods 3. Fewer consumer purchase possibilities	Hyun-kyung Kim(2018)[13]	5

		4. Products that are difficult to purchase in Korea 5. Differentiation from domestic products			
	Product Ownership value	1. Own a variety of products 2. Own a lot of goods 3. Buy faster 4. Overall purchase 5. Regret when not able to purchase	Daniel Kahneman & Richard H. Thaler(1991)[14]	5
Price properties	Price advantage	1. Inexpensive product price 2. Price discount benefits 3. Relatively cheap price 4. Low price of specific products	Hyoyeon Ma(2008) [5]	4
Purchase intention		1. Induce overseas direct purchase purchases 2. Willing to buy overseas direct purchase 3. Impulsive purchase of overseas direct purchase products 4. Possibility of positive word of mouth	Engel, Blackwell and Miniard(1995)[10], Davis(1989)[11], Jarvenpaa and Todd(1997)[9]	4

3. Results and Discussion

3.1. Statistical analysis results

3.1.1. Confirmatory factor analysis

Confirmatory factor analysis using AMOS 22.0 was conducted to secure the centralized validity of each variable in this study and to perform path analysis.

The analysis results confirmed that convergence validity was secured when all standardized loading values were 0.5 or more, and AVE values were all 0.5 or more, as in table 2. The CR value of each constituent concept is more than 0.7, which can be said to have convergence validity or internal consistency.

Table 2 : Confirmatory factor analysis

Latent variable	Measured variable	coefficient	Standardization coefficient	S.E	SMC	AVE	CR
Practical Value	PV1	1.000	.830		.689	0.662	0.792
	PV4	.833	.607	.143	.369		
Hedonistic value	HV1	1.000	.771		.594	0.621	0.891
	HV2	.990	.774	.091	.599		
	HV3	1.103	.860	.089	.739		
	HV4	1.200	.858	.097	.735		
	HV5	1.101	.852	.090	.726		
Product diversity	PD1	1.000	.657		.432	0.650	0.881
	PD2	1.292	.834	.143	.696		
	PD3	1.035	.726	.126	.528		
	PD4	1.140	.802	.129	.643		
Product scarcity	PS2	1.000			.000		
Product Ownership value	POV1	1.000	.813		.660	0.548	0.828
	POV2	1.019	.836	.087	.700		
	POV3	.832	.675	.090	.456		
	POV4	.893	.720	.090	.518		

Price advantage	PA1	1.000	.724		.525	0.716	0.882
	PA3	1.148	.892	.107	.795		
	PA4	1.032	.793	.104	.628		
Shopping pleasure	SP1	1.000	.798		.637	0.633	0.873
	SP2	.981	.803	.086	.644		
	SP3	1.186	.811	.103	.657		
	SP4	.999	.762	.094	.580		
Purchase Intention	PI1	1.000	.711		.506	0.729	0.931
	PI2	1.145	.837	.106	.701		
	PI3	1.163	.903	.100	.815		
	PI4	1.093	.839	.101	.703		
	PI5	1.131	.876	.100	.767		
model fit	χ^2=578.98(df=323), CMIN/df=1.796, GFI=.816, TLI= .901, CFI=.915, RMSEA=.067						

Next, the discriminant validity was evaluated by comparing the correlation coefficient between the concepts and the square root of AVE. As shown in Table 3, the square root value of AVE was higher than the correlation coefficient, so discriminant validity was secured.

Table 3 : Discriminant validity analysis

	(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)
(A) Practical Value	**0.662**							
(B) Hedonistic value	-0.087	**0.621**						
(C) Product diversity	0.390	0.171	**0.650**					
(D) Product scarcity	-0.029	-0.010	-0.226	**1.000**				
(E) Product ownership value	0.361	0.328	0.421	-0.082	**0.548**			
(F) Price advantage	0.620	0.047	0.538	-0.102	0.414	**0.716**		
(G) Shopping pleasure	0.174	0.478	0.485	-0.030	0.533	0.316	**0.633**	
(H) Purchase Intention	0.444	0.340	0.525	-0.170	0.618	0.5733	0.551	**0.729**

3.2. Hypothesis verification

3.2.1. Structural Equation Modeling

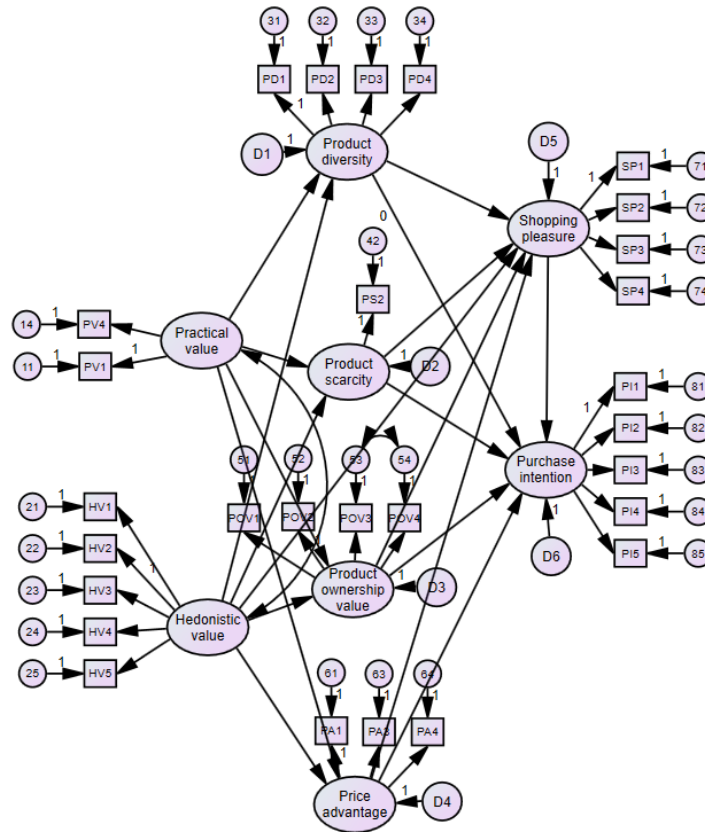The hypothesis of this study was verified using the structural equation model of AMOS 22.0 as shown in Figure 2.

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Figure 2. Structural Equation Modeling

In the structural equation model, the basis for the fit of each model is TLI (Tucker Lewis Index), CFI (Comparative Fit Index) values are .90~.95, and RMSEA (Root Mean Square Error of Approximation) values are. It was analyzed as a model with good fit.

Table 4 shows the results of analyzing the research model according to the structural equation model analysis.

The hypothesis that consumers' pragmatic value propensity and pleasure value propensity will have a positive effect on product diversity, product ownership, and price advantage was adopted, but product scarcity was not adopted. In addition, only the hypotheses of diversity of products, value of product ownership, and price advantage were adopted for the pleasure of shopping and purchase intention.

Table 4 : Research model analysis

Hypothesis	Model	B	β	C.R	P	result
H1-1	Practical Value → Product diversity	0.704	0.594	5.267	***	**adoption**
H1-2	Practical Value → Product scarcity	-0.243	-0.126	-1.459	0.144	Rejection
H1-3	Practical Value → Product ownership value	0.979	0.532	5.341	***	**adoption**
H1-4	Hedonistic value→ Product diversity	0.17	0.258	3.021	0.003	**adoption**
H1-5	Hedonistic value→ Product scarcity	-0.035	-0.033	-0.416	0.677	Rejection
H1-6	Hedonistic value→ Product ownership value	0.355	0.346	4.136	***	**adoption**
H2-1	Practical Value → Price advantage	1.03	0.777	6.284	***	**adoption**
H2-2	Hedonistic value → Price advantage	0.118	0.159	2	0.045	Rejection
H3	Hedonistic value → Shopping pleasure	0.322	0.368	4.764	***	**adoption**
H4-1	Product diversity → Shopping pleasure	0.418	0.316	3.505	***	**adoption**
H4-2	Product scarcity → Shopping pleasure	0.05	0.061	0.947	0.344	Rejection

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H4-3	Product ownership value → Shopping pleasure	0.193	0.227	2.686	0.007	**adoption**
H5-1	Product diversity → Purchase Intention	0.094	0.079	1.014	0.311	Rejection
H5-2	Product scarcity → Purchase Intention	-0.063	-0.086	-1.554	0.12	Rejection
H5-3	Product ownership value → Purchase Intention	0.263	0.341	4.311	***	**adoption**
H6	Price advantage→ Shopping pleasure	0.046	0.039	0.446	0.655	Rejection
H7	Price advantage→ Purchase Intention	0.323	0.302	3.818	***	**adoption**
H8	Shopping pleasure → Purchase Intention	0.244	0.270	3.431	***	**adoption**
Model fit	χ^2=558.017(df=331), CMIN/df=1.686, GFI=.824, TLI= .914, CFI=.925, RMSEA=.062					

* $p < .05$ ** $p < .01$ *** $p < .001$

4. Conclusion

This study is meaningful in that the influence of shopping propensity on purchase intentions according to the attributes of products and prices for the increasing number of overseas direct online shopping mall consumers is verified.

The purpose is to use it as basic data for online marketing of domestic SMEs by understanding consumer tendencies and establishing appropriate strategies in order to have a continuous competitive advantage of online shopping malls.

Therefore, the main results and implications of this study are as follows.

First, it was found that both the practical value propensity and the pleasure value propensity of consumers have an effect on the diversity of products, the value of product ownership, and the price advantage. This shows that even if the values that consumers seek are different, both functional and economic benefits are important.

Second, it was confirmed that the scarcity of products was not affected by both the consumer's pragmatic value pursuing direction and the pleasure value pursuing direction, and did not affect purchase intention. This shows that the purpose of direct purchase overseas is not to possess difficult or restricted products to purchase. Therefore, it is implied that whether or not there is a scarce value that informs consumers that the purchase possibility is limited is not effective.

Third, it was confirmed that the consumer's propensity to pursue the hedonistic value affects the enjoyment of shopping and also leads to purchase intention. It can be seen that consumers not only gain economic benefits through direct overseas search, but also want to obtain important pleasure values through the pleasure of a hedonistic shopping experience.

Through this study, the diversity of products and price advantage should be secured as sufficient conditions to give consumers satisfaction when establishing strategies for online shopping malls. Seems to be necessary.

This study is expected to be meaningful in that it provided implications for the establishment of online marketing strategies for SMEs in Korea.

In addition, it is determined that various studies are needed by expanding additional variables in the future.

5. Acknowledgment

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